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INDEX (AND SUMMARY) OF S. 2594

February 5, 1952 Senator Maybank introduced S. 2594 to extend provisions of the Defense Production Act of 1952 as amended, and the Housing and Rent Act of 1947 as amended. Print of bill as introduced.

February 11, 1952 Both Houses received the President's message recommending extension of the Defense Production Act. (H. Doc. 347). Print of House Document.

Pursuant to the President's message, Senator Maybank introduced S. 2645 which amends the Butler-Hope amendment, repeals the import-control provision (Sec. 104), increases from \$2,100,000,000 to \$3,000,000,000 as an amount which may be outstanding at any one time as loans from the Treasury to finance agencies' activities under the Act, and other provision. Print of bill as introduced.

March 4, 1952 Hearings: Senate on S. 2594 and S. 2645, parts 1-5.

March 26, 1952 Agreed to mark up S. 2594

April 7, 1952 Mr. Hunter introduced H. R. 7432, to amend section 104 of the Defense Production Act, 1950, relating to import controls. Print of bill as introduced.

April 21, 1952 Prints of various amendments as proposed to S. 2594.

April 29, 1952 Hearings: House, on H. R. 6546.

May 12, 1952 Amendment to S. 2594, intended to be proposed by Mr. Young. Print of the amendment.

May 13, 1952 Committee adopted numerous amendments to S. 2594.

May 21, 1952 Ordered reported with amendments.

May 26, 1952 Mr. Mundt proposed an amendment to S. 2594. Print of amendment as proposed.

May 27, 1952 Reported with amendments. (S. Rept. 1599)
Print of the bill as reported.

May 28, 1952 Made the unfinished business.

Prints of various amendments to S. 2594.

Remarks by various members on the floor of the House.

INDEX AND SUMMARY OF S. 2594

February 5, 1952	Senator Byrd introduced S. 2594 to extend provisions of the Defense Production Act of 1950 as amended, and the Housing and Rent Act of 1951 as amended. Print of bill as introduced.
February 11, 1952	Both Houses received the President's message recommending extension of the Defense Production Act. (H. Doc. 347). Print of House Document.
	Transmitted to the President's message, Senator Byrd introduced S. 2594 which amends the Housing and Rent Act, extends the import-control provisions (Sec. 304), increases from \$2,100,000,000 to \$2,500,000,000 an amount which may be outstanding at any one time as loans from the Treasury to finance authorized activities under the Act, and other provisions. Print of bill as introduced.
March 4, 1952	Committee: Senate on S. 2594 and S. 2595, March 1-4.
March 25, 1952	Amended to read: S. 2594
April 7, 1952	Mr. Byrd introduced "S. 2594, to extend provisions of the Defense Production Act, 1950, relating to import controls." Print of bill as introduced.
April 21, 1952	Prints of various amendments as proposed to S. 2594.
April 29, 1952	Committee: House, on H. R. 6546.
May 12, 1952	Amendment to S. 2594, intended to be proposed by Mr. Byrd. Print of the amendment.
May 13, 1952	Committee adopted without amendment S. 2594.
May 21, 1952	Ordered reported with amendments.
May 26, 1952	Mr. Byrd proposed an amendment to S. 2594. Print of amendment as proposed.
May 27, 1952	Reported with amendments. (S. Rept. 1270). Print of the bill as reported.
May 28, 1952	Made the unfinished business.
	Prints of various amendments to S. 2594.
	Remarks by various members on the floor of the House.

May 29, 1952 Senate began debate on S. 2594, to extend and amend the Defense Production Act. Rejected, 18-52, the Dirksen amendment to discontinue price-wage controls.

June 17, 1952 Prints of various amendments proposed to S. 2594.

June 2, 1952 Prints of various amendments intended to be proposed to S. 2594.

June 29, 1952 Continued debate on H. R. 8210.

June 3, 1952 Prints of various amendments intended to be proposed to S. 2594.

June 20, 1952

June 4, 1952 Senate continued debate on S. 2594.

June 5, 1952 Continued debate.

Amendment in the nature of a substitute intended to be proposed by Mr. Morse to the amendment proposed by Mr. Maybank. Print of amendment.

June 9, 1952 Discussed S. 2594.

June 10, 1952 Continued debate on S. 2594, to extend the Defense Production Act, considering amendments relating to the steel strike.

Prints of various amendments proposed to S. 2594.

June 11, 1952 Continued debate on S. 2594. Agreed to Williams amendment providing that, when price control is imposed on an agricultural commodity at the farm level, OPS must impose margin controls on handlers of the commodity, at not more than their normal margins. Agreed, 46-31, to a Fulbright amendment designed to permit continuation of the allocation of materials through the International Materials Conference. Rejected, 33-37 a Schoepfel amendment requiring that each regulation and order on prices and wages shall be generally fair and equitable and permitting protests on ceilings on agricultural commodities.

June 27, 1952

June 23, 1952 Prints of various amendments intended to be proposed to S. 2594.

June 12, 1952 Senate passed, 58-18, with amendments, S. 2594.

June 30, 1952

June 16, 1952 Mr. Spence introduced H. R. 8210 which was referred to the Committee on Banking and Currency. Print of the bill as introduced. (Companion bill)

July 1, 1952 Committee on Banking and Currency reported H. R. 8210 without amendment. (H. Rept. 2177). Print of bill as reported.

Received from the President a supplemental appropriation estimate of \$168,360,000 for operations under this bill. House Document 504. Print of Document.

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Amendment in the nature of a substitute intended to be proposed by Mr. Morse to the amendment proposed by Mr. Maybank. Print of amendment.

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June 9, 1952

Continued debate on S. 2594, to extend the Defense Production Act, considering amendments relating to the steel strike.

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June 11, 1952

Prints of various amendments intended to be proposed to S. 2594.

Senate passed, 58-18, with amendments, S. 2594.

June 12, 1952

Mr. Spence introduced H. R. 8210 which was referred to the Committee on Banking and Currency. Print of the bill as introduced. (Continuation bill)

June 16, 1952

Committee on Banking and Currency reported H. R. 8210 without amendment. (H. Rept. 217). Print of bill as reported.

Received from the President a supplemental appropriation estimate of \$168,360,000 for operations under

June 17, 1952 Committee reported H. Res. 696 (H. Rept. 2187) for consideration of H. R. 8210. Print of the resolution as reported.

June 18, 1952 House concluded general debate on H. R. 8210.

June 19, 1952 Continued debate on H. R. 8210.

June 20, 1952 Continued debate on H. R. 8210

June 25, 1952 House continued debate on H. R. 8210

June 26, 1952 Laid H. R. 8210 on table due to passage of S. 2594.

House passed S. 2594 in lieu of H. R. 8210. Print of bill with amendment of the House of Representatives.

Before passing the bill, the House agreed to the following amendments:

By Rep. Talle, to suspend price control when materials have been sold below ceilings for 3 months or when such materials are in adequate supply and are not rationed; by a 210-182 vote.

By Rep. Cole, Kans., to guarantee percentage mark-ups of individual wholesalers and retailers; by a 231-164 vote.

By Rep. Lucas, to abolish the Wage Stabilization Board and create a new agency that could not deal with labor disputes; by a 256-138 vote.

By Rep. Smith, Va., requesting the President to invoke the Taft-Hartley Act in connection with the steel dispute; by a 228-164 vote.

Rejected, 150-244, the Barden amendment to end price and wage controls on July 31, 1952.

June 27, 1952 Conference Report ordered to be printed. (H. Rept. 2352).

June 28, 1952 Both Houses agreed to Conference Report. Print of House Report 2352.

SEC. 2. Sections 4 (c) and 204 (1) of the Housing and Rent Act of 1947, as amended, are each amended by striking out "June 30, 1953" and inserting in lieu thereof "June 30, 1952".

June 30, 1952 Approved: Public Law 429, 82nd Cong. 2nd Session

July 1, 1952 Statement by the President.

S. 2594

IN THE SENATE OF THE UNITED STATES

February 3 (legislative day, January 30), 1962

Mr. McNamara introduces the following bill, which concerns and relates to
the Committee on Banking and Currency

A BILL

To extend the provisions of the Defense Production Act of 1950
as amended, and the Housing and Rent Act of 1950, as
amended.

Be it enacted by the Senate and House of Representatives
of the United States of America in Congress assembled,
That sections 714 (a), (b), and 717 (a) of the Defense
Production Act of 1950, as amended, are each amended
by striking out "June 30, 1962" and inserting in lieu thereof

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5 (legislative day, JANUARY 10), 1952

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That sections 714 (a) (4) and 717 (a) of the Defense
4 Production Act of 1950, as amended, are each amended
5 by striking out "June 30, 1952" and inserting in lieu thereof
6 "June 30, 1953".

7 SEC. 2. Sections 4 (e) and 204 (f) of the Housing and
8 Rent Act of 1947, as amended, are each amended by strik-
9 ing out "June 30, 1952" and inserting in lieu thereof "June
10 30, 1953".

A BILL

To extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

By Mr. MAYBANK

FEBRUARY 5 (legislative day, JANUARY 10), 1952

Read twice and referred to the Committee on
Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 6, 1952

For actions of February 5, 1952

82nd-2nd, No. 18

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed bill to assist in preventing entry of wetbacks. Sen. Williams criticized administration of CCC grain storage program. Sen. Maybank introduced and discussed bill to extend Defense Production Act. Sen. Jenner introduced and discussed bill to require uniform discounts for future and cash markets on commodity exchanges. Sen. O'Mahoney submitted monograph on program to stimulate wool production.

SENATE

- 1. ALIEN ENTRY.** Passed as reported S. 1851, to strengthen the authority of the Justice Department in preventing aliens from entering or remaining in the U. S. illegally. Sen. Kilgore explained that the bill was largely aimed at the Mexican "wetback" problem and that the Mexican government was in favor of the bill as a preliminary to the continuation of the agreement for entry of temporary laborers from that country. (pp. 802-11, 813-24.) Rejected, 12-69, a Douglas amendment making it a felony to employ an alien illegally in the U. S. when the employer had actual or constructive knowledge of the facts (pp. 808-22). Also rejected a Douglas amendment making it a felony to employ such a person when the employer had actual knowledge (pp. 822-4).
- 2. CCC GRAIN STORAGE.** Sen. Williams strongly criticized various aspects of administration of the CCC grain-storage program and denied that his amendment had interfered with CCC operations (pp. 826-30).
- 3. WOOL PRODUCTION.** Sen. O'Mahoney submitted a monograph regarding a program to stimulate the production of domestic wool, which was ordered printed as S. Doc. 100 (pp. 797-8).

HOUSE

- 4. RICE.** Rep. Beckwerth, Tex., inserted tables showing acreage allotments, planted acreage, production, and value of the 1950 rice crop, by counties, for the States of Arkansas, Louisiana, Texas, California, and other producing States (pp. 847-9).
- 5. MINERALS.** The Interior and Insular Affairs Committee reported with amendments H. R. 472, to permit the mining, development, and utilization of the mineral

resources of all public lands withdrawn or reserved for power development (H. Rept. 1296) (pp. 850-1).

6. **EXTENSION WORK.** Rep. Wickersham, Okla., inserted a letter from the Oklahoma City Milk Producers Association stating that Oklahoma will receive a reduction in Federal contributions for extension work because of the decrease in rural population, which reduction will result in the displacement of 24 assistant county agents leading 4-H Club work. The letter asks that Congress take some action to help in the situation. (p. 832.)
7. **COMMERCE APPROPRIATIONS.** Received from the President a draft of proposed language provision for the fiscal year 1952 for the Commerce Department (H. Doc. 340) (p. 850); to Appropriations Committee.

BILLS INTRODUCED

8. **COMMODITY EXCHANGE.** S. 2591, by Sen. Jenner, to amend section 5a of the Commodity Exchange Act, so as to provide for the same discount on grain delivered against futures contracts as in the case of grain sold in the cash market; to Agriculture and Forestry Committee (p. 796). Sen. Jenner discussed the purposes of the bill and inserted an article by Phil S. Hanna on the subject (pp. 796-7).
9. **EMERGENCY CONTROLS.** S. 2594, by Sen. Maybank, to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to Banking and Currency Committee (p. 796). Sen. Maybank said the bill provides for an extension of the "programs of material allocation price, credit, and rent controls, and the life of the Small Defense Plants Administration," and that he is introducing it at this time in order that the Committee may begin hearings. He also inserted a summary of the bill and discussed it with Sens. Capehart and Lehman. (pp. 798-9.)
10. **BUDGETING.** S. 2602, by Sen. Humphrey (for himself and Sens. Benton, Lehman, Moody, and Murray), and H. R. 6441, by Rep. Roosevelt, N. Y., to promote greater economy in the operations of the Federal Government by providing for a consolidated cash budget, a separation of operating from capital expenditures, long-range budget estimates, the scheduling of legislative action on appropriation measures, yea and nay votes on amendments to appropriation measures, and a Presidential item veto; to Expenditures in Executive Departments Committees (pp. 796, 851). Remarks of Sen. Humphrey (p. 797). Remarks of Rep. Roosevelt (pp. 844-5).
11. **ELECTRIFICATION.** H. R. 6436, by Rep. Jackson, Wash., to change the name of the Bonneville Power Administration to the Columbia Power Administration; to Public Works Committee (p. 851).
12. **WATER UTILIZATION.** H. R. 6440, by Rep. Patman, Tex., to revive and reenact section 6 of the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control and for other purposes," approved Dec. 22, 1944; to Public Works Committee (p. 851).
13. **PERSONNEL.** H. R. 6438, by Rep. McDonough, Calif., amending the Civil Service Retirement Act of 1930; to Post Office and Civil Service Committee (p. 851).
14. **EDUCATION.** H. R. 6429, by Rep. Betts, Ohio, to provide financial assistance in the construction of schools, for local educational agencies affected by Federal acquisition of real property; to Education and Labor Committee (p. 851).



Congressional Record

United States
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PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, SECOND SESSION

Vol. 98

WASHINGTON, TUESDAY, FEBRUARY 5, 1952

No. 18

Senate

(Legislative day of Thursday, January 10, 1952)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate pastor, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Since it is of Thy mercy, O gracious Father, that another day is added to our lives, we pause in this quiet moment to dedicate it to the service of our fellow men. We give thanks with deep humility that we are summoned to live and give in such a time. Keep us ever mindful that we have been set apart to serve in a climactic hour, that our thoughts, our attitudes, our words, and our acts are not our own, but go out from this place to influence and to mold the structure of human relationships. For the fabric and fiber which we shall put into our task this day, prepare us now, we beseech Thee, O God. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 4, 1952, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2169) authorizing the acquisition by the Secretary of the Interior of Gila Pueblo, in Gila County, Ariz., for archeological laboratory and storage purposes, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 401. An act to amend the Nationality Act of 1940, as amended;

H. R. 1055. An act to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas;

H. R. 3995. An act to authorize the Secretary of Commerce to transfer to the Department of the Navy certain land and improvements at Pass Christian, Miss.;

H. R. 4199. An act to authorize the transfer of lands from the jurisdiction of the Secretary of the Interior to the jurisdiction of the Secretary of Agriculture;

H. R. 4407. An act to amend sections 213 (b), 213 (c), and 215 of title II of the Ha-

waiian Homes Commission Act, 1920, as amended;

H. R. 4408. An act to amend section 73 (1) of the Hawaiian Organic Act;

H. R. 4515. An act to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes;

H. R. 4686. An act authorizing the transfer of a certain tract of land in the Robinson Remount Station, Fort Robinson, Dawes County, Nebr., to the city of Crawford;

H. R. 4797. An act to ratify and confirm Act 291 of the Session Laws of Hawaii, 1949, section 2 of Act 152 of the Session Laws of Hawaii, 1951, and section 2 of Act 171 of the Session Laws of Hawaii, 1951, which included Maui County Waterworks Board, Kauai County Waterworks Board, and the board of water supply, county of Hawaii, under the definition of "municipality" in the issuance of revenue bonds pursuant to the Revenue Bond Act of 1935;

H. R. 4799. An act to amend section 73 (1) of the Hawaiian Organic Act;

H. R. 4800. An act to further amend section 202 (a) of the Hawaiian Homes Commission Act, 1920, as amended, relating to membership on the Hawaiian Homes Commission;

H. R. 5369. An act to authorize the exchange of certain lands located within, and in the vicinity of, the Federal Communications Commission's primary monitoring station, Portland, Oreg.;

H. R. 5599. An act to provide for the conveyance of the Centre Hill Mansion, Petersburg, Va., to the Petersburg Battlefield Museum Corporation, and for other purposes.

H. R. 5601. An act relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va.; and

H. R. 5680. An act to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), as amended, so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MAGNUSON, and by unanimous consent, the Committee on Foreign Relations was authorized to sit during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare investigating the wetback situation was authorized to sit this afternoon during the session of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to transact routine business, without debate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPRESENTATION OF CONSUMER PUBLIC ON BOARD OF DIRECTORS OF FEDERAL RESERVE BOARD—RESOLUTION OF MINNEAPOLIS (MINN.) CENTRAL LABOR UNION

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Central Labor Union of Minneapolis, Minn., on January 15, 1952, relating to the inclusion of nonfinancial and non-commercial representation on the boards of directors of the 12 district banks and the Federal Reserve Board in Washington, thus giving representation to the great consumer public.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

JANUARY 15, 1952.

HON. HUBERT H. HUMPHREY,
Senate Office Building,

Washington, D. C.

HONORABLE SENATOR: The Central Labor Union at the last meeting went on record to adopt the following resolution:

"Whereas the money power of this our country is now divorced from our civil government; and

"Whereas this power to create money wields a great deterrent to freedom and democratic government; and

"Whereas our money values fluctuate at the dictate of powerful business and banking interests, both national and international; and

"Whereas the purchasing power of the dollar has declined so rapidly that the welfare of the common man is in jeopardy; and

"Whereas the Federal Reserve System was instituted to expand our monetary system and credit facilities to meet the requirements of rapidly growing economy; and

"Whereas the monetary and credit policies of the Federal Reserve banks are dictated by bankers and powerful business interests, which policies are not formulated with the intent of benefiting the masses; and

"Whereas our Constitution delegates that the peoples' representatives (Congress) shall

coin all money and regulate our monetary problems: Be it hereby

Resolved then, That the Congress of the United States be implored to return to the intent of our Constitution and take steps at once to include nonfinancial and noncommercial representation on the board of directors, not only on the board of the various 12 district banks, but in the Federal Reserve Board in Washington, thus giving representation to the great consumer public."

Trusting that favorable action will be taken on the above resolution, we remain

Sincerely yours,

DOMINIC ZAPPIA,
Recording Secretary.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FERGUSON:

S. 2589. A bill for the relief of Basil Peter Kizy; and

S. 2590. A bill for the relief of Elisa Albertina Cioccio Rigazzi or Elisa Cioccio; to the Committee on the Judiciary.

By Mr. JENNER:

S. 2591. A bill to amend section 5a of the Commodity Exchange Act, as amended, so as to provide for the same discount on grain delivered against futures contracts as in the case of grain sold in the cash market; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JENNER when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART (for himself, Mr. JOHNSON of Colorado, Mr. JENNER, Mr. MAYBANK, Mr. ROBERTSON, Mr. FREAR, Mr. DOUGLAS, Mr. IVES, Mr. KEM, Mr. THYE, Mr. BRICKER, Mr. WILLIAMS, Mr. ECTON, Mr. WATKINS, Mr. MARTIN, and Mr. SALTONSTALL):

S. 2592. A bill to amend section 403 (b) of the Civil Aeronautics Act of 1938 so as to permit the granting of free or reduced-rate transportation to ministers of religion; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. CAPEHART when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 2593. A bill for the relief of Jean Hamamoto, also known as Sharon Lea Brooks; to the Committee on the Judiciary.

By Mr. MAYBANK:

S. 2594. A bill to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to the Committee on Banking and Currency.

(See the remarks of Mr. MAYBANK when he introduced the above bill, which appear under a separate heading.)

By Mr. LODGE:

S. 2595. A bill for the relief of Constance Brouiner Scheffer; and

S. 2596. A bill for the relief of Louis R. Chadbourne; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2597. A bill for the relief of Antonio Joseph Aikler; to the Committee on the Judiciary.

By Mr. IVES:

S. 2598. A bill for the relief of Emilio Veschi; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2599. A bill to establish a Presidential Honors Board; to provide for the conferring of awards to be known as the Presidential Gold Medal, the Presidential Silver Medal, and the Presidential Bronze Medal; and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. IVES:

S. 2600. A bill for the relief of Samuel V. Goekjian; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2601. A bill for the relief of Lucy Personius; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. BENTON, Mr. LEHMAN, Mr. MOODY, and Mr. MURRAY):

S. 2602. A bill to promote greater economy in the operations of the Federal Government by providing for a consolidated cash budget, a separation of operating from capital expenditures, the scheduling of legislation action on appropriations measures, yeas-and-nays votes on amendments to appropriation measures, and a Presidential item veto; to the Committee on Expenditures in the Executive Departments.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. FREAR (for himself and Mr. WILLIAMS):

S. J. Res. 128. Joint resolution designating the period beginning on the Sunday before Thanksgiving Day and ending on the Sunday after Thanksgiving Day of each year as "Homemakers Week"; to the Committee on the Judiciary.

AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO DISCOUNT ON CERTAIN GRAIN IN FUTURES MARKETS

Mr. JENNER. Mr. President, I introduce for appropriate reference a bill which would amend the Commodity Exchange Act in such a way as to require uniform discounts for grain delivered in the futures markets and cash markets of the Nation.

The present abuses which this proposed legislation is designed to correct are described very ably by Phil S. Hanna in an article published in the Chicago Daily News of January 19, 1952.

As Mr. Hanna points out, there is often a wide variation in the discount applied against the same quality of grain in the cash market and in the futures market. For example, No. 3 yellow corn of 17½ percent moisture content is discounted 6 cents per bushel when the farmer sells it in the cash market. Yet this same corn can be delivered on the Chicago Board of Trade at a discount of only 2 cents per bushel. This difference of 4 cents rightfully belongs to the producer but he is not receiving it under present practices.

The differential in cash oats and futures oats prices has also brought a flood of Canadian oats into the United States. During the last crop year some 30,000,000 bushels of Canadian oats entered the United States market and it is estimated that 40,000,000 bushels will come in during the 1951-52 crop year. At one time last summer, approximately one-third of all the storage space in Chicago was occupied by Canadian oats—this at a time when American farmers were forced to market their oats at prices well below parity.

It certainly makes no sense to attempt to support American farm prices even at minimum levels when we not only permit but actually encourage the importation of foreign grains. Because Canada has, in addition to large quantities of oats and barely, a huge supply of low-grade feed wheat, we may expect to see feed grain importations from

that country at an all-time high level this year unless something is done to protect American agriculture against indiscriminate dumping.

Although the Department of Agriculture has ample authority under the so-called section 22 to shut off imports whenever they are jeopardizing our domestic price-support program, I have never heard of this authority being invoked in the case of grains, and I can only assume that it never will be used by this administration to protect American farmers.

During the last session I introduced S. 2204, which would prohibit the delivery of foreign-grown grains and certain other specified commodities against futures contracts in the United States. This bill is currently before the Senate Committee on Agriculture and Forestry. While it would not shut off the flow of foreign farm commodities completely, I am certain that it would discourage such importations, particularly in cases where the grains are brought into the country not for normal distribution in regular commercial channels but solely for delivery against futures contracts with a view toward depressing futures prices. It is an indisputable fact that some Canadian oats were brought into this country last year at a loss by the importer who obviously expected to recoup by delivering them in the futures market and forcing prices downward.

The American farmer, harassed by high taxes, high labor costs, and soaring machinery prices, is entitled to protection against cheap foreign farm goods. He must look to Congress for that protection. Certainly he will never get it from the free traders in the State and Agriculture Departments.

I ask unanimous consent that the article by Phil S. Hanna, published in the Chicago Daily News of January 19, 1952, be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the article will be printed in the RECORD.

The bill (S. 2591) to amend section 5a of the Commodity Exchange Act, as amended, so as to provide for the same discount on grain delivered against futures contracts as in the case of grain sold in the cash market, introduced by Mr. JENNER, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

The article presented by Mr. JENNER is as follows:

BLAME GRAIN TRADE LOSS ON MARKET'S OLD RULES—CHICAGO BUSINESS SLIPS AWAY; OAT AND CORN RAISERS SUFFER

(By Phil S. Hanna)

Chicago, historically the gateway for moving the surplus grain of the West to the consumption areas of the East, has been steadily losing ground in recent years.

We still have the board of trade, world's largest grain market, where supply and demand clash to fix a free and open price for grain throughout the world. But various factors have diverted some of the grain from the Chicago market. The shift is a detriment to Chicago commerce.

One of the reasons for loss of business is the movement of grain to ports on the Gulf of Mexico.

But there are important other causes why Chicago has been losing grain trade.

The farmers of the country have been increasing yields per acre and increasing the quality of their grain, but the Chicago Board of Trade still conducts its business under rules and regulations formulated 50 to 75 years ago.

There has been no real attempt to recognize the changes that have taken place in agriculture.

Hence Chicago is not getting the grain that otherwise might come here.

A good example of how obsolete regulations can affect Chicago trade can be seen in the handling of the oat crop.

During the last 2 decades the science of raising oats has vastly improved, the hulls are heavier, the farmers are raising more oats per bushel.

The weight of a bushel of oats has been raised several pounds a bushel.

A survey was made of all the oats received in Chicago during 1950. This showed an average weight of 35.7 pounds a bushel.

Yet the standard delivery weight on the board of trade still is 32 pounds.

It is even permissible to deliver oats weighing 27 pounds a bushel on contracts.

There are of course premiums and discounts for variations in quality and weight in the board's standards. But the futures prices in Chicago are still predicated on 32 pounds a bushel.

This penalizes the seller as high as 7 cents a bushel on his heavy oats.

From the merchant's point of view it is difficult to sell oats weighing 32 pounds a bushel when competitive markets are offering oats weighing 35 or 36 pounds on a relatively cheaper basis. This hurts the Chicago market.

Take the Canadian oats situation.

Canadian oats have poured into the United States by the millions of bushels, in part because Canadian standards recognize that farmers are producing heavier oats.

The differential draws oats to the United States, but the American dealer does not get any benefit therefrom on account of the 32-bushel standard at the board of trade.

At times, with futures at the same price in both Canada and the United States, Canadian oats really are selling 7 cents or more a bushel below Chicago prices.

This creates a tremendous import movement into our country and depresses Chicago prices still further.

One effect of this is to establish a two-price system in the United States prices in Iowa and other major oats producing areas have been 10 to 15 cents a bushel higher than Chicago prices. Normally oats in outlying areas sell at a discount to permit shipment into this market.

A further aggravation is the rule that permits the presence of black hulls in the oats received from Canada and applied on Chicago futures contracts.

Naturally such oats do not appeal to feed manufacturers who desire uniform color.

Discounts of as much as 7 cents a bushel have existed between the ordinary No. 3 extra heavy white oats with uniform color, and the Canadian oats containing black hulls. But the board's regulations do not square with that situation.

In corn there is a similar situation.

Farmers suffer likewise by the unrealistic system of figuring discounts on wet corn, and much of the popular hybrid corn is wet corn.

According to the rules, No. 3 yellow corn, for example, with a moisture content of 17½ percent is worth 6 cents a bushel under the contract price to the seller.

Yet the identical corn can be delivered on futures contracts at 2 cents under contract price.

Here is 4 cents a bushel profit that belongs to the farmer. Penalties on higher moisture

corn are even more drastic. The wetter the corn the more money the elevator makes on its resale.

Both producers and consumers are hurt by this process. Either the scales that determine moisture are obsolete or else the discounts allowed on deliveries should be changed to meet the realities.

If standards were changed to meet the times the trade could merchandise grains better and more widely both at home and abroad.

Grain men appreciate that someday we must sell competitively in foreign markets without Government subsidies. Hence they say Chicago standards should be changed so they will not suffer these serious disadvantages.

New grading provisions and an acceptance of the realities of the cash grain situation would tend to improve the merchandising abilities of the grain merchants in this area. If this were done, Chicago could insure its preeminence as the world's commodity center.

AMENDMENT OF CIVIL AERONAUTICS ACT, RELATING TO FREE OR REDUCED-RATE TRANSPORTATION TO MINISTERS OF RELIGION

Mr. CAPEHART. Mr. President, on behalf of myself, the Senator from Colorado [Mr. JOHNSON], my colleague, the junior Senator from Indiana [Mr. JENNER], the Senator from South Carolina [Mr. MAYBANK], the Senator from Virginia [Mr. ROBERTSON], the junior Senator from Delaware [Mr. FREAR], the Senator from Illinois [Mr. DOUGLAS], the Senator from New York [Mr. IVES], the Senator from Missouri [Mr. KEM], the Senator from Minnesota [Mr. THYE], the Senator from Ohio [Mr. BRICKER], the senior Senator from Delaware [Mr. WILLIAMS], the Senator from Montana [Mr. ECTON], the Senator from Utah [Mr. WATKINS], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Massachusetts [Mr. SALTONSTALL], I introduce for appropriate reference a bill to amend section 403 (b) of the Civil Aeronautics Act of 1938 so as to permit the granting of free or reduced-rate transportation to ministers of religion. The bill reads as follows:

Be it enacted, etc., That the second sentence of subsection (b) of section 403 of the Civil Aeronautics Act of 1938, as amended, is amended by inserting immediately after the clause "persons injured in aircraft accidents and physicians and nurses attending such persons;" the following: "ministers of religion".

Mr. President, the purpose of the bill is to give to ministers of the gospel of all faiths the same right to half-fare on airlines which they have enjoyed for many years on railroads and busses.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2592) to amend section 403 (b) of the Civil Aeronautics Act of 1938 so as to permit the granting of free or reduced-rate transportation to ministers of religion, introduced by Mr. CAPEHART (for himself and other Senators), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

ECONOMY ACT OF 1952

Mr. HUMPHREY. Mr. President, on behalf of myself, the Senator from Con-

necticut [Mr. BENTON], the Senator from New York [Mr. LEHMAN], the Senator from Michigan [Mr. MOODY], and the Senator from Montana [Mr. MURRAY], I introduce for appropriate reference a bill to promote greater economy in the operations of the Federal Government by providing for a consolidated cash budget, a separation of operating from capital expenditures, the scheduling of legislative action on appropriation measures, yea and nay votes on amendments to appropriation measures, and a Presidential item veto.

I should like to point out, Mr. President, that the bill now introduced is in no way to be interpreted as taking the place of a very important bill which is now on the calendar and which was introduced by the Senator from Arkansas [Mr. McCLELLAN], a bill of which I am proud to be a co-sponsor and which I think would bring about long-needed legislation.

The bill (S. 2602) to promote greater economy in the operations of the Federal Government by providing for a consolidated cash budget, a separation of operating from capital expenditures, the scheduling of legislative action on appropriation measures, yea-and-nay votes on amendments to appropriation measures, and a Presidential item veto, introduced by Mr. HUMPHREY (for himself and other Senators), was read twice by its title, and referred to the Committee on Expenditures in the Executive Departments.

NATIONAL PRAYER DAY

Mr. JOHNSTON of South Carolina (for himself and Mr. NEELY) submitted the following resolution (S. Res. 272), which was referred to the Committee on the Judiciary:

Resolved, That it is the sense of the Senate that the President should designate by proclamation a day in the year 1952 as National Prayer Day, calling upon people of the United States to observe the day by praying, each in accordance with his religious faith.

MARY E. CARLSON

Mr. DOUGLAS submitted the following resolution (S. Res. 273), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Mary E. Carlson, widow of Fred A. Carlson, late an official reporter of debates of the Senate, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PROGRAM TO STIMULATE PRODUCTION OF DOMESTIC WOOL (S. DOC. NO. 100)

Mr. O'MAHONEY. Mr. President, I have had prepared a monograph regarding a program to stimulate the production of domestic wool. The statistical situation is that the United States does not produce sufficient domestic wool even to meet the military needs. A great deal of interest has been expressed in this document. I have consulted the chairman of Joint Committee on Printing, the minority leader and the majority leader, all of whom have concurred. I, therefore, ask unanimous consent that this

material be printed as a Senate document.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred as indicated:

H. R. 401. An act to amend the Nationality Act of 1940, as amended; to the Committee on the Judiciary.

H. R. 1055. An act to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas;

H. R. 4199. An act to authorize the transfer of lands from the jurisdiction of the Secretary of the Interior to the jurisdiction of the Secretary of Agriculture;

H. R. 4407. An act to amend sections 213 (b), 213 (c), and 215 of title II of the Hawaiian Homes Commission Act, 1920, as amended;

H. R. 4408. An act to amend section 73 (1) of the Hawaiian Organic Act;

H. R. 4515. An act to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes;

H. R. 4797. An act to ratify and confirm Act 291 of the Session Laws of Hawaii, 1949, section 2 of Act 152 of the Session Laws of Hawaii, 1951, and section 2 of Act 171 of the Session Laws of Hawaii, 1951, which included Maui County Waterworks Board, Kauai County Waterworks Board, and the board of water supply, county of Hawaii, under the definition of "municipality" in the issuance of revenue bonds pursuant to the Revenue Bond Act of 1935;

H. R. 4799. An act to amend section 73 (1) of the Hawaiian Organic Act;

H. R. 4800. An act to further amend section 202 (a) of the Hawaiian Homes Commission Act, 1920, as amended, relating to membership on the Hawaiian Homes Commission;

H. R. 5369. An act to authorize the exchange of certain lands located within, and in the vicinity of, the Federal Communications Commission's primary monitoring station, Portland, Oreg.;

H. R. 5599. An act to provide for the conveyance of the Centre Hill Mansion, Petersburg, Va., to the Petersburg Battlefield Museum Corporation, and for other purposes;

H. R. 5601. An act relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va.; and

H. R. 5680. An act to amend the act of October 5, 1949 (Public Law 322, 81st Cong.), as amended, so as to extend the time of permits covering lands located on the Agua Caliente Indian Reservation; to the Committee on Interior and Insular Affairs.

H. R. 3995. An act to authorize the Secretary of Commerce to transfer to the Department of the Navy certain land and improvements at Pass Christian, Miss.; to the Committee on Interstate and Foreign Commerce.

H. R. 4686. An act authorizing the transfer of a certain tract of land in the Robinson Remount Station, Fort Robinson, Dawes County, Nebr., to the city of Crawford; to the Committee on Agriculture and Forestry.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

David K. E. Bruce, of Virginia, now Ambassador Extraordinary and Plenipotentiary to France, to be Under Secretary of State, vice James E. Webb, resigned; and

Henry S. Villard, of New York, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to the United Kingdom of Libya.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WELKER:

Address delivered by Senator WATKINS at a Lincoln Day rally, February 4, 1952.

By Mr. McMAHON:

A radio address delivered by him on the subject Justice for Poland, together with introductory remarks by Attorney Stanley F. Jorezak.

Editorial entitled "A Matter of National Urgency," from the New York Inquirer.

By Mr. BYRD:

Address delivered by Gov. James F. Byrnes, of South Carolina, before the joint session of the Virginia General Assembly, held in Williamsburg, Va., on Friday, February 1, 1952.

By Mr. MARTIN:

Letter addressed by Senator BYRD to Charles E. Oakes, of Allentown, Pa., describing the situation confronting the United States.

By Mr. LEHMAN:

Address entitled "Accomplishments and Future Responsibility of the Department of State in the Administration of the Displaced Persons Act," delivered by Herve J. L'Heureux, Chief, Visa Division, Department of State, at Chicago, Ill., on January 18, 1952, before the Third National Resettlement Conference of the Displaced Persons Commission.

By Mr. CONNALLY:

Statement by AMVETS relating to friendship among the peoples of the world.

By Mr. KILGORE:

Article entitled "Can He Bring Korea Out of Chaos," written by Ralph G. Martin, and published in the February 1952 issue of the magazine Pageant.

By Mr. KEM:

Editorial entitled "No Urgency Indicated," published in the St. Louis Globe-Democrat of January 30, 1952.

By Mr. HUMPHREY:

Letter from Mr. Robert Heller, chairman of the national committee relative to increasing the efficiency of Congress.

Excerpts from address delivered by Telford Taylor, Administrator, Small Defense Plants Administration, before the Minneapolis Chamber of Commerce, Minneapolis, Minn., January 8, 1952.

Editorial entitled "Labor-Industry Cooperation," published in the New York Times of January 20, 1952.

By Mr. MAGNUSON:

Letter dated January 29, 1952, regarding repeal of section 104 of the Defense Production Act, written by Ralph T. Gillespie, president, Washington State Farm Bureau.

By Mr. ANDERSON:

Editorial entitled "No More Taxes Needed," from the Washington Post of February 4, 1952, and an editorial entitled "The Monster Called Budget," published in the February 4, 1952, issue of Life magazine.

CALL OF THE ROLL

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Butler, Md.	Clements
Anderson	Byrd	Connally
Bennett	Cain	Cordon
Brewster	Capehart	Douglas
Bricker	Case	Duff
Bridges	Chavez	Dworshak

Eastland	Kem
Eaton	Kilgore
Ellender	Knowland
Ferguson	Langer
Flanders	Lehman
Frear	Lodge
Fulbright	Long
George	Magnuson
Gillette	Malone
Green	Martin
Hendrickson	Maybank
Hennings	McCarran
Hill	McCarthy
Hoey	McClellan
Holland	McFarland
Humphrey	McKellar
Hunt	McMahon
Ives	Millikin
Jenner	Monroney
Johnson, Colo.	Moody
Johnson, Tex.	Morse
Johnston, S. C.	Mundt
Kefauver	Murray

Neely
Nixon
O'Connor
O'Mahoney
Pastore
Robertson
Russell
Saltonstall
Smathers
Smith, Maine
Smith, N. J.
Smith, N. C.
Sparkman
Stennis
Taft
Thye
Tobey
Underwood
Watkins
Welker
Williams
Young

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Oklahoma [Mr. KERR] are absent on official business.

The Senator from Arizona [Mr. HAYDEN] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senators from Nebraska [Mr. BUTLER and Mr. SEATON], the Senator from Iowa [Mr. HICKENLOOPER], the Senators from Kansas [Mr. SCHOEPPLE and Mr. CARLSON], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The PRESIDENT pro tempore. A quorum is present.

EXTENSION OF DEFENSE PRODUCTION ACT

Mr. MAYBANK. Mr. President, I am sending to the desk a bill to extend the Defense Production Act, including the programs of material allocation, price, credit, and rent controls, and the life of the Small Defense Plants Administration.

While the administration has not as yet sent up its specific legislative recommendation with respect to the Defense Production Act, on January 30 we held a public hearing on the nomination of Mr. Putnam as Economic Stabilization Administrator. At that hearing, Mr. Putnam testified that he felt the economy had achieved reasonably good balance, and that, putting it in his words, "I think by this time next year, if we are still on the same sort of an even keel as we are now, the problem will be all behind us, and we will see daylight."

While Mr. Putnam was in doubt about the soundness of some provisions of the act, I think the committee got the general impression from him that, on the whole, the act had worked fairly well in restraining the increase in the cost of living, at least since the provisions of the act were put into effect in January 1951. He pointed out that during last year the cost of living index increased by 2.9 percent from February 1951 to December 1951, as compared with an increase of 8 percent for the period June 1950 to February 1951.

Mr. Putnam emphasized however, that "this coming 1952, the calendar year, stretching over 1953, is where controls will be more important than they have ever been."

I agree with him. It is for this reason that I am introducing this bill now, so

that there will be no excuse for Congress not to act in plenty of time, and to give the American people assurance, insofar as I am able, as the chairman of the committee which bears the heavy responsibility for recommending economic control legislation to the Senate, that I shall do everything in my power to prevent any further inflation and help make our economic system function at its full potential. Only by so doing can we achieve peace and maintain our democratic way of life.

Mr. President, as I have stated on many occasions, no one can question, it seems to me, the good sense of the continuation of the present control program or the importance of a vigorous enforcement of all its provisions. Notwithstanding this, however, I believe the efficiency in administering the act can be increased and unnecessary red tape can be greatly reduced by decontrolling those materials which are now selling, and probably will continue for some time to sell, below their present price ceilings, so long as such decontrol has no adverse effect on any segment of the economy remaining under control.

I discussed the advisability of such a decontrol action with Mr. Putnam when he was before the committee last week, and he told me that he would have his staff study the feasibility of taking such action. He indicated that, while he thought there was much sense in this proposal, he wanted to be certain that any such action would not have derogatory effects on the remainder of the price control program.

It is my intention at an early date to hold hearings on this bill and any amendments that may be proposed to it. I hope that Senators who intend to offer amendments will do so fairly promptly so that the committee can consider them during the course of the hearings on the bill.

The PRESIDENT pro tempore. The bill introduced by the Senator from South Carolina will be received and appropriately referred.

The bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a summary of the bill which I have introduced.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

**SUMMARY OF MAYBANK BILL TO EXTEND
DEFENSE PRODUCTION ACT**

1. Extending section 714 (a) (4) for 1 year. Extends the life of Small Defense Plants Administration.
2. Amendment section 717 (a). Extends the entire balance of the Defense Production Act, as amended.
3. Amending section 4 (e) of the Housing and Rent Act of 1947, as amended. Extends for 1 year the rights granted veterans for purchase and rental of houses.
4. Amendment section 204 (f) of the Housing and Rent Act of 1947, as amended.

Extends the general rent provisions for 1 year.

It should be noted that this bill makes no change in the following termination dates:

1. Section 104 of the Defense Production Act, as amended, concerning restrictions on imports of fats and oils will expire June 30, 1952.

2. Section 303 (b) of the Defense Production Act, as amended, will continue the June 30, 1962, deadline on long-term contracts for purchasing metals, minerals, and other materials.

3. Section 303 (a) will continue to provide that no purchase of any imported agricultural commodity can be made calling for delivery more than 1 year after expiration of the Defense Production Act.

4. The amendment to the Defense Production Act set forth in the Defense Housing and Community Facilities Act of 1951 (Public Law 139, approved September 1, 1951) contains no termination date so there is no mention in this bill. This provision deals with down payments on veterans' housing. (See sec. 602 (b).)

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. Yes.

Mr. CAPEHART. I understand that the bill which the Senator from South Carolina has introduced would extend the existing Defense Production Act.

Mr. MAYBANK. Yes; for 1 year.

Mr. CAPEHART. For 1 year?

Mr. MAYBANK. Yes.

Mr. CAPEHART. Just as it now reads?

Mr. MAYBANK. Yes, with the exception of provisions to correct some of the faults that may have been shown to exist in it. However, we shall have ample hearings on the bill. The bill is being introduced now so that it may be before the Senate and the committee may hold hearings on it.

Mr. CAPEHART. When does the Senator from South Carolina think hearings on the bill will be held?

Mr. MAYBANK. I shall discuss that point with the members of the committee at the committee's regular hearing today at 3 o'clock.

Mr. CAPEHART. The bill would extend the existing act, just as it is written, for 12 months?

Mr. MAYBANK. Yes, with the exceptions indicated by me.

Mr. CAPEHART. Is it the intention of the Senator from South Carolina to start holding hearings immediately?

Mr. MAYBANK. I shall take up that question with the committee when it meets at 3 o'clock to hear further Mr. McDonald's testimony.

Mr. CAPEHART. I congratulate the able Senator from South Carolina for the action taken by him, because it gives the Senate and the committee ample time to act on the question of renewal of the Defense Production Act.

Mr. MAYBANK. That was my intention. I wish to allow ample time for the witnesses to be heard, regardless of whether they favor strengthening some of the controls or whether they favor some of the decontrol actions which I think should be taken.

Mr. MAGNUSON. Mr. President, the Senator from Indiana inquired if the bill as it is being introduced is exactly the same as the existing Defense Production Act. I wish to ask whether the bill being introduced includes section 104.

Mr. MAYBANK. No; section 104 expires.

Mr. MAGNUSON. The bill being introduced does not contain section 104; is that correct?

Mr. MAYBANK. Yes, that is correct. Section 104 expires.

Mr. McFARLAND. Mr. President, I am hopeful that the distinguished Senator from South Carolina will hold hearings on the bill at an early date. I think it is important that the bill come before the Senate for consideration as early as possible, because the present act expires on June 30 of this year.

One of our difficulties last year was that we hardly had time to consider the bill on the floor of the Senate before the then existing act expired.

Mr. MAYBANK. The Senator from Arizona is correct.

Mr. McFARLAND. So I congratulate the Senator from South Carolina for introducing the bill at so early a date.

Mr. MAYBANK. Of course, I assure the Senator that whatever the Senate desires to do in this matter will be agreeable to me.

Mr. LEHMAN. Mr. President, the Senator from South Carolina said that, with certain exceptions to correct faults, the bill being introduced is exactly the same as the existing statute, and that hearings will be held on the bill. Do I correctly understand that amendments may be submitted to the committee?

Mr. MAYBANK. Yes; the committee will consider any amendment which any Member of the Senate desires to suggest. The only request the chairman of the committee makes is that Senators who desire to submit amendments will, for the good of all concerned, do so as quickly as possible, so that, as the majority leader has suggested, it will be possible to bring the bill before the Senate promptly for debate in order not to tie up the Congress at a late date in the session.

Mr. McFARLAND. Mr. President, I wish to state to the Senator from New York that this is done with the knowledge of the departments that are interested, and they agree that it is important to begin hearings on the bill and that the President send us his message as soon as possible.

Mr. LEHMAN. I understand that fully, but I wished to make sure that the committee was not closing the door to the consideration of amendments.

Mr. MAYBANK. No, Mr. President; but I repeat that if Senators wish to submit amendments I hope they will do so by March 1, because otherwise progress on the bill will be delayed.

STATEMENT BY SECRETARY OF DEFENSE LOVETT ON THE DEPARTMENT OF DEFENSE 1953 BUDGET

Mr. O'MAHOONEY. Mr. President, yesterday the Appropriations Committee began open hearings on the defense budget, as the President pro tempore who now is presiding well knows. At the hearings a very important statement was made by the Secretary of Defense, Mr. Lovett, and I believe the statement he made at that time should be brought to the attention of all Members of the Senate. In the course of his statement,

the Secretary of Defense said that in connection with preparations of the budget—

We have tried to bear in mind that in preparation against the dangers of a hot war we must not be trapped by our own efforts into losing the cold one.

Therefore, Mr. President, I ask unanimous consent that the full text of Secretary Lovett's statement may be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY HON. ROBERT A. LOVETT BEFORE THE ARMED SERVICES SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS OF THE UNITED STATES SENATE ON THE FISCAL YEAR 1953 BUDGET, DEPARTMENT OF DEFENSE, FEBRUARY 4, 1952

The opportunity to discuss the broad aspects of the President's budget estimates of \$52,100,000,000 for the Department of Defense for fiscal year 1953 with this committee provides us with a means by which all Members of the United States Senate may become more familiar with the military program. I will, therefore, begin by summarizing the increases in military forces and production which have been achieved during the past 18 months with the \$48,200,000,000 appropriated in fiscal year 1951 and the \$59,400,000,000 appropriated to date for fiscal year 1952.

At the end of June 1950, when hostilities began in Korea, the military personnel for the Department of Defense totaled 1,460,000. As of January 1, 1952, this force has been expanded so that we now have nearly 3,500,000 men in service.

The Army, in June 1950, was comprised of about 590,000 men organized into 10 divisions and 11 regimental combat teams, most of which were below peacetime manning levels, and these were without supporting organizational units adequate for combat operations. During the following 18 months the Army had been expanded so that it comprised 1,570,000 men organized into 18 divisions and 18 regimental combat teams with collateral units to support them in combat operations. The units located overseas are at full strength and those in this country at a somewhat reduced strength. The Army has also increased the number of personnel in training and provided for a full pipeline of personnel to support combat operations in Korea, including the rotation system.

Since January 1 an additional National Guard division was called into active service, and it is planned to call another National Guard division on February 15 for a total of 20 divisions. As a result of better utilization of military personnel, it is planned that this increase in organizational units will by June 30, 1952, be accomplished within the total number of military personnel previously planned for the 18-division Army.

The Navy in June 1950 was comprised of 380,000 men with 238 combatant vessels manned at peacetime levels. During the past 18 months the Navy has expanded to approximately 400 combatant vessels and 790,000 men with manning levels having been generally raised throughout the fleet; particularly important is the increase in air power as exemplified by the addition of 5 large carriers and the expansion of the large carrier groups from 9 to 14. Personnel in training has substantially increased during this period.

The Marine Corps, in June 1950 comprised of 74,000 men organized in regimental combat teams and smaller units, during the 18-months period has expanded to a total of 219,000 men organized into 2½ divisions, 3½ wings of combat aircraft, plus a sub-

stantial expansion in their training activities.

The Air Force in June 1950 was comprised of about 411,000 men and 48 wings. During the 18-months period the Air Force has been expanded to nearly 900,000 men and 90 wings in addition to substantial expansion having taken place in Air Force training activities and supporting units.

While the expansion in military personnel and organized combat units has been very substantial during this period, the expansion of production and production capabilities is of greater proportion and has utilized the major portion of the total funds appropriated by the Congress. On June 30, 1950, the Department of Defense was expending about \$300,000,000 per month for hard goods such as aircraft, ships, tanks, guns, and ammunition—now, 18 months later, expenditures for this type of matériel have expanded more than fivefold. These expenditures included substantial amounts for the establishment of a mobilization base which would permit rapid mobilization should world conditions require it.

Our civilian employment has increased from 753,000 on June 30, 1950, to an estimated 1,280,000 on December 31, 1951. This increase is directly related to expansion necessary within the Department of Defense to increase our manufacturing, overhaul, and procurement activities.

The great majority of these employees are engaged in work pertaining to the repair and rebuilding of equipment, ammunition, aircraft and engines, and ships; in the operation of the supply systems, and in the procurement and production of major items of equipment, such as aircraft, ships, combat vehicles, ammunition, and weapons.

To achieve this expansion of military forces and production, the Department of Defense expended, on its own account \$19,200,000,000 in fiscal year 1951; during the first 7 months of fiscal year 1952, the Department has expended over \$20,000,000,000. It is anticipated that by next June expenditures during fiscal year 1952 for the Department of Defense will be approximately \$40,000,000,000. These figures are exclusive of expenditures for the military portion of the foreign aid funds.

As of January 31, 1952, approximately \$75,000,000,000 has been obligated of the \$108,000,000,000 appropriated for fiscal year 1951 and fiscal year 1952. Part of the unobligated \$33,000,000,000 represents funds for aircraft, ships, and other major items of procurement for which contracts will be let and funds obligated during the second half of the year. Another part of the unobligated balance also represents current operating expenses that are normally obligated month by month; for example, military and civilian pay, contracts for services at posts, camps, and stations, and similar items. Except for accounts necessarily reserved for subsequent engineering changes, substantially all fiscal year 1952 and prior year money will be obligated by the end of this fiscal year.

During the past year the Department has, I believe, made notable strides in improving the management of the procurement program. Among the more important of the improvements that have been made is the technique we have developed for the analysis of requirements and the scheduling of procurement. This procedure was initially started approximately a year ago, about the time I appeared before this committee and first advised you of our plans to provide a substantially increased mobilization base. The first attempts at this analysis and scheduling were not altogether realistic because we lacked information on industry capabilities and raw material availability. However, during the year we have continued to review and revise production schedules

and, in cooperation with the Office of Defense Mobilization, to determine more accurately the raw materials and tools required to carry out our programs. On the basis of this experience, it is believed that the Department is now in a position to more realistically schedule production.

As I indicated to the Congress in September, the preparation of the fiscal year 1953 budget could not proceed until decisions were made as to the force levels we planned to maintain. The Joint Chiefs of Staff made recommendations on forces early in October. In order to provide the Office of Defense Mobilization and its associated agencies with a basis for evaluating the material requirements, the Department of Defense provided estimates based generally on the continuation of the forces previously approved. Preparation of the budget was immediately started, both on a "requirements" basis and on a planning or "benchmark" basis.

As background for the military budget for fiscal year 1953, it may serve a useful purpose to outline the basic considerations which were taken into account in the preparation of the three military departments' requirements for this period.

First of all, the three military departments recognize and fully accept the fact that the essential foundation of our entire military structure is a sound, vital and progressive economy. We cannot have security against an external enemy over any extended period of time if our national economy is not in itself healthy.

On the other hand, we have taken note of the fact that the elasticity of our economy and its powers of recovery are so great as to permit the acceptance of unusually heavy burdens during the period of capital investment, provided always the period of strain is restricted in time and that relief from the unusual burdens is promptly and intelligently given.

Secondly, we have tried to bear in mind that in preparation against the dangers of a hot war, we must not be trapped by our own efforts into losing the cold one. By this, I mean we must try to do first things first and not everything all at once. Our strength defensively and offensively lies very largely in the enormous productive capacity and the imaginative engineering of this country. If a military program is developed which cuts too deeply into the civilian economy by the removal of excessive amounts of scarce raw materials, large numbers of productive enterprises will be forced to cut back and perhaps shut down altogether as a result of the inability to obtain the essential critical materials needed to keep going. All of our principal industries whether large or small have some break-even point in their operations below which it is impossible for them to continue in business. If it is humanly possible, therefore, we should earnestly seek to avoid causing these companies to drop below the break-even point which would cause unemployment and the loss of tax revenue. This feeling takes realistic note of the fact that a program of adequate preparedness cannot continue over any long period of time if the economic burden on the people as a whole is too heavy.

In the third place, and in the light of the factors mentioned above, the military departments have endeavored during the past year in particular to reschedule certain items of equipment in such a fashion as to avoid excessive peaks which might thereafter result in abrupt and permanent shut-downs. These would be harmful not only to the economy as a whole, but would remove from the military departments the great strength which moving and living lines of production would give us. We have, in other words, tried to reconcile the urgency of our needs with a rate of production which

DEFENSE PRODUCTION ACT

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A RECOMMENDATION THAT THE DEFENSE PRODUCTION ACT BE
EXTENDED FOR 2 YEARS AND STRENGTHENED IN A NUMBER
OF RESPECTS

FEBRUARY 11, 1952.—Referred to the Committee on Banking and Currency
and ordered to be printed

To the Congress of the United States:

The Defense Production Act is now scheduled to expire on June 30, 1952. That act is essential to the defense mobilization effort of the Nation. I recommend that it be extended for 2 years and strengthened in a number of respects.

Our need for a strong Defense Production Act is perfectly clear. We are now well along in our program to create invincible defensive strength in the free world. But, in order to complete that program rapidly and effectively, we must continue to have the authority contained in the Defense Production Act.

This law contains authority to channel materials for defense, to help expand essential production, and to help small business make its vital contribution to the mobilization effort. This law also contains authority to stabilize prices, wages, credit, and rents so inflation and high prices will not disrupt production, increase the cost of defense, and cause hardship and suffering among our people.

These powers will be needed for at least two more years. We are just now entering the period of greatest strain in our mobilization effort.

Since the attack on Korea, we have been building plants to turn out large amounts of planes, tanks, and other military items, and

we have been rapidly increasing our output of military goods. In many cases we are now producing equipment three or four times as fast as we were a year ago.

But, under the budget program now before the Congress, the peak production rates for complex military items are still ahead of us in nearly all cases. And for some items, particularly the new models of jet aircraft, we will not reach volume production until 1953 or 1954. This means that the military use of steel, copper, aluminum, alloy metals, electronic equipment, and many other things will be high for many months to come, and will continue to require substantial diversion from less essential uses.

Within the next 2 years, under our present plans, most of our new plants for producing military equipment should be completed and, by the middle of 1954, we should have on hand the great bulk of the equipment we need. Changes in the international situation or in technology, of course, could result in changes in our plans at any time but, if the situation develops as we now foresee, it should be possible by then to reduce the military demand for many materials and supplies.

Moreover, during the next 2 years we should be obtaining substantial results from the tremendous expansion that is now under way in our capacity to produce minerals, metals, chemicals, power, and other industrial necessities. For example, we are now building plants that will allow us to raise our production of primary aluminum from 720,000 tons a year in 1950 to 1,500,000 tons a year in 1954—and additional capacity may be needed. We are building nitrogen plants that will raise our capacity from 1,600,000 tons a year in 1950 to 2,900,000 tons in 1955.

These examples could be multiplied many times. All across the face of our country new plants and factories are being built which will give us additional metals and chemicals and electric power.

In addition to building plants in our country, we are helping to expand the production of many materials abroad—for example, of nickel in Cuba, copper in Chile and Rhodesia, and bauxite in Jamaica. This will help to increase supplies for the whole free world, and will allow us to raise our imports of many materials we need from abroad.

Over the next 2 years, therefore, we expect progressively to accomplish many of our military production goals, and to add progressively to our basic industrial capacity. We hope to reach a position in 2 or 3 years in which we can sustain the continuing amount of military production that we now expect to be necessary, and at the same time support rising living standards for our people.

But in order to carry through our defense production and expansion programs, we must continue to allocate scarce supplies—as long as they remain scarce—and continue to accept curtailment in civilian production where necessary to meet defense requirements.

These facts about the nature of the defense mobilization program over the next few years require extension of the production features of the Defense Production Act. And they also require extension of our powers to combat inflation.

At the present time there are strong, continuing pressures on prices in many important areas of our economy. Some prices have receded in the past year from ceiling levels. But well over half of the Nation's business today is done at prices held down by price ceilings, and many

of these prices are pushing hard against their ceilings. This is true, for example, on such basic commodities as metals and chemicals, industrial equipment, and many foods. There are also strong upward pressures on many wages and rents.

We are seeing right now how vitally important it is to have firm price and rent controls if we are to have effective wage stabilization. And we are seeing how important firm wage policies are if price and rent controls are to be effective.

It is clear that, without the controls we have today, a great many prices—and wages and rents as well—would be much higher than they are right now. And our present control powers, seriously weakened by changes in the law last year, enable us to hold the present price level only with great difficulty where demand is large and costs are pushing up.

Moreover, in addition to the pressures that face us now, there are present in the economy two factors which could combine at any time this year or next to start new inflationary fires all through the economy. Inflammable materials are all around us; we must prevent the fires from breaking out.

The first of these factors is the inevitable limitation on the production of consumer goods—because we have had to cut back the output of some goods, such as household appliances and automobiles, and because we cannot expand rapidly the output of others, such as foods. The second factor is the existence of very large reserves of purchasing power, and of very high personal and business incomes. This potential purchasing power could turn into a sudden flood of demand. If businessmen and consumers were to throw their funds into a competition for the limited supply of goods, the result would be tremendous new pressures on prices.

Only strong controls can give businessmen and consumers assurance that prices will not be allowed to get out of hand, and that there is no need for panic buying. And only strong controls could stop the deadly spiral of inflation if a renewed wave of spending were touched off.

We have had two dramatic illustrations of what can happen when consumers, and businessmen, go on a buying spree. Right after the invasion of Korea, and again in the late fall of that year, after the intervention of the Chinese Communists, consumers stopped saving and went into debt to buy goods. Businessmen scrambled for inventories and, as a result, prices skyrocketed. The wholesale price index rose 17 percent in the 7 months from June 1950 through January 1951, and the consumers price index rose 8 percent.

All this occurred at a time when we were having the biggest civilian-production boom in our history. There were no shortages of any kind. The economy had not even begun to feel the effects of the military-expansion program.

Now the situation has been sharply changed.

Military production is high and rising, and is using large amounts of manpower and materials. Production cut-backs are in effect for many kinds of consumer goods, though fortunately not for food and clothing.

At the same time, with high savings, high business profits, and 60,-000,000 people at work, there is plenty of purchasing power available if consumers and businessmen choose to step up their spending.

Moreover, we face a sizable deficit in the Federal budget, even with the revenue increases I have recommended to the Congress—a deficit which will add to inflationary pressures.

Consequently, the potential pressures toward inflation are now greater than they were when the price upsurge took place a little more than a year ago. The reason that inflation was checked early in 1951, and why considerable price stability was maintained during most of the year, is not that the inflationary danger disappeared. It is rather that the inflationary danger was counteracted and contained by tax increases, by credit controls, by price and wage stabilization, by allocation measures, and by increasing the supplies of some vital lines of production. The inflationary upsurge was halted, not by inaction but by action.

Voluntary saving by consumers and voluntary self-restraint by businessmen contributed much to the halting of inflation. But it was the installation of price and wage controls that induced public confidence, and put an end to speculative buying based upon anticipation of higher prices.

Looking at the record, it is clear that we need strong anti-inflation weapons now just as we did a year ago.

We cannot take chances with the present situation. We cannot afford to gamble. That is why I have been calling for good, strong anti-inflation laws. That is why it was so damaging last year when the Congress weakened the Defense Production Act instead of strengthening it. That is why it is so vital that the act be strengthened now.

Now I want to turn to the specific changes that are needed in the present law.

The production features of the act appear to be generally adequate at the present time. A few amendments are needed, two of which I should like to call specifically to the attention of the Congress.

First, the law now permits the Government to make a variety of loans, guaranties, and purchase commitments where essential to help expand production of critical materials at home or abroad, or to develop high-cost sources of supply without forcing increases in general price ceilings. At present, the law sets a limit of 2.1 billion dollars outstanding at any one time for these purposes. In all probability, this will not be adequate for programs which will be needed, and I recommend that it be raised to 3 billion dollars.

Second, a legislative "rider" was included in the act last year, which unnecessarily restricted imports of certain agricultural commodities. This rider, the so-called "cheese" amendment, needs to be repealed quickly. Otherwise, the friendly countries who are being hurt by this amendment may retaliate—as they have a right to do—against American exports of apples, tobacco, and other products.

So much for the production side of the present law. On the anti-inflation side, a great deal more needs to be done.

First of all, I renew my urgent recommendation that the Congress repeal last year's three principal weakening amendments to our price-control authority. These amendments are the Capehart amendment, the Herlong amendment, and the Butler-Hope amendment.

All these amendments are bad legislation. All of them are hurting us in the fight against inflation. Each gives special treatment to certain favored groups—lightening their share of the mobilization

burden—while saddling a disproportionately heavy burden on the rest of the public, both as consumers and as taxpayers.

By far the worst and most damaging provision in the present law is the Capehart amendment. This allows manufacturers and processors to demand and get price ceilings high enough to cover all cost increases incurred between the Korean outbreak and July 26, 1951. Though plausible on the surface, this provision in fact disrupts effective price control. Costs and prices obviously do have a relationship one to another. Price increases are sometimes necessary to compensate for cost increases. But it is absurd to conclude from this that every cost increase has to be translated in its entirety into increased prices, regardless of whether they are needed.

Our economy never did, and never should, operate on a "cost-plus basis." By technological progress and increased productivity and by changes in the volume of production, American business has often been able to hold the price line or even to cut prices in the face of increasing costs. This is a fact of our economic life, and one of the sources of strength of the American economy.

It is true, of course, that price ceilings cannot be maintained without reference to costs, and cost increases cannot be disregarded. That was true before the Capehart amendment was enacted and will be true after it is repealed. Other provisions of the law require that prices be generally fair and equitable and that due weight be given to cost increases.

Our stabilization agencies have long since adopted the principle that if an industry's rising costs are eating too far into profits, the industry is entitled to reasonable price relief. But there is no reason whatever why there should be an automatic pass-through of costs so long as sellers are making ample profits. Yet this disastrous notion of an automatic pass-through is the central, and fatal, idea behind the Capehart amendment. All the amendment requires is for sellers to show cost increases occurring before July 26 and higher price ceilings are theirs for the asking. This is not price control, but rather a form of built-in inflation.

It has prices going up when they should be held down.

Let me give some examples of the results of this amendment. One large and highly profitable metal-manufacturing company was scheduled, under the previous law, for price reductions amounting to almost 2 million dollars. That decrease would have been fully fair and equitable to all concerned, protecting the interests of both the company and its customers. Instead, under the Capehart amendment, this company was able to push up its ceiling prices by 7.5 million dollars. Another company that produces vacuum cleaners was scheduled for a 2-percent price reduction; instead it got a 3-percent increase. A producer of gas ranges would have had a 5-percent reduction; instead the Capehart amendment gave him a 2.5 percent increase. A candy-bar producer got a 15-percent increase from the Capehart amendment. A producer of household water softeners was scheduled for a 4-percent reduction, but instead came out with a 5-percent increase. These are not isolated cases, they are just a few examples from among the 5,000 requests for Capehart increases already filed.

This is the kind of thing I warned of last August when I urged the Congress to repeal the Capehart amendment before the damage was

done. At that time the Senate did act on a bill which would have removed the worst features of the amendment; but the Congress adjourned without taking final action and the Office of Price Stabilization had no choice but to grant Capehart increases.

A great deal of damage has already been done, as a result. Much of it can never be undone.

Undoubtedly, many of the Capehart increases now in effect could not be revoked because they have already been built into too many costs and prices in the various stages of the production process. Undoubtedly, fairness would require that all firms producing similar items be accorded equal treatment on their prices, to take account of the fact that smaller companies may not have been able to gather the cost data required for the Capehart increases that have already been granted to larger firms.

And, of course, the higher prices required at the manufacturing and processing level by the Capehart amendment must be taken into consideration in allowing fair and equitable price ceilings all down the line from manufacturers to retailers.

Thus, even after the Capehart amendment is repealed, its price-raising effects will continue to be felt all through the economy for a long time to come.

On the other hand, prompt action by the Congress would enable us to prevent the spread of Capehart increases to additional areas where they have not yet been granted and where they are not needed, and it would also give us the flexibility we need to get all ceiling prices on a fair and equitable basis. Prompt action is urgent. For Capehart increases are necessarily being granted all the time, and the longer remedial action is delayed, the more completely and irrevocably our whole price structure will be Capehartized.

The price-raising effects of the Capehart amendment have been compounded by the Herlong amendment. This guarantees pre-Korean percentage mark-ups to wholesalers and retailers. Naturally, this pyramids ceiling-price increases at the manufacturing level into much bigger ceiling-price increases at the consumer level.

For example, when manufacturers' excise taxes were raised last fall, most wholesalers and retailers had to be permitted not merely to pass the amount of the tax on to the consumer, but to add on top of this a percentage of the tax as profit for themselves.

The Herlong amendment actually required that these sellers be allowed to charge a profit for collecting a tax from the consumers.

Just as in the case of the Capehart amendment, the sellers whom the Herlong amendment seeks to protect have their interests well safeguarded by other provisions of the Defense Production Act. Wholesalers and retailers have a right, under these other provisions, to obtain treatment that is fair and equitable for all concerned. If the Herlong amendment is repealed, that does not mean all percentage mark-ups will be abolished. Quite the contrary, they will be retained where they are needed to assure fair treatment to the sellers.

But there are a number of cases where maintenance of pre-Korean percentage mark-ups under changed conditions is unnecessary to assure equitable treatment; in other cases, like the excise-tax example, they are downright unconscionable.

The Capehart and Herlong amendments have one thing in common: They are both aimed directly at raising prices, and they do just that.

Capehart increases recently obtained by automobile manufacturers, together with Herlong mark-ups for the dealers, will cost automobile buyers up to 400 million dollars in the coming year.

The Butler-Hope amendment, on the other hand, does not directly aim at higher prices. Instead, it was intended to free certain groups—the cattle growers and the meat packers—from administrative controls which they incorrectly feared would hurt them, but which in fact gave us a most important means for assuring a fair distribution of livestock—and thus of meat—among both sellers and buyers.

This amendment bans the use of slaughtering quotas on livestock. In periods of tight livestock supply, such as occurred last summer and fall and will in all probability occur again, lack of quotas can cause chaos in meat distribution—and that's just the sort of situation made to order for the black marketeer.

As the law stands now, without any authority for quotas, the orderly distribution of meat can be completely upset by some packers grabbing up a disproportionate share of the livestock while others are squeezed out of the market.

We need authority for slaughter quotas. I urge the Congress to restore it to the law, either in its original form or in the form now pending on the Senate Calendar. That is the best way to make sure we have the tools we need to ensure a fair distribution of our meat supply.

If the Congress acts promptly on the Capehart, Herlong, and Butler-Hope amendments—together with one or two other improvements which will be presented by the stabilization agencies—our price-control powers will be substantially stronger. By and large, they will be adequate to do that part of the anti-inflation job which price controls reasonably can be expected to handle. But we will still lack other anti-inflation powers needed to do a completely effective job.

In particular, we need stronger controls over credit. Last year the Congress seriously weakened the Government's powers to limit the availability of credit to finance purchases of consumer goods and real estate. In periods when supplies of goods are necessarily restricted, the dangers implicit in relaxed credit controls are great. We dare not take the risks involved in a loose policy on consumer and real-estate credit. The Congress should close this inflationary loophole by restoring full authority for flexible administration of credit controls, so that they can be expanded or contracted quickly to meet any eventuality.

If these steps are taken, we will be far better equipped to keep our economy reasonably and effectively in balance, despite the stresses and strains inherent in our defense mobilization drive.

Businessmen then—and only then—will be protected against sudden unstabilizing increases in their costs of operation, including their wage costs.

Farmers then—and only then—will be protected against a loss in real income as a result of skyrocketing prices of the things they must buy for their farms and their families.

Workers then—and only then—will be protected against a soaring cost of living to which their own wages might never quite catch up.

I am sure I do not need to remind the Congress that what we are dealing with here are not abstract economic principles, but the welfare of men and women and families. The over-all rise in incomes and

the great increase in consumer savings conceal the fact that millions of our people have suffered losses in real income, or barely held their own, over the past 2 years.

Most people are already having trouble paying present prices. For their benefit we should be working not to legislate formulas for raising prices but, instead, to find ways of moving prices downward, as increasing productivity and more production makes that possible.

We can prevent inflation from weakening us if we have the will to do so and the courage to take the necessary steps.

I am glad to know that the Banking and Currency Committees of both Houses of Congress are planning early hearings on the needed legislation. I earnestly hope the Congress will act as promptly as possible to extend the Defense Production Act and to strengthen it along the lines I have recommended.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 11, 1952.*



82D CONGRESS
2D SESSION

S. 2645

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11 (legislative day, JANUARY 10), 1952

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Defense Production Act
4 Amendments of 1952".

5 TITLE I—AMENDMENTS TO DEFENSE PRODUC-
6 TION ACT OF 1950, AS AMENDED

7 PRIORITIES AND ALLOCATIONS

8 SEC. 101. (a) The last sentence of section 101 of the
9 Defense Production Act of 1950, as amended, is amended
10 to read as follows: "No restrictions, quotas, or other limita-

1 tions, upon the slaughter of livestock shall be maintained
2 which would limit the quantity of livestock slaughtered by
3 processors to less than 100 per centum of the total quantity
4 of livestock offered for sale to all such processors for slaughter.
5 Whenever the number of livestock offered for sale in a par-
6 ticular area for slaughter exceeds the quotas previously
7 established for the period upon the basis of anticipated
8 marketings, the President shall promptly adjust quotas to
9 permit the marketing of all such livestock. Whenever the
10 President invokes the power given him in this title to pro-
11 vide for the distribution of a species of livestock among the
12 slaughterers of such species, he shall also provide for the
13 allocation of the product of such species in such manner as
14 to assure nonslaughtering processors and wholesalers thereof
15 in the normal channels of distribution their normal share of
16 the available civilian supply.”

17 (b) Section 104 of the Defense Production Act of 1950,
18 as amended, is hereby repealed.

19 EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

20 SEC. 102. Subsection (b) of section 304 of the Defense
21 Production Act of 1950, as amended, is amended by striking
22 out “\$2,100,000,000” and inserting in lieu thereof “\$3,000,-
23 000,000”.

PRICE AND WAGE STABILIZATION

SEC. 103. (a) Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is hereby repealed.

(b) Subsection (k) of section 402 of the Defense Production Act of 1950, as amended, is hereby repealed.

CONTROL OF CONSUMER AND REAL ESTATE CREDIT.

SEC. 104. (a) Section 601 of the Defense Production Act of 1950, as amended, is amended by striking out the second paragraph thereof.

(b) Section 605 of the Defense Production Act of 1950, as amended, is amended to read as follows:

“To assist in carrying out the objectives of this Act the President may at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States Government, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Con-

1 trol Act, as amended, or reduce or suspend any such author-
2 ized loan program, upon a determination, after taking into
3 consideration the effect thereof upon conditions in the build-
4 ing industry and upon the national economy and the needs
5 for increased defense production, that such action is neces-
6 sary in the public interest: *Provided*, That in the exercise
7 of these powers, the President shall preserve the relative
8 credit preferences accorded to veterans under existing law.
9 Subject to the provision of this section with respect to pre-
10 serving the relative credit preferences accorded to veterans
11 under existing law, the President may require lenders or
12 borrowers and their successors and assigns to comply with
13 reasonable conditions and requirements, in addition to those
14 provided by other laws, in connection with any loan of a
15 type which has been the subject of action by the President
16 under this section. Such conditions and requirements may
17 vary for classifications of persons or transactions as the Presi-
18 dent may prescribe, and failure to comply therewith shall
19 constitute a violation of this section.”

20 (c) Section 606 of the Defense Production Act of 1950,
21 as amended, is repealed.

22

GENERAL PROVISIONS

23

24 SEC. 105. (a) Paragraph (4) of subsection (a) of
section 714 of the Defense Production Act of 1950, as

1 amended, is amended by striking out “1952” and inserting
2 in lieu thereof “1954”.

3 (b) Subsection (a) of section 717 of the Defense Pro-
4 duction Act of 1950, as amended, is amended by striking
5 out “1952” and inserting in lieu thereof “1954”.

6 TITLE II—AMENDMENTS TO HOUSING AND RENT
7 ACT OF 1947, AS AMENDED

8 SEC. 201. (a) Subsection (e) of section 4 of the Hous-
9 ing and Rent Act of 1947, as amended, is amended by
10 striking out “June 30, 1952” and inserting in lieu thereof
11 “June 30, 1954”.

12 (b) Subsection (f) of section 204 of the Housing and
13 Rent Act of 1947, as amended, is amended by striking out
14 “June 30, 1952” and inserting in lieu thereof “June 30,
15 1954”.

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

By Mr. MAYBANK

FEBRUARY 11 (legislative day, JANUARY 10), 1952
Read twice and referred to the Committee on
Banking and Currency

82D CONGRESS
2D SESSION

H. R. 6546

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 1952

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Defense Production Act
4 Amendments of 1952".

5 TITLE I—AMENDMENTS TO DEFENSE PRODUC-
6 TION ACT OF 1950, AS AMENDED

7 PRIORITIES AND ALLOCATIONS

8 SEC. 101. (a) The last sentence of section 101 of the
9 Defense Production Act of 1950, as amended, is amended
10 to read as follows: "No restrictions, quotas, or other limita-

1 tions upon the slaughter of livestock shall be maintained
2 which would limit the quantity of livestock slaughtered by
3 processors to less than 100 per centum of the total quantity
4 of livestock offered for sale to all such processors for slaughter.
5 Whenever the number of livestock offered for sale in a par-
6 ticular area for slaughter exceeds the quotas previously estab-
7 lished for the period upon the basis of anticipated market-
8 ings, the President shall promptly adjust quotas to permit
9 the marketing of all such livestock. Whenever the President
10 invokes the power given him in this title to provide for the
11 distribution of a species of livestock among the slaughterers
12 of such species, he shall also provide for the allocation of the
13 product of such species in such manner as to assure non-
14 slaughtering processors and wholesalers thereof in the normal
15 channels of distribution their normal share of the available
16 civilian supply.”

17 (b) Section 104 of the Defense Production Act of 1950,
18 as amended, is hereby repealed.

19 EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

20 SEC. 102. Subsection (b) of section 304 of the Defense
21 Production Act of 1950, as amended, is amended by striking
22 out “\$2,100,000,000” and inserting in lieu thereof
23 “\$3,000,000,000”.

PRICE AND WAGE STABILIZATION

SEC. 103. (a) Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is hereby repealed.

(b) Subsection (k) of section 402 of the Defense Production Act of 1950, as amended, is hereby repealed.

CONTROL OF CONSUMER AND REAL ESTATE CREDIT

SEC. 104. (a) Section 601 of the Defense Production Act of 1950, as amended, is amended by striking out the second paragraph thereof.

(b) Section 605 of the Defense Production Act of 1950, as amended, is amended to read as follows:

“SEC. 605. To assist in carrying out the objectives of this Act the President may at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States Government, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the

1 Government Corporation Control Act, as amended, or re-
2 duce or suspend any such authorized loan program, upon
3 a determination, after taking into consideration the effect
4 thereof upon conditions in the building industry and upon
5 the national economy and the needs for increased defense
6 production, that such action is necessary in the public inter-
7 est: *Provided*, That in the exercise of these powers, the
8 President shall preserve the relative credit preferences ac-
9 corded to veterans under existing law. Subject to the pro-
10 vision of this section with respect to preserving the relative
11 credit preferences accorded to veterans under existing law,
12 the President may require lenders or borrowers and their
13 successors and assigns to comply with reasonable conditions
14 and requirements, in addition to those provided by other
15 laws, in connection with any loan of a type which has been
16 the subject of action by the President under this section.
17 Such conditions and requirements may vary for classifica-
18 tions of persons or transactions as the President may pre-
19 scribe, and failure to comply therewith shall constitute a
20 violation of this section.”

21 (c) Section 606 of the Defense Production Act of 1950,
22 as amended, is repealed.

23

GENERAL PROVISIONS

24 SEC. 105. (a) Paragraph (4) of subsection (a) of
25 section 714 of the Defense Production Act of 1950, as

1 amended, is amended by striking out "1952" and inserting in
2 lieu thereof "1954".

3 (b) Subsection (a) of section 717 of the Defense Pro-
4 duction Act of 1950, as amended, is amended by striking
5 out "1952" and inserting in lieu thereof "1954".

6 TITLE II—AMENDMENTS TO HOUSING AND
7 RENT ACT OF 1947, AS AMENDED

8 SEC. 201. (a) Subsection (e) of section 4 of the Hous-
9 ing and Rent Act of 1947, as amended, is amended by strik-
10 ing out "June 30, 1952" and inserting in lieu thereof "June
11 30, 1954".

12 (b) Subsection (f) of section 204 of the Housing and
13 Rent Act of 1947, as amended, is amended by striking out
14 "June 30, 1952" and inserting in lieu thereof "June 30,
15 1954".

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

By Mr. SPENCE

FEBRUARY 11, 1952

Referred to the Committee on Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Feb. 12, 1952

For actions of Feb. 11, 1952

82nd-2nd, No. 21

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Both Houses received the President's message recommending extension of Defense Production Act; Sen. Maybank and Rep. Spence introduced bills. Senate debated Alaska statehood bill. Rep. D'Ewart charged administration is using its emergency powers to reduce farm income.

SENATE

1. DEFENSE PRODUCTION. Both Houses received the President's message recommending extension and strengthening of the Defense Production Act; to Banking and Currency Committees (H. Doc. 347)(pp. 971, 973-81). In introducing a bill to carry out the President's proposals, Sen. Maybank said hearings would begin Mar. 4 and expressed a hope that a bill would be reported by the committee not later than Apr. 1. The hearings, he announced, would relate to his own bill, previously introduced, as well as the President's recommendations. He inserted a summary of the President's proposals. (pp. 971-2.)

S. 2645, pursuant to the President's message, provides as follows: Amends the Butler-Hope amendment so as to restore authority for slaughter quotas with limitations designed to insure that such quotas will not limit total national or area marketings and that provision must be made permitting non-slaughtering processors and wholesalers in normal channels to obtain their normal share of livestock products. Repeals the import-control provision (Sec. 104) of the present law. Increases from \$2,100,000,000 to \$3,000,000,000 the amount which may be outstanding at any one time as loans from the Treasury to finance agencies' production, procurement, and loan activities under the Act. Repeals the Capehart amendment, which requires price ceilings to recognize all cost increases. Repeals the Horlong amendment, which requires preservation of percentage margins. Removes limitations on credit controls. Extends the Small Defense Plants Administration to June 30, 1954. Extends the Defense Production Act, as amended, to June 30, 1954.

2. ALASKA STATEHOOD. Continued debate on S. 50, to grant statehood to Alaska (pp. 968-71).

3. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 194, to prohibit age requirements or limitations with respect to the appointment of persons to positions in the competitive civil service during periods of war or national emergency (S. Rept. 1164)(p. 963).

4. MILITARY TRAINING. Sen. Russell inserted a statement by Sen. Hayden favoring military training (p. 968).

5. RECESSED until Thurs., Feb. 14 (p. 972).

HOUSE

6. FARM INCOME. Rep. D'Ewart, Mont., charged that the administration "is using its defense-production powers to reduce farm income and thereby crush farmers' resistance to socialistic Government controls." He cited the drop in farm prices from Feb., 1951 to January 1952 and the rise in farm costs during 1951, and criticized the export of sulfur and steel when it is needed for fertilizers and farm machinery. (p. 974.)

7. FOREIGN AFFAIRS. Majority Leader McCormack obtained unanimous consent for the Foreign Affairs Committee to have until Feb. 20 to report on H. Res. 514, directing the Secretary of State to transmit to the House information relating to any agreements made by the President of the U. S. and the Prime Minister of Great Britain during their recent conversations (p. 975).

8. MISSOURI BASIN COMMISSION. Rep. Gross, Iowa, criticized President Truman's appointments to the "Missouri Valley Basin Planning Commission," stating that Iowa is not represented on the Commission and Missouri has two representatives (p. 974).

9. PURCHASING. Rep. Bryson, S. C., criticized the announced policy of the Office of Defense Mobilization to place contracts in areas of economic distress in some instances rather than on the basis of lowest bid (pp. 973-4).

10. INFORMATION. Received the semiannual report of the U. S. Advisory Commission on Information (p. 984).

11. FARM LABOR. Received a petition from various citizens urging legislation to prohibit employing, harboring, or recruiting illegal workers from Mexico; to Judiciary Committee (p. 986).

12. ADJOURNED until Thurs., Feb. 14 (p. 984).

BILLS INTRODUCED

13. DEFENSE PRODUCTION. S. 2645, by Sen. Maybank, and H. R. 6546, by Rep. Spence, Ky., to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to Banking and Currency Committees (pp. 964, 986). (See item 1 of this Digest.)

14. AGRICULTURAL EXPORTS. H. R. 6517, by Rep. Abernethy, Miss., relating to export controls on agricultural commodities; to Banking and Currency Committee (p. 985).

15. WOOL. H. R. 6520, by Rep. Berry, S. Dak., to provide that wool purchased or procured by the Armed Forces shall be produced in the U. S. as long as such wool is available; to Armed Services Committee (p. 985). Remarks of author (pp. A804-6).

16. RECLAMATION. H. R. 6518, by Rep. Aspinall, Colo., and H. R. 6524, by Rep. Chenoweth, Colo., providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Colo.; to Interior and Insular Affairs Committee (p. 985).

tures of funds herein made available to the legislature, but shall not direct the appropriation thereof.

"SEC. 11. Each legislature shall have power by rule or resolution to provide for the assembly thereof in special sessions for the purpose of considering amendments to, the suspension of, or the ratification of amendments proposed to this article.

"SEC. 12. Each legislature shall have power to elect one or more persons to represent such legislature in any council or convention of States created by concurrent action of the legislatures of 32 States for the purpose of obtaining uniform action by the legislatures of the several States in any matters connected with the amendment of this article.

"SEC. 13. The Congress shall not create, admit, or form new States from the territory of the several States as constituted on the 1st day of January 1949, and shall not create, form, or admit more than three States from the Territories and insular possessions under the jurisdiction of the United States on the 1st day of January 1949, or from territory thereafter acquired without the express consent of the legislatures of three-fourths of the several States.

"SEC. 14. On and after January 1, 1949, the dollar shall be the unit of the currency. The gold content of the dollar as fixed on January 1, 1949, shall not be decreased.

"SEC. 15. Concurrent action of the legislatures of the several States as used herein shall mean the adoption of the same resolution by the required number of legislatures. A limit of time may be fixed by such resolution within which such concurrent action shall be taken. No legislature shall revoke the affirmative action of a preceding legislature taken therein.

"SEC. 16. During any period when this article is in effect the Congress may, by concurrent resolution adopted by two-thirds of both Houses wherein declaration is made that additional funds are necessary for the defense of the Nation, limit the amount of money required by this article to be returned to the several States. Such limitation shall continue until terminated by the Congress or by concurrent action of a majority of the legislatures of the several States. Upon termination of any such limitation the Congress may not thereafter impose a limitation without the express consent by concurrent action of a majority of the legislatures of the several States.

"SEC. 17. This article is declared to be self-executing"; and be it further

"Resolved, That attested copies of this concurrent resolution be sent to the presiding officer of each House of the Congress and to each Member of the New Mexico delegation in Congress, and that printed copies thereof, showing that said concurrent resolution was adopted by the Legislature of New Mexico, be sent to each House of each legislature of each State of the United States; and be it further

"Resolved, That this application hereby made by the Legislature of the State of New Mexico shall constitute a continuing application in accordance with article V of the Constitution of the United States until at least two-thirds of the legislatures of the several States shall have made similar application pursuant to said article V; and be it further

"Resolved, That since this is an exercise by a State of the United States of a power granted to it under the Constitution, the request is hereby made that the official journals and RECORD of both Houses of Congress, shall include the resolution or a notice of its receipt by the Congress, together with similar applications from other States, so that the Congress and the various States shall be apprised of the time when the nec-

essary number of States shall have so exercised their power under article V of the Constitution; and be it further

"Resolved, That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the States in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign right and the interpretation thereof is primarily in the sovereign government making such exercise and since the power to use such right in full also carries the power to use such right in part the legislature of the State of New Mexico interprets article V to mean that if two-thirds of the States make application for a convention to propose an identical amendment to the Constitution for ratification with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment and would be limited to such proposal and would not have power to vary the text thereof nor would it have power to propose other amendments on the same or different propositions; and be it further

"Resolved, That the Legislature of the State of New Mexico does not, by this exercise of its power under article V, authorize the Congress to call a convention for any purpose other than the proposing of the specific amendment which is a part hereof; nor does it authorize any representative of the State of New Mexico who may participate in such convention to consider or to agree to the proposing of any amendment other than the one made a part hereof; and be it further

"Resolved, That by its actions in these premises, the Legislature of the State of New Mexico does not in any way limit in any other proceeding its right to exercise its power to the full extent; and be it further

"Resolved, That the Congress, in exercising its power of decision as to the method of ratification of the proposed article by the legislatures or by conventions, is hereby requested to require that the ratification be by the legislatures."

A letter in the nature of a petition from the Puerto Rican Manufacturers' Association, San Juan, P. R., signed by Juan Suarez, president, relating to the sale of surplus Puerto Rican sugar (with accompanying papers); to the Committee on Agriculture and Forestry.

A letter from the secretary of state of the State of Delaware, notifying the Senate that an authenticated copy of an interstate civil defense compact entered into by that State had been submitted to the Senate on July 25, 1951; to the Committee on Armed Services.

The memorial of Mrs. Louis Spring, a citizen of the United States, remonstrating against the extravagance in Government (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the New York City Federation of Women's Clubs, Inc., New York, N. Y., favoring the enactment of House bill 4544, to establish in the Bureau of Customs the United States Customs Port Patrol and the United States Customs Border Patrol in order to improve the enforcement of the anti-smuggling laws; to the Committee on Finance.

A letter in the nature of a petition from the National Association of Retired Police and Firemen, Inc., of Miami, Fla., signed by John H. Ruddy, secretary, praying for repeal of the income tax on pensions; to the Committee on Finance.

Resolutions adopted by Miami Townsend Club, No. 22, West Palm Beach Townsend Club, No. 1, and Miami Friendship Town-

send Club, No. 1, all in the State of Florida, favoring the enactment of legislation to provide old-age assistance; to the Committee on Finance.

The memorial of Hardy B. Ogden, and sundry other members of the Pleasant Grove Baptist Church, remonstrating against the appointment of an ambassador to the Vatican; to the Committee on Foreign Relations.

A telegram in the nature of a memorial from the Presbytery of western Kentucky, of Paducah, Ky., signed by Charles M. Bunce, stated clerk, remonstrating against the appointment of an ambassador to the Vatican, and so forth; to the Committee on Foreign Relations.

The memorial of Hazel V. Brandenburg, a citizen of the United States, remonstrating against the appointment of an ambassador to the Vatican; to the Committee on Foreign Relations.

The petition of Mr. and Mrs. Dean F. Hatch, citizens of the United States, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages in interstate commerce; to the Committee on Interstate and Foreign Commerce.

The petition of Mrs. Wm. E. Hamilton, of Washington, D. C., praying for the enactment of legislation to increase retirement benefits; to the Committee on Post Office and Civil Service.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. PASTORE, from the Committee on Post Office and Civil Service:

S. 194. A bill to prohibit age requirements or limitations with respect to the appointment of persons to positions in the competitive civil service during periods of war or national emergency; with amendments (Rept. No. 1164); and

S. 1539. A bill to amend an act entitled "An act to provide extra compensation for overtime service performed by immigrant inspectors and other employees of the Immigration Service," approved March 2, 1931; with amendments (Rept. No. 1165).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, February 11, 1952, he presented to the President of the United States the following enrolled bills:

S. 493. An act to require the taking and destruction of dangerous weapons in certain cases, and for other purposes; and

S. 905. An act for the relief of Margaret A. Ushkova-Rozanoff and Mrs. L. A. Ushkova.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRIDGES (for Mr. CAIN):

S. 2633. A bill for the relief of John H. Miller;

S. 2634. A bill for the relief of John Axel Arvidson; and

S. 2635. A bill for the relief of Mrs. Marie Y. Mueller; to the Committee on the Judiciary.

By Mr. BRIDGES (for Mr. DIRKSEN):

S. 2636. A bill for the relief of Jose Deang; to the Committee on the Judiciary.

By Mr. BRIDGES (for Mr. IVES) (by request):

S. 2637. A bill for the relief of Peter Roussetos, also known as Panagiotis Roussetos, also known as Panagiotis Roussetos Metritikas; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2638. A bill for the relief of John K. Schmidt; to the Committee on Armed Services.

By Mr. MURRAY (for himself, Mr. CHAVEZ, Mr. HILL, Mr. KILGORE, Mr. McFARLAND, Mr. MAGNUSON, Mr. GILLETTE, Mr. HUMPHREY, Mr. KEFAUVER, Mr. NEELY, Mr. DOUGLAS, Mr. KERR, Mr. MOODY, Mr. LEHMAN, Mr. LANGER, Mr. MORSE, Mr. YOUNG, and Mr. IVES):

S. 2639. A bill to amend the Railroad Unemployment Insurance Act; to the Committee on Labor and Public Welfare.

By Mr. GEORGE (by request):

S. 2640. A bill to revise requirement for award of additional disability compensation to veterans who have dependents; and

S. 2641. A bill to elevate the annual income limitations governing the payment of pension for disability or death and to provide certain exclusions in determining annual income for purposes of such limitations; to the Committee on Finance.

By Mr. JOHNSTON of South Carolina:

S. 2642. A bill to amend section 4 of the act of July 6, 1945, as amended, so as to provide for payment of overtime compensation to substitute employees in the postal field service; to the Committee on Post Office and Civil Service.

By Mr. MARTIN:

S. 2643. A bill for the relief of Kathleen Cowley; to the Committee on the Judiciary.

By Mr. ELLENDER (for himself, Mr. CLEMENTS, Mr. EASTLAND, Mr. FULBRIGHT, Mr. HUMPHREY, Mr. HENNING, Mr. KEFAUVER, Mr. KEM, Mr. LONG, Mr. McKELLAR, Mr. MCCARTHY, Mr. McCLELLAN, Mr. THYE, and Mr. UNDERWOOD):

S. 2644. A bill to provide for the development of a Mississippi River National Parkway, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MAYBANK:

S. 2645. A bill to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to the Committee on Banking and Currency.

(See the remarks of Mr. MAYBANK when he introduced the above bill, which appear under a separate heading.)

By Mr. HUNT:

S. 2646. A bill to cancel irrigation maintenance and operation charges on the Shoshone Indian Mission School lands on the Wind River Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY:

S. 2647. A bill for the relief of Wong Shu Ging; to the Committee on the Judiciary.

ADDRESSES, EDITORIALS, ARTICLES, ETC.,
PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BRIDGES (for Mr. DIRKSEN):

Address by Senator DIRKSEN as a part of the Justice for Poland Radio Series, 1951-52, sponsored by the western Massachusetts branch of the Polish-American Congress, together with the introductory remarks by Attorney Edward J. Ziemba.

By Mr. MARTIN:

Address delivered by him at a Lincoln Day dinner under auspices of Republican Committee of Essex County, N. J., at Newark, N. J., on February 9, 1952.

Address delivered by him before anti-Communist rally sponsored by Ukrainian Congress Committee of America at Philadelphia, Pa., on February 10, 1952.

Editorial entitled "Guard Liberty: Amend Constitution," published in the Philadelphia Inquirer on February 9, 1952.

Editorial entitled "Ask Delaware Democrats," published in the Wilmington Morning News of February 9, 1952.

Editorial entitled "Too Much Whitewash," published in the Washington Post of February 9, 1952.

By Mr. SPARKMAN:

Article entitled "World Investment," Not "Foreign Aid," written by Paul G. Hoffman and published in a recent edition of the New York Times magazine, which will appear hereafter in the Appendix.

By Mr. MOODY:

Articles entitled "The Detroit Story—Auto Labor Caught in Odd Pinch of Output for War and Peace" and "More Metals Held Only Cure for Detroit's Unemployment," written by James Y. Newton and published, respectively, in the Washington Star of February 8 and February 10, 1952.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. Reports of committees are in order. If there be none, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc, and, without objection, the President will be immediately notified. That concludes the Executive Calendar.

LEGISLATIVE SESSION

Mr. BRIDGES. Mr. President, is it the purpose of the Senator from Texas to have the Senate resume normal legislative session?

Mr. JOHNSON of Texas. I was about to suggest the absence of a quorum because I have been informed that there is a Senator who desires to make a few remarks before the Senate takes a recess until Thursday.

The PRESIDENT pro tempore. It will be necessary that the Senate resume the consideration of legislative business. Without objection, the Senate will return to the consideration of legislative business.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMERCIAL LENDING AND GOVERNMENT SPENDING

Mr. MORSE. Mr. President, on December 3, 1951, Mr. E. C. Sammons,

president of the United States National Bank of Portland, Oreg., delivered an address at the Hotel La Salle, in Chicago, Ill., before the National Credit Credit Conference of the American Bankers Association, on the subject Commercial Lending for 1952. I wish to make a few brief comments on Mr. Sammons' speech before I ask unanimous consent to have the speech inserted in the body of the RECORD as a part of my remarks.

I am very much disturbed about the fiscal policies of our Government and the relationship of those policies to a proposed \$84,400,000,000 budget. I am absolutely satisfied not only that we can cut the budget substantially, but that, in the interest of a sound economy, we must cut it. I think it behooves us to give heed to some of the financial problems which confront the banks in regard to what I think is an obligation on their part to do what they can to help expand production. When all is said and done, the most effective check we have on inflation is, of course, the expanding of production, because inflation itself involves the problem of a scarcity of consumer goods as against a surplus of purchasing power.

As one reads the speech of this outstanding banker from my State, he is not left with any doubt as to the surplus purchasing power. However, he does find, in studying the speech, the great concern which the bankers entertain in regard to the lending policies which they can justify following, because, after all, the obligation of the banker is to his depositors. He cannot justify the granting of loans, even in the interest of an alleged proposal to expand a particular industry, unless he has some assurance that the loan will pay out.

I think this problem of the banker has a direct relationship to the problem of the Congress in handling this year's budget. I am convinced that we cannot economically and efficiently spend the money which is asked for in the budget in the period of time for which it is asked. I do not mean that it would not be spent, but I emphasize the words "economically and efficiently." I have no doubt, for example, that if we give to the Military Establishment every last dollar for which it asks, it will spend it. I would be greatly encouraged if some departments of Government, including the Military Establishment, would each year let a little money revert to the Treasury of the United States. However—and I speak now half facetiously—sometimes I am of the opinion that if any administrator within our Government were to let any money revert to the United States Treasury at the end of the fiscal year he would be considered a very poor administrator, and certainly a traitor to his colleagues within the administrative branch. They seem to be constitutionally unable to allow any money to revert to the Treasury. So each year during the last 60 days of the fiscal year there is experienced what I think, by way of understatement, can be described as an orgy of uneconomical spending.

Yet, Mr. President, the matter of Government spending is directly a part of the cause-to-effect chain of causation

Federal and insular agencies and all plans and programs and other matters of mutual interest.

(3) The President of the United States may, from time to time, after hearing, promulgate executive orders expressly excepting Puerto Rico from the application of any Federal law, not expressly declared by Congress to be applicable to Puerto Rico, which as contemplated by section 9 of this act is inapplicable by reason of local conditions. The Coordinator of Federal Agencies may, from time to time, make recommendations to the President for such purpose. Any such recommendation shall show the concurrence or dissent of the Governor of Puerto Rico.

(4) The Coordinator of Federal Agencies, in the name of the President of the United States, shall have authority to request from the Governor of Puerto Rico, and the Governor shall furnish to him all such reports pertaining to the affairs, conditions and government of Puerto Rico as the Coordinator of Federal agencies shall from time to time request, for transmission to the President through the Secretary of the Interior.

(5) The President of the United States shall prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

Now, Mr. President, I draw attention to the fact that the Interior Department has never acted to carry out the provisions of the act which I have just quoted.

No Coordinator of Federal Agencies in Puerto Rico has been named, although the law requires that this be done. This law was enacted nearly 5 years ago.

Let me point out that we pour millions of the taxpayers' dollars into Puerto Rico annually, while not 1 penny of tax revenue is returned to the United States Treasury. It is for this reason, above all others, Mr. President, that it behooves us to see that the Government of Puerto Rico operates efficiently, honestly, and in all other respects properly. Can we be certain in these vital questions when our own law is flouted and ignored in such a way as to obscure the operations of the Puerto Rican government and the many Federal agencies in Puerto Rico?

Why, Mr. President, has the Interior Department chosen to neglect this matter? Is it an oversight? Or is it the design of the Interior Department to ignore a law passed by the Congress?

Mr. President, it is my understanding that there has been no compliance with this law because the present Puerto Rican administration did not want compliance. This administration told the Interior Department that they wanted no interference from a coordinator, and the Interior Department, without consulting Congress, did their bidding and ignored a statute which is a part of the body of laws of our great Nation.

Mr. President, if that be true, why did this present Puerto Rican administration not want a coordinator appointed as had been provided for by law? The answer to that question is simple.

They do not want a Federal coordinator who will know what goes on, who is bound by law, for example, "to advise * * * the Congress with respect to all appropriation estimates submitted by any civil department or agency of the Federal Government to be expended in or for the benefit of Puerto Rico."

Mr. President, dictatorships the world over thrive on vagueness. They never

want to make reports, to itemize budgets, to submit to examinations and investigations of their operations and the conditions which exist as a result of their operations.

Mr. President, I have today sent the following letter to the Interior Department in this matter:

HON. OSCAR CHAPMAN,
Secretary of the Interior,
Washington, D. C.

DEAR MR. SECRETARY: It has come to my attention that the Interior Department has never complied with the provisions of Public Law 362, section 49b (Eightieth Congress) which directs that an administrative officer whose official title shall be Coordinator of Federal Agencies in Puerto Rico shall be appointed by the President, and so forth.

Inasmuch as the Interior Department is charged with primary responsibility in connection with the Organic Act of Puerto Rico, I am sure the President would depend on the Department to recommend a nominee for the post of coordinator.

Would you be good enough to advise me as to why this law has been ignored, as it seems to have been, and what are the intentions of the Department in this matter?

Sincerely,

OLIN D. JOHNSTON,
United States Senator.

Mr. President, the answer to this letter should be enlightening and I shall be glad to insert it in the RECORD when I receive it.

EXTENSION OF DEFENSE PRODUCTION ACT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 347)

The PRESIDING OFFICER (Mr. FREAR in the chair) laid before the Senate a message from the President of the United States, which was read by the legislative clerk and referred to the Committee on Banking and Currency.

(For the President's message, see today's proceedings of the House of Representatives, pp. 978-981.)

Mr. MAYBANK. Mr. President, in keeping with the message which has just been received from the President of the United States, I introduce for appropriate reference the bill which I send to the desk.

The bill (S. 2645) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, introduced by Mr. MAYBANK, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, as chairman of the Committee on Banking and Currency, I merely wish to say that the committee will hold hearings on the bill which has been sent to us today by the administration, and the hearings will be held at the same time that the committee holds hearings on the bill introduced last week by the chairman of the committee.

Mr. President, I agree with some of the things recommended by the President, and I do not agree with others. I hope that the Senator who now is serving as Presiding Officer of the Senate [Mr. FREAR], who also is a member of the Banking and Currency Committee, will agree with some of the President's recommendations, although I realize that he may not agree with all of them.

The committee, nevertheless, will give most careful and serious consideration to all the recommendations.

I am glad the President has sent us the message, since a number of Senators have indicated they wished to submit amendments to the bill I have previously introduced.

Now that the President has sent the message to us and now that we have the administration bill, as well as the committee's bill of last year, I think the committee can expedite the hearings. I am hopeful that after the hearings begin on March 4, it will be possible for a bill on that subject to be reported to the Senate by the committee not later than April 1. I have discussed this with several of the members of the committee and I believe we shall have the cooperation of all toward this end.

I repeat that if any Senator desires to submit amendments either to the administration's bill or to the bill previously introduced and if he wishes to have hearings held by the committee on the amendment, he should notify the committee by March 4. As you know so very well, it is very difficult to make an accurate and fair appraisal of any amendment when it is offered after hearings are completed and the bill is on the floor.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a summary of the bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF BILL TO AMEND AND EXTEND THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED, AND THE HOUSING AND RENT ACT OF 1947, AS AMENDED

TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Priorities and allocations

Section 101 (a) of the bill amends the last sentence of section 101 of the act (the so-called Butler-Hope amendment). That sentence, added by the amendments of 1951, abolished the slaughter-quota program previously conducted by the OPS as part of its compliance and enforcement program, by forbidding any quota or other limitation on the quantity of livestock slaughtered or handled by any processor.

The bill would restore a restricted authority to establish slaughter quotas. Express limitations on the authority are designed to insure that slaughter quotas will not limit total national or area marketings, and that provision must be made permitting non-slaughtering processors and wholesalers in normal channels to obtain their normal share of livestock products.

Section 101 (b) of the bill repeals section 104 of the act (added by the amendments of 1951), which placed an embargo on the importation of certain fats and oils, peanuts, dairy products, rice, and rice products until June 30, 1952, upon a finding by the Secretary of Agriculture that the imports would have any of the following effects—(a) impair or reduce domestic production below present levels or such higher levels as the Secretary may deem necessary in view of domestic and international conditions, (b) interfere with orderly domestic storing and marketing, or (c) result in any unnecessary burden or expenditure under any price-support program.

Expansion of productive capacity and supply

Section 102 of the bill amends section 304 (b) of the act by increasing the amount

which may be borrowed from the Treasury by Government agencies to finance the procurement, loan, and production assistance activities authorized by title III of the act. To meet the financing requirements of this title, the amendment increases the limit on the amount which may be outstanding at any one time, from the present \$2,100,000,000 to \$3,000,000,000.

Price and wage stabilization

Section 103 (a) of the bill repeals section 402 (d) (4) of the act (the so-called Capehart amendment), which prohibits maintenance of price ceilings below specified minimum levels on nonagricultural commodities; provides for ceilings on manufactured and processed nonagricultural commodities and services (1) based upon the highest price between January 1, 1950, and June 24, 1950, if such ceiling reflects adjustments for increases or decreases in all costs specified in the section, up to July 26, 1951, or (2) established under regulations issued prior to enactment of the paragraph; and requires that upon proper application and showing, any ceiling price must be adjusted in the manner described in (1).

Section 103 (b) of the bill repeals section 402 (k) of the act (the so-called Herlong amendment), which requires that price ceilings issued after its enactment shall permit sellers of materials at retail or wholesale to obtain their pre-Korean customary percentage margins over cost of the materials.

Control of consumer and real-estate credit

Section 104 (a) of the bill removes from section 601 of the act the paragraph added by the amendments of 1951 which prohibits the Federal Reserve Board in exercising its authority over consumer credit, from requiring down payments in excess of amounts specified in the paragraph, and from requiring maximum maturities shorter than those specified in the paragraph.

Section 104 (b) of the bill removes from section 605 of the act the provision added by the Defense Housing and Community Facilities and Services Act of 1951, which prohibits the President, in exercising control over real-estate credit, from requiring maximum down payments in excess of specified amounts, in connection with home loans made or guaranteed by the Veterans' Administration. The prior provision, that credit preferences accorded to veterans under existing law be preserved, is not repealed.

Section 104 (c) of the bill repeals section 606 of the act, added by the Defense Housing and Community Facilities and Services

Act of 1951, which prohibits the President, in exercising control over real-estate credit from requiring down payments in excess of specified amounts in connection with home loans not made or guaranteed by the Veterans' Administration, and from requiring a maximum term shorter than 25 years, in connection with any home loan.

Section 105 (a) of the bill extends the power of succession of the Small Defense Plants Administration to June 30, 1954.

Section 105 (b) of the bill extends the Defense Production Act of 1950, as amended, to June 30, 1954.

TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

Section 201 (a) and section 201 (b) of the bill extend the Housing and Rent Act of 1947, as amended, to June 30, 1954.

RECESS TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I now move that the Senate stand in recess until Thursday next, at 12 o'clock noon.

The motion was agreed to; and (at 1 o'clock and 32 minutes p. m.) the Senate took a recess until Thursday, February 14, 1952, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 11, 1952:

UNITED STATES ATTORNEY

Philip Neville, of Minnesota, to be United States attorney for the district of Minnesota, vice Clarence U. Landrum, retiring.

UNITED STATES MARSHAL

Charles M. Eldridge, of Rhode Island, to be United States marshal for the district of Rhode Island. He is now serving in this office under an appointment which expired December 22, 1951.

IN THE NAVY

For temporary promotion to the grade of rear admiral in the Dental Corps of the Navy, Herman P. Riebe, subject to qualifications therefor as provided by law.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 11, 1952:

POSTMASTERS

HAWAII

Teruhisa Nishiyama, Haleiwa.
Katsue I. Nishiyama, Kunia.

MAINE

Conrad J. Lausier, Danforth.
Alice I. M. Ewing, West Enfield.

MICHIGAN

Harold F. Clark, Morenci.

MINNESOTA

Lester E. Sullivan, Madella.

MISSISSIPPI

Alonzo A. Vance, Chunky.
Ira L. Moore, West Enterprise.

NEW YORK

Charles F. Fitzgerald, Hague.
John H. Chase, Milford.
Leland F. Griswold, North Chatham.
Catherine V. Paczkowski, Turin.

NORTH DAKOTA

Oscar K. Sovig, Arnegard.

OREGON

Arthur B. Scarseth, Camp White.
Charles W. Garlick, Gladstone.
Vella A. Harlan, McNary.
Russell F. Cooper, Sutherlin.

PENNSYLVANIA

John Albert Vall, Chester Springs.
Mildred G. Spencer, East Springfield.
Beatrice M. Fitzstephens, Genesee.
Vivian C. Geuther, Gwynedd Valley.
Frederick G. McGee, Roslyn.

TENNESSEE

Robert H. McCrary, Waverly.

WISCONSIN

William Schaller, Jr., Barronett.
Donald E. Chape, Bayfield.
John B. Hoffman, Brantwood.
Joseph C. Dinegan, Briggsville.
Clayton B. Hesslink, Cedar Grove.
Joseph D. Robertson, De Soto.
Jennie A. Lane, Fall River.
Earl H. Coder, Franksville.
Fred W. Thoms, Hawthorne.
James R. Morgan, Ladysmith.
Leonard T. Goetz, Manawa.
George F. Rasmussen, Neenah.
Erwin J. Hendrikse, Oostburg.
Herbert W. Johnson, Port Wing.
Jack J. Morgenthauer, Springbrook.
Bertha C. Schippers, Twin Lakes.

tically one-half of the territory of the Polish Nation.

Aside from this unjust and unprecedented, in our Nation's history, instance in which representatives of our Government participated in the bartering away of other people's land, many other provisions of the agreement showed something that we should all acknowledge. They pointed out plainly that the allies, whose leadership in that crucial year rested to all practical purposes in our hands, were not ready and willing to recognize the true aims of the Soviet Union and to take a firm stand—which in all probability would have demanded the continuation of war in 1945—against those aims.

It was deeply gratifying and encouraging to witness the subsequent clarification and formation of a definite, positive stand on our part. It was not long after the Yalta agreement that the United States was to lead the free world in calling for a show-down. Our aid to Greece and Turkey, to Iran, the Berlin airlift, the Marshall plan, the Rio Pact, the North Atlantic Treaty Organization, and the United Nations' participation in stopping aggression in Korea—all of these instances and many more were evidence of the fact that we had adopted a realistic, positive policy in dealing with the Communist threat. We acknowledged the fact that the Soviets were out to extend their control over as much territory as they possible could, and we resolved to stop their expansion. Had we done so earlier, the odds in favor of true peace in Europe and Asia would have been more favorable today.

This does not, however, alter the fact that our firm stand against the Soviet Union came after some damage had been done, and an injustice rendered to Poland.

It does not help Poland, or held us in our fight against communism, to merely cry about the betrayal at Yalta, perhaps with the hope of soliciting for ourselves the political support of Americans of Polish ancestry. A sincere and positive attempt to rectify the situation would be more proper, praiseworthy, and effective.

It is my contention and belief, repeatedly expressed, that we should put our shoulders to the wheel and bring about the negation of the entire Yalta agreement. There are several grounds on which this can be accomplished: First of all, it is uncertain that the late President Roosevelt intended to enter into an agreement at Yalta legally binding on the United States; secondly, there is no body of established precedents with respect to Executive agreement to show that any is to be regarded as valid beyond the term in office of the Chief Executive who entered into it and there is nothing in the Yalta agreement as to its intended duration; and, thirdly, the agreement has been already nullified by the repeated violations and nonobservance by the Soviet Union of various of its provisions.

The negation of the Yalta agreement will not free Poland immediately, no more than would have the complete absence of this agreement prevented present Soviet domination of that nation.

The fact is, and we should all remember it that at the time the Yalta agreement was entered into, Russian armies had already moved through Poland and were within 32 miles of Berlin. Even if the Yalta agreement had never materialized, we probably would have had to start waging a new war at that time in order to push back those armies and to free that territory.

The negation of the Yalta agreement would, however, partially rectify our past shortsightedness and give us a starting point for demanding the restoration of Poland's proper boundaries and Poland's return to the family of free nations, where she rightfully and historically belongs.

FREEDOM FOR POLAND

Mr. EBERHARTER. Mr. Speaker, all the free world has a feeling of sorrow at the plight of the people of the country of Poland.

We in the United States can scarcely realize the horrible conditions and their sufferings under the heel of the iron rule of the power-hungry masters of the Kremlin.

Let us hope and let us pray and let us do all we can as a nation of free people to bring to a realization the dream of every right-thinking inhabitant of that country to regain its freedom and take its proper place in a future world of justice and peace.

POLAND

(Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. KELLEY of Pennsylvania. Mr. Speaker, the many public speeches made about Poland indicate that the fate of that liberty-loving country has not been forgotten.

It is one of the tragedies of our age that the Polish people should be lying under the tyrant's heel. Their unjust fate will no doubt one day be corrected, but when and how is not known. It occurs to me that a people who have been so devoted to their faith and strong under extreme persecution would not be left by Almighty God to endure indefinitely the unhappiness that is theirs today. One thing is a certainty—the ruthlessness of the tyrant in Moscow will never destroy their deep love of country nor their faith in eventual liberation. The Polish people deserve a far better fate than is theirs today, and it will be the prayer of all their friends throughout the world that the yoke under which they linger will soon be removed.

MINE SAFETY LAWS

(Mr. EBERHARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EBERHARTER. Mr. Speaker, on page 367 of the CONGRESSIONAL RECORD of Tuesday, January 22, of this year, appears a message from the President of the United States. Accompanying it is a report from the Secretary of the Interior referring to a tragic mine disaster which occurred on December 21, 1951, in which 119 miners lost their lives. Also, a tragic disaster occurred 4 years

ago in the same State, entailing the loss of 111 lives.

Mr. Speaker, all of this loss of life was entirely unnecessary. Practically every day thousands of persons are being injured in the mines, and many are losing their lives weekly. All of this points to the fact that the safety laws of the Federal Government with respect to the mining of coal and other metals are inadequate. It is the responsibility of this Congress to pass adequate legislation. I am sure if the Committee on Education and Labor would bring out a bill it would pass this House almost unanimously. I hope this committee will act promptly.

AIRPLANE DISASTER AT ELIZABETH, N. J.

(Mr. SIEMINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIEMINSKI. Mr. Speaker, I understand the gentleman from Tennessee [Mr. PRIEST] discussed the air tragedy which took place this morning in Elizabeth, N. J., near my district.

I would like to explain why I have just introduced a joint resolution for the Congress to rescind the consent it gave to a compact entered into on August 23, 1921, between New York and New Jersey, setting up the Port of New York Authority.

This resolution calls for a full-scale investigation into the commercial operations of the New York Port Authority, which some say is a State agency; yet it is above the State. Some think it is an interstate agency; yet its powers seem to be above those of the Congress of the United States. I am sure that the original intent, setting up this port authority, was not to make it a legal giant independent of all possible judicial review.

Accordingly, I ask that serious consideration be given to a full-scale investigation of the operations of the Port of New York Authority to close the gap between this free-wheeling agency and the will of the people.

Joint resolution to rescind the consent of Congress to the compact or agreement between the State of New York and the State of New Jersey creating the Port of New York Authority, and for other purposes

Resolved, etc., That the consent of Congress granted in public resolution, No. 17, approved August 23, 1921, to the compact or agreement between the State of New York and the State of New Jersey creating the Port of New York district and the Port of New York Authority is hereby rescinded until such time as legislation is enacted by the Congress approving amendments to such compact or agreement which provide for the more effective exercise of the authority and control of the Congress of the United States over air and other commerce in the Port of New York District.

[From the Jersey Journal-Observer of February 8, 1952]

FEDERAL MOVE MAY MENACE PORT BOARD—SIEMINSKI MAY ACT TO RESCIND APPROVAL

WASHINGTON.—A Jersey City Congressman yesterday threatened to offer legislation ending the life of the Port of New York Authority, charging it was a "legal giant that can virtually do as it pleases."

Representative ALFRED SIEMINSKI, Hudson County Democrat, blasted the port authority for its operation of Newark Airport and what he called a new threat to Bayonne from the rerouting of planes.

In a statement, SIEMINSKI called the authority a legal monstrosity; not responsible to the will of the people; a usurper of congressional powers, and a dictatorship that violated the spirits of the Constitution.

Since "the people have a right to be governed by their consent," SIEMINSKI said he is "seriously considering legislation asking Congress to rescind its approval of the August 23, 1921, compact B between New Jersey and New York."

CONGRESS CONSENT

Congress must give its consent to the formation of such interstate agencies as the port authority. To "rescind" the approval, as SIEMINSKI suggested, could kill the authority.

SIEMINSKI's threat to rescind would last "until such time as this compact is amended to make the Port of New York Authority responsible to the people and the Congress of the United States."

The port authority "is said to be a State agency, yet it is above the State," he notes. "It is supposedly an interstate commerce agency, yet above the Congress. What is this legal monstrosity?" SIEMINSKI asked.

He was "sure that Congress never meant, in its approval of the compact that created this 'enigma,' to permit a body to exist that would usurp the powers of Congress."

He charged the authority is "immune to control by people immediately concerned." There is no review of its policies; it is run by men not responsible to the people; there is no executive, legislative, or judicial control over it, he insisted.

SEEN AS THREAT

Its policies "constitute a threat to the safety and welfare of people in certain communities," SIEMINSKI said. It affects "the livelihood of thousands of people in New Jersey to their detriment," he added.

"The threat of enemy aircraft over the Bayonne Naval Base is one worry; must another be added relative to friendly aircraft over the city, without the consent of its people?" he asked.

The tax-free authority, the lawmaker charged, "is engaged in enterprise in direct competition with private citizens."

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes if the two gentlemen having special orders ahead of me do not object.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

A BILL TO EFFECTIVELY CURB THE ILLICIT TRAFFIC IN NARCOTICS

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, during my recent stay at home I devoted a great deal of time to a study and investigation of the activities of our law-enforcement officers, both Federal and local, dealing with the apprehension and prosecution of those charged with various crimes, particularly with those cases involving drug addiction and the traffic in narcotics. After a conference with Commissioner Anslinger, of the Bureau of Narcotics, which he has so ably directed

since its creation in 1930, I prepared a bill which I believe will effectively control the importation of narcotic drugs if enacted into law and which I am introducing today. I feel very strongly that something must be done now to save our youth from the terrible scourge of this devastating evil.

From time to time we have enacted legislation increasing the penalties on the peddlers and the small fry engaged in this unholy trade. We appropriate millions each year through our Public Health Service in an effort to rehabilitate unfortunate addicts, an almost hopeless task. Less than one out of four so treated return to useful citizenship. As recently as the last session of this Congress we enacted the Boggs bill materially increasing the penalties for violators of our narcotics laws.

I have received hundreds upon hundreds of letters from high-school students in my district pleading for strong and effective legislation to do away with the drug traffic, as well as from civic groups, law-enforcement agencies on the local level, from women's organizations and parent-teacher groups, and from parents who unfortunately have suffered the heartaches and mental anguish accompanying their children's involvement in its evils. We must strike and strike hard if we are to effectively deal with these murderous, crime-producing, unconscionable traffickers who prey upon the frailties of human nature to reap their ill-gotten returns.

To accomplish this end I have proposed a radically different approach to the problem of effective control. My bill strikes at the source of the importation of narcotics. It places the responsibility for the importation where it belongs—on those directly or indirectly connected with its production, manufacture, and transportation to our shores. My bill will also materially implement present law which deals with enforcement and punishment within our borders. It requires banks, shipowners and operators, air transport owners and operators, and insurance companies insuring cargoes destined for our ports to take effective steps to cut off at its source the supply of narcotic drugs which feed the drug traffic in the United States and its possessions. It also provides for full cooperation by those countries producing and manufacturing narcotics.

You know and I know when our teenagers become addicted to drugs they stop at nothing to obtain funds with which to buy more; they commit all kinds of offenses and crimes. They fall into the hands of the unscrupulous individuals who invade our universities and colleges, and who, for a few dollars, secure their cooperation in many wrongdoings. For the protection of the youth of our country, and in order to eliminate the crime attending the illicit drug traffic I feel this bill I have introduced after many weeks of study deserves favorable consideration on the part of the committee to which it is assigned and also on the part of the House. I think it is greatly needed legislation and should receive favorable action by both the House and Senate so that it might become law, thus providing

an additional blow at the illicit traffic in the destructive narcotic drug trade.

DEFENSE PRODUCTION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 347)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Banking and Currency and ordered printed:

To the Congress of the United States:

The Defense Production Act is now scheduled to expire on June 30, 1952. That act is essential to the defense mobilization effort of the Nation. I recommend that it be extended for 2 years and strengthened in a number of respects.

Our need for a strong Defense Production Act is perfectly clear. We are now well along in our program to create invincible defensive strength in the free world. But, in order to complete that program rapidly and effectively, we must continue to have the authority contained in the Defense Production Act.

This law contains authority to channel materials for defense, to help expand essential production, and to help small business make its vital contribution to the mobilization effort. This law also contains authority to stabilize prices, wages, credit, and rents so inflation and high prices will not disrupt production, increase the cost of defense, and cause hardship and suffering among our people.

These powers will be needed for at least two more years. We are just now entering the period of greatest strain in our mobilization effort.

Since the attack on Korea, we have been building plants to turn out large amounts of planes, tanks, and other military items. And we have been rapidly increasing our output of military goods. In many cases, we are now producing equipment three or four times as fast as we were a year ago.

But under the budget program now before the Congress, the peak production rates for complex military items are still ahead of us in nearly all cases. And for some items, particularly the new models of jet aircraft, we will not reach volume production until 1953 or 1954. This means that the military use of steel, copper, aluminum, alloy metals, electronic equipment and many other things will be high for many months to come—and will continue to require substantial diversion from less essential uses.

Within the next 2 years, under our present plans, most of our new plants for producing military equipment should be completed, and by the middle of 1954 we should have on hand the great bulk of the equipment we need. Changes in the international situation or in technology, of course, could result in changes in our plans at any time, but if the situation develops as we now foresee, it should be possible by then to reduce the military demand for many materials and supplies.

Moreover, during the next 2 years, we should be obtaining substantial results from the tremendous expansion that is now under way in our capacity to pro-

duce minerals, metals, chemicals, power, and other industrial necessities. For example, we are now building plants that will allow us to raise our production of primary aluminum from 720,000 tons a year in 1950 to 1,500,000 tons a year in 1954, and additional capacity may be needed. We are building nitrogen plants that will raise our capacity from 1,600,000 tons a year in 1950 to 2,900,000 tons in 1955.

These examples could be multiplied many times. All across the face of our country new plants and factories are being built which will give us additional metals and chemicals and electrical power.

In addition to building plants in our country, we are helping to expand the production of many materials abroad—for example, of nickel in Cuba, copper in Chile and Rhodesia, and bauxite in Jamaica. This will help to increase supplies for the whole free world, and will allow us to raise our imports of many materials we need from abroad.

Over the next 2 years, therefore, we expect progressively to accomplish many of our military production goals and to add progressively to our basic industrial capacity. We hope to reach a position in 2 or 3 years in which we can sustain the continuing amount of military production that we now expect to be necessary, and at the same time support rising living standards for our people.

But in order to carry through our defense production and expansion programs, we must continue to allocate scarce supplies as long as they remain scarce and continue to accept curtailment in civilian production where necessary to meet defense requirements.

These facts about the nature of the defense mobilization program over the next few years require extension of the production features of the Defense Production Act. And they also require extension of our powers to combat inflation.

At the present time, there are strong, continuing pressures on prices in many important areas of our economy. Some prices have receded in the past year from ceiling levels. But well over half of the Nation's business today is done at prices held down by price ceilings, and many of these prices are pushing hard against their ceilings. This is true, for example, on such basic commodities as metals and chemicals, industrial equipment, and many foods. There are also strong upward pressures on many wages and rents.

We are seeing right now how vitally important it is to have firm price and rent controls if we are to have effective wage stabilization. And we are seeing how important firm wage policies are if price and rent controls are to be effective.

It is clear that, without the controls we have today, a great many prices—and wages and rents as well—would be much higher than they are right now. And our present control powers—seriously weakened by changes in the law last year—enable us to hold the present price level only with great difficulty where demand is large and costs are pushing up.

Moreover, in addition to the pressures that face us now, there are present in the economy two factors which could combine at any time this year or next to start new inflationary fires all through the economy. Inflammable materials are all around us; we must prevent the fires from breaking out.

The first of these factors is the inevitable limitation on the production of consumer goods—because we have had to cut back the output of some goods, such as household appliances and automobiles, and because we cannot expand rapidly the output of others, such as foods. The second factor is the existence of very large reserves of purchasing power, and of very high personal and business incomes. This potential purchasing power could turn into a sudden flood of demand. If businessmen and consumers were to throw their funds into a competition for the limited supply of goods, the result would be tremendous new pressures on prices.

Only strong controls can give businessmen and consumers assurance that prices will not be allowed to get out of hand, and that there is no need for panic buying. And only strong controls could stop the deadly spiral of inflation if a renewed wave of spending were touched off.

We have had two dramatic illustrations of what can happen when consumers—and businessmen—go on a buying spree. Right after the invasion of Korea, and again in the late fall of that year, after the intervention of the Chinese Communists, consumers stopped saving and went into debt to buy goods. Businessmen scrambled for inventories. As a result, prices skyrocketed. The wholesale price index rose 17 percent in the 7 months from June 1950 through January 1951 and the consumers price index rose 8 percent.

All this occurred at a time when we were having the biggest civilian production boom in our history. There were no shortages of any kind. The economy had not even begun to feel the effects of the military expansion program.

Now the situation has been sharply changed.

Military production is high and rising, and is using large amounts of manpower and materials. Production cut-backs are in effect for many kinds of consumer goods, though fortunately not for food and clothing.

At the same time, with high savings, high business profits, and 60,000,000 people at work, there is plenty of purchasing power available if consumers and businessmen choose to step up their spending. Moreover, we face a sizable deficit in the Federal budget, even with the revenue increases I have recommended to the Congress—a deficit which will add to inflationary pressures.

Consequently, the potential pressures toward inflation are now greater than they were when the price upsurge took place a little more than a year ago. The reason that inflation was checked early in 1951, and why considerable price stability was maintained during most of the year, is not that the inflationary danger disappeared. It is rather that

the inflationary danger was counteracted and contained by tax increases, by credit controls, by price and wage stabilization, by allocation measures, and by increasing the supplies of some vital lines of production. The inflationary upsurge was halted, not by inaction, but by action.

Voluntary saving by consumers, and voluntary self-restraint by businessmen, contributed much to the halting of inflation. But it was the installation of price and wage controls that induced public confidence, and put an end to speculative buying based upon anticipation of higher prices.

Looking at the record, it is clear that we need strong anti-inflation weapons now, just as we did a year ago.

We cannot take chances with the present situation. We cannot afford to gamble. That is why I have been calling for good, strong anti-inflation laws. That is why it was so damaging last year when the Congress weakened the Defense Production Act instead of strengthening it. That is why it is so vital that the act be strengthened now.

Now I want to turn to the specific changes that are needed in the present law.

The production features of the act appear to be generally adequate at the present time. A few amendments are needed, two of which I should like to call specifically to the attention of the Congress.

First, the law now permits the Government to make a variety of loans, guaranties, and purchase commitments where essential to help expand production of critical materials at home or abroad, or to develop high-cost sources of supply without forcing increases in general price ceilings. At present, the law sets a limit of 2.1 billion dollars outstanding at any one time for these purposes. In all probability, this will not be adequate for programs which will be needed, and I recommend that it be raised to 3 billion dollars.

Second, a legislative rider was included in the act last year which unnecessarily restricted imports of certain agricultural commodities. This rider, the so-called cheese amendment, needs to be repealed quickly. Otherwise, the friendly countries who are being hurt by this amendment may retaliate—as they have a right to do—against American exports of apples, tobacco, and other products.

So much for the production side of the present law. On the anti-inflation side, a great deal more needs to be done.

First of all, I renew my urgent recommendation that the Congress repeal last year's three principal weakening amendments to our price control authority. These amendments are the Capehart amendment, the Herlong amendment, and the Butler-Hope amendment.

All these amendments are bad legislation. All of them are hurting us in the fight against inflation. Each gives special treatment to certain favored groups—lightening their share of the mobilization burden—while saddling a disproportionately heavy burden on the

rest of the public, both as consumers and as taxpayers.

By far the worst and most damaging provision in the present law is the Capehart amendment. This allows manufacturers and processors to demand and get price ceilings high enough to cover all cost increases incurred between the Korean outbreak and July 26, 1951. Though plausible on the surface, this provision in fact disrupts effective price control. Costs and prices obviously do have a relationship one to another. Price increases are sometimes necessary to compensate for cost increases. But it is absurd to conclude from this that every cost increase has to be translated in its entirety into increased prices, regardless of whether they are needed.

Our economy never did, and never should, operate on a cost-plus basis. By technological progress and increased productivity and by changes in the volume of production, American business has often been able to hold the price line or even to cut prices in the face of increasing costs. This is a fact of our economic life, and one of the sources of strength of the American economy.

It is true, of course, that price ceilings cannot be maintained without reference to costs, and cost increases cannot be disregarded. That was true before the Capehart amendment was enacted and will be true after it is repealed. Other provisions of the law require that prices be generally fair and equitable and that due weight be given to cost increases.

Our stabilization agencies have long since adopted the principle that if an industry's rising costs are eating too far into profits the industry is entitled to reasonable price relief. But there is no reason whatever why there should be an automatic pass-through of costs so long as sellers are making ample profits. Yet this disastrous notion of an automatic pass-through is the central—and fatal—idea behind the Capehart amendment. All the amendment requires is for sellers to show cost increases occurring before July 26, and higher price ceilings are theirs for the asking. This is not price control, but, rather, a form of built-in inflation.

It has prices going up when they should be held down.

Let me give some examples of the results of this amendment. One large and highly profitable metal manufacturing company was scheduled, under the previous law, for price reductions amounting to almost \$2,000,000. That decrease would have been fully fair and equitable to all concerned, protecting the interests of both the company and its customers. Instead, under the Capehart amendment, this company was able to push up its ceiling prices by \$7,500,000. Another company that produces vacuum cleaners was scheduled for a 2-percent price reduction; instead it got a 3-percent increase. A producer of gas ranges would have had a 5-percent reduction; instead the Capehart amendment gave him a 2.5-percent increase. A candy-bar producer got a 15-percent increase from the Capehart amendment. A producer of household water softeners was scheduled for a 4-percent reduction,

but instead came out with a 5-percent increase. These are not isolated cases, they are just a few examples from among the 5,000 requests for Capehart increases already filed.

This is the kind of thing I warned of last August when I urged the Congress to repeal the Capehart amendment before the damage was done. At that time, the Senate did act on a bill which would have removed the worst features of the amendment. But the Congress adjourned without taking final action and the Office of Price Stabilization had no choice but to grant Capehart increases.

A great deal of damage has already been done as a result. Much of it can never be undone.

Undoubtedly, many of the Capehart increases now in effect could not be revoked because they have already been built into too many costs and prices in the various stages of the production process. Undoubtedly, fairness would require that all firms producing similar items be accorded equal treatment on their prices, to take account of the fact that smaller companies may not have been able to gather the cost data required for the Capehart increases that have already been granted to larger firms.

And, of course, the higher prices required at the manufacturing and processing level by the Capehart amendment must be taken into consideration in allowing fair and equitable price ceilings all down the line from manufacturers to retailers.

Thus, even after the Capehart amendment is repealed, its price-raising effects will continue to be felt all through the economy for a long time to come.

On the other hand, prompt action by the Congress would enable us to prevent the spread of Capehart increases to additional areas where they have not yet been granted and where they are not needed. And it would also give us the flexibility we need to get all ceiling prices on a fair and equitable basis. Prompt action is urgent. For Capehart increases are necessarily being granted all the time, and the longer remedial action is delayed, the more completely and irrevocably our whole price structure will be Capehartized.

The price raising effects of the Capehart amendment have been compounded by the Herlong amendment. This guarantees pre-Korean percentage mark-ups to wholesalers and retailers. Naturally, this pyramids ceiling price increases at the manufacturing level into much bigger ceiling price increases at the consumer level.

For example, when manufacturers' excise taxes were raised last fall, most wholesalers and retailers had to be permitted not merely to pass the amount of the tax on to the consumer, but to add on top of this a percentage of the tax as profit for themselves.

The Herlong amendment actually required that these sellers be allowed to charge a profit for collecting a tax from the consumers.

Just as in the case of the Capehart amendment, the sellers whom the Herlong amendment seeks to protect have

their interests well safeguarded by other provisions of the Defense Production Act. Wholesalers and retailers have a right, under these other provisions, to obtain treatment that is fair and equitable for all concerned. If the Herlong amendment is repealed, that does not mean all percentage mark-ups will be abolished. Quite the contrary, they will be retained where they are needed to assure fair treatment to the sellers.

But there are a number of cases where maintenance of pre-Korean percentage mark-ups under changed conditions is unnecessary to assure equitable treatment; in other cases, like the excise tax example, they are downright unconscionable.

The Capehart and Herlong amendments have one thing in common. They are both aimed directly at raising prices. And they do just that. Capehart increases recently obtained by automobile manufacturers, together with Herlong mark-ups for the dealers, will cost automobile buyers up to \$400,000,000 in the coming year.

The Butler-Hope amendment, on the other hand, does not directly aim at higher prices. Instead, it was intended to free certain groups—the cattle growers and the meat packers—from administrative controls which they incorrectly feared would hurt them, but which, in fact, gave us a most important means for assuring a fair distribution of livestock—and thus of meat—among both sellers and buyers.

This amendment bans the use of slaughtering quotas on livestock. In periods of tight livestock supply, such as occurred last summer and fall and will in all probability occur again, lack of quotas can cause chaos in meat distribution—and that's just the sort of situation made to order for the black marketeer.

As the law stands now, without any authority for quotas, the orderly distribution of meat can be completely upset by some packers grabbing up a disproportionate share of the livestock while others are squeezed out of the market.

We need authority for slaughter quotas. I urge the Congress to restore it to the law, either in its original form or in the form now pending on the Senate Calendar. That is the best way to make sure we have the tools we need to insure a fair distribution of our meat supply.

If the Congress acts promptly on the Capehart, Herlong, and Butler-Hope amendments—together with one or two other improvements which will be presented by the stabilization agencies—our price-control powers will be substantially stronger. By and large, they will be adequate to do that part of the anti-inflation job which price controls reasonably can be expected to handle. But we will still lack other anti-inflation powers needed to do a completely effective job.

In particular, we need stronger controls over credit. Last year, the Congress seriously weakened the Government's powers to limit the availability of credit to finance purchases of consumer goods and real estate. In periods when supplies of goods are necessarily

restricted, the dangers implicit in relaxed credit controls are great. We dare not take the risks involved in a loose policy on consumer and real-estate credit. The Congress should close this inflationary loophole by restoring full authority for flexible administration of credit controls—so that they can be expanded or contracted quickly to meet any eventuality.

If these steps are taken, we will be far better equipped to keep our economy reasonably and effectively in balance, despite the stresses and strains inherent in our defense mobilization drive.

Businessmen then—and only then—will be protected against sudden destabilizing increases in their costs of operation, including their wage costs.

Farmers then—and only then—will be protected against a loss in real income as a result of skyrocketing prices of the things they must buy for their farms and their families.

Workers then—and only then—will be protected against a soaring cost of living to which their own wages might never quite catch up.

I am sure I do not need to remind the Congress that what we are dealing with here are not abstract economic principles, but the welfare of men and women and families. The over-all rise in incomes and the great increase in consumer savings conceal the fact that millions of our people have suffered losses in real income, or barely held their own, over the past 2 years.

Most people are already having trouble paying present prices. For their benefit, we should be working, not to legislate formulas for raising prices, but instead to find ways of moving prices downward, as increasing productivity and more production makes that possible.

We can prevent inflation from weakening us if we have the will to do so and the courage to take the necessary steps.

I am glad to know that the Banking and Currency Committees of both Houses of Congress are planning early hearings on the needed legislation. I earnestly hope the Congress will act as promptly as possible to extend the Defense Production Act and to strengthen it along the lines I have recommended.

HARRY S. TRUMAN.

THE WHITE HOUSE, February 11, 1952.

(Mr. EBERHARTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. EBERHARTER. Mr. Speaker, I have listened with attention and deep interest to the reading of the President's message.

I regret that the House adopted the Herlong amendment and the so-called slaughtering quota amendment, but can say that at the time I was active, but unsuccessful, in trying to defeat them. As to the Capehart amendment, it was Senate action and I could do nothing. I wish every citizen could have the opportunity of carefully reading the President's message.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. LYLE). Under previous order of the

House, the gentleman from California [Mr. YORTY] is recognized for 15 minutes.

JUSTICE DEPARTMENT THREATENS COASTAL DEFENSES

Mr. YORTY. Mr. Speaker, I have today introduced Joint Resolution 373, which resolution will for the first time definitely fix the boundaries of the internal waters around the coast of the United States and Alaska. This is necessary from the standpoint of national defense, and also as a safeguard against untoward international incidents which might take place very near our coasts should we fail to definitely notify foreign nations that we consider certain water areas such as bays and channels to be within what are known in international law as internal or inland waters. Action at this time has become necessary because of a decision by the International Court of Justice at The Hague, in which decision certain principles were laid down to guide nations desiring to fix the boundaries of their internal waters without violating international law. The Court, in that case between Great Britain and Norway, held that Norway was entitled to delimit her internal waters by drawing straight base lines along the coast of Norway across bays and around the outer edge of off-lying islands along the Norwegian coast.

It is important that Congress act now because the rules of international law have been made clear. Our past assertions relative to the method of fixing boundaries of internal waters were based upon a misconception of international law. We must not now further jeopardize our international position with respect to these waters by making assertions which can no longer be excused on the basis of our lack of understanding of the law.

The Justice Department, in the case of the United States against California, is threatening to proceed to produce evidence by which it hopes to prove that the coast of California is practically devoid of any internal water area at all. Its motive for doing this is the fact that the Federal Government has disclaimed any intention of asserting rights in lands underlying inland waters. To get the most out of its decision in the case, the Justice Department finds itself compelled to practically deny the existence of inland waters along our coasts. The restrictive theories advanced by the Justice Department would cause the area known as high seas to come very close to the entire coast of California and other coastal States. This would give foreign nations certain rights equal to ours in these areas and, in the case of California, between the mainland and the offshore islands which are part of the State of California. Such a surrender of the area to international control is dangerous and completely unnecessary now that the International Court has ruled that a nation may claim such areas and rightfully assert absolute jurisdiction over them as internal or inland waters.

Joint Resolution 373 fixes the boundary of our internal waters in a manner consistent with the decision in the Anglo-

Norwegian Fisheries Case. It asserts the maximum jurisdiction which we may assert in consonance with the principles enunciated in that decision. When one considers that the air above the high seas is considered free air in which airplanes of all nations have the same rights, one can see immediately the importance of taking advantage of the rules of international law to protect ourselves in the matter of designating our inland or internal waters. This is even more important when viewed from the standpoint of the fact that the United States has accepted the compulsory jurisdiction of the International Court of Justice, thereby binding ourselves to submit disputes with other nations to that Court—United Nations Treaty Series, page 9; registration No. 3.

It should be emphasized that international law does not compel us to take advantage of the rules laid down in the Anglo-Norwegian Fisheries case. We are at liberty, if we are foolish enough to do so, to fail to designate or describe our internal waters by drawing the boundary around our outer islands, and if we fail to do so, the Court will respect our failure and hold in any future case in which we may be a defendant that foreign nations have a right, as against us, to regard as high seas whatever coastal waters we designate to be high seas, and therefore that they have rights very close to our coasts, and in the case of California, international rights in the channels off our coast, and even in such well-known bays as San Pedro Bay and Santa Monica Bay—bays which, incidentally, according to the Justice Department theories would not even be considered to be bays.

By declaring such waters to be internal waters, we can remove them from the international realm and insure against unwanted international incidents occurring in them. While it is true that we presently have the naval and air power to police these areas, whatever their character, it is also true that we have agreed, except in case of hostilities, to rely upon law, and not upon our power. We hope to be able to rely and to induce others to rely upon the rules of international conduct—rules which we are fighting to uphold in Korea. We cannot ask others to rely upon international law and to respect it if we fail to do so, and needlessly rely upon power in defiance of law. In the matter of inland waters, the law is now clear and will afford us a satisfactory protective belt provided we are willing to claim it. But we owe it to other nations to be clear about the rights we claim, and therefore it is necessary for us to notify all the world right now that we claim as internal waters the maximum area permitted by international law. This is, of course, what other nations will do, and very properly so.

We have heretofore excused our failure to definitely set up a proper protective belt of internal waters around our coasts by asserting that we were accepting a very limited definition of internal waters in order to try to persuade or compel others to do so, thereby hoping to obtain for our own ships and planes greater rights in and over the waters of other

nations. This excuse is no longer valid, since the proposed rules upon which we relied have been held not to have the force to international law, and therefore we cannot compel other nations to accept or abide by them regardless of what we ourselves do. I repeat, other nations are now free, pursuant to established rules, to assert the maximum permitted jurisdiction over and above coastal inland waters regardless of what we do. Therefore, we have no excuse for not doing the same thing in order to better protect ourselves, and to exercise full jurisdiction near our coasts, and especially within bays and channels.

The Justice Department, in its proceeding against the State of California, placed great emphasis upon the Anglo-Norwegian Fisheries case while the case was pending. The Justice Department very obviously thought Great Britain would win the case. In a memorandum and brief filed with the Supreme Court and signed by Solicitor Perlman, the Justice Department said:

In connection with its consideration of this question, the Court should be advised of the Anglo-Norwegian Fisheries case, now pending before the International Court of Justice. That proceeding, which was instituted by the United Kingdom on September 28, 1949, involves a challenge to the validity of certain point-to-point lines established by Norway along its coast as base lines for the delimitation of the marginal sea and the control of fishing activities therein. For the purposes of the dispute, the United Kingdom has conceded Norway's claim to a marginal sea 4 miles in width for the enforcement of fisheries regulations, but has insisted that such a zone may be measured only from base lines drawn in accordance with the principles of international law and has taken the position that the base lines prescribed by Norway (which resemble those claimed by California)¹ are in violation of international law. The United Kingdom has asked the International Court of Justice to declare the principles of international law to be applied in defining base lines along the Norwegian coast, to define the base lines insofar as may be necessary, and to award damages for Norwegian interferences with British fishing vessels outside of the zone Norway is entitled, under international law, to reserve for its nationals. See *The Twenty-Eighth Year of the World Court*, 44 AJIL (January 1950), 21-22. Time limits for the submission of the United Kingdom memorial, the Norwegian counter memorial, the United Kingdom reply, and the Norwegian rejoinder were fixed by an order of November 9, 1949. Following certain extensions, the time limits for the reply and rejoinder were scheduled to expire early in 1951. See also *The Twenty-ninth Year of the World Court*, 45 AJIL (January 1951), 27. Oral argument was expected during the present calendar year, and it is understood a decision in the case may be forthcoming near the close of the year.

The importance of the Anglo-Norwegian litigation in relation to this cause lies in the fact that it places before the International Court a controversy which is in many respects similar to that involved at the present stage of these proceedings, particularly insofar as it will require a delimitation of the marginal sea along a coast line where there are numerous indentations, as well as offlying rocks and islands. Of great significance, we think, is the contention of the United Kingdom that Norway may not unilaterally prescribe the base lines of its mar-

ginal sea. This is, in effect, what California proposes be done in this case (report, 1951, p. 10). It is also noteworthy, in connection with California's demand for oral testimony on the principles of international law, that these important questions are being heard by the International Court of Justice on the briefs (memorial, counter memorial, reply, and rejoinder) and oral arguments of the parties, without the necessity of any prior hearing or the taking of any testimony.

Having thus emphasized the importance of the case and likened the position of Norway to the position of California, the Justice Department was naturally embarrassed to find that Norway's position was sustained by the International Court. Thereafter, on January 21, 1952, Solicitor Perlman decided that the case was not so important after all, and in a letter to the chairman of the committee of the other body said:

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR GENERAL,
January 21, 1952.

HON. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: The Attorney General has asked me to reply to your letter of January 12, in which you request a statement respecting the recent decision of the International Court of Justice in the Anglo-Norwegian Fisheries case (judgment of December 18, 1951, ICJ Reports 1951, p. 116) and the effect of that decision on the issue of Federal or State control over the mineral resources of the submerged lands.

The question before the International Court in the Fisheries case did not relate to the nature or extent of the control to be exercised by a coastal nation in adjacent waters and the decision thus has no bearing on the issue of Federal as against State control over submerged lands. The sole issue before the Court was the validity of certain base lines prescribed by Norway for the measurement of its territorial sea, or marginal sea, wherein exclusive fishing privileges have been reserved for Norwegian vessels.

The case of *United States v. California* (332 U. S. 19), in which the basic issue as to Federal control over the marginal sea has already been decided, is still before the Supreme Court for the determination of the base line of the marginal sea along portions of the California coast, and hearings on the matter are scheduled to begin before the special master on Wednesday, January 23. Any effect of the ruling by the International Court on these issues will be considered and determined in that proceeding, and this office is now at work on the subject. Our studies have not been completed, nor have we yet been able to finish our consultations with other departments directly concerned. Until then it would not be possible to give any detailed opinion, but, for the purpose of the legislation being considered by the Committee on Interior and Insular Affairs, of which you are chairman, you should be informed that nothing in the International Court's opinion seems to require any modification of the legal position of the United States with respect to the determination of the location of the marginal sea.

The question as to what are inland waters, such as bays, etc., as distinguished from the open sea, will, of course, be determined by the Court in the pending proceedings, and there does not seem to be any reason why the Congress should give consideration to matters which do not affect the necessity for the Government to develop the areas subject to its sovereignty and control. Senate Joint Resolution 20, introduced by you, does not purport to determine the exact boundaries of those areas, and the Court will, in the

course of pending litigation, determine and apply the proper principles.

For your information, I am enclosing a short summary of the majority opinion of the International Court in the Fisheries case.

Sincerely,

PHILIP B. PERLMAN,
Solicitor General.

This letter is obviously an evasion of the fact that the United States has not fixed its boundary and that the decision of the International Court setting up principles by which we may properly designate our internal waters has a very great bearing upon the case of the United States against California. But the issue involved in the fixing of our boundaries transcends the issues involved in the California case. It is noteworthy, however, that the Justice Department, in order to get control of off-shore oil located in bays and channels, is threatening to usurp the powers of Congress and to narrow our protective belt by insisting upon judicially defining away all of the internal waters which are indispensable to sound administration of the areas and to the proper exercise of unhampered jurisdiction in close proximity to the coasts of the United States. The fixing of the boundary of our internal waters is a question for the political branch of the Government and not one for the Justice Department alone or the Supreme Court to decide.

The Solicitor General appears to be guilty of slight exaggeration when, in his letter set forth above, he speaks of consultation with other departments. Mr. Speaker, I myself have talked to the Secretary of State, the Secretary of Defense, and the Secretary of the Interior about this matter; and while the Secretary of the Interior has been consulted and the Secretary of State's office had been asked for a letter by the Justice Department, I found that the Secretaries of Defense and State had not been personally consulted and due emphasis had not been placed upon the matter, especially when the request for the aforesaid letter was made to the State Department by the Justice Department.

I remember back in 1939 when the United States Navy sent Commander Ellis M. Zacharias, now Admiral Zacharias, to an executive session of a committee of the California Legislature for the purpose of urging greater control of the persons fishing in California waters. The able and highly respected officer was sent because the Navy at that time viewed with alarm some of the activities that were carried on near our coast under the guise of fishing. One cannot tell what similar situations may arise in the future, but it is certain that if the Justice Department has its way, and our coast is left unprotected by an ample area designated internal waters, we may at some future time find ourselves lacking the civilian control that we need to exercise jurisdiction without becoming involved in international difficulties.

It seems clear that this is a matter for the political branch of the Government; one which Congress should decide. In the meantime, it would appear wise for the Justice Department to refrain from attempting to dictate a questionable policy for the United States as

¹ In original.

owner or holder; without amendment (Rept. No. 1331). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. S. 2078. An act to authorize the establishment of postal stations and branch post offices at camps, posts, or stations of the Armed Forces (including the Coast Guard), and at defense or other strategic installations, and for other purposes; without amendment (Rept. No. 1332). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 575. A bill for the relief of Dr. Alexander Fiala; with amendment (Rept. No. 1333). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 615. A bill for the relief of Samuel David Fried; without amendment (Rept. No. 1334). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 755. A bill for the relief of Dr. Eleftheria Paidoussi; with amendment (Rept. No. 1335). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 812. A bill for the relief of Karel Vaclav Malinovsky; with amendment (Rept. No. 1336). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 1416. A bill for the relief of Giuseppe Valdengo and Albertina Gioglio Valdengo; without amendment (Rept. No. 1337). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 1428. A bill for the relief of Claude Foranda; with amendment (Rept. No. 1338). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1467. A bill for the relief of Henry Ty; with amendment (Rept. No. 1339). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 1790. A bill for the relief of Dorothea Zirkelbach; without amendment (Rept. No. 1340). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 1819. A bill for the relief of Hisamitsu Kodani; with amendment (Rept. No. 1341). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1836. A bill for the relief of Mrs. Carla Mulligan; without amendment (Rept. No. 1342). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2178. A bill for the relief of Lee Lai Ha; with amendment (Rept. No. 1343). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2353. A bill for the relief of Kazuyoshi Hino and Yasuhiro Hino; with amendment (Rept. No. 1344). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 2355. A bill for the relief of Nobuko Hiramoto; with amendment (Rept. No. 1345). Referred to the Committee of the Whole House.

Mr. WILSON of Texas: Committee on the Judiciary. H. R. 2403. A bill for the relief

of Leda Taft; without amendment (Rept. No. 1346). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2404. A bill for the relief of Mark Yoke Lun and Mark Seep Ming; without amendment (Rept. No. 1347). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 2606. A bill for the relief of Dimitra Gaitanis; without amendment (Rept. No. 1348). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2676. A bill for the relief of Andrijana Bradicic; without amendment (Rept. No. 1349). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 6517. A bill relating to export controls on agricultural commodities; to the Committee on Banking and Currency.

By Mr. ASPINALL:

H. R. 6518. A bill providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. BATTLE:

H. R. 6519. A bill authorizing the construction and operation of facilities for experiments in underground gasification of coal and lignite, oil shale, and other carbonaceous deposits to promote the national defense and increase the energy and chemical resources of the Nation; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H. R. 6520. A bill to provide that wool purchased or procured by the Armed Forces shall be produced in the United States as long as such wool is available; to the Committee on Armed Services.

By Mr. BOGGS of Delaware:

H. R. 6521. A bill to amend section 4472 of the Revised Statutes, as amended, to further provide for the safe loading and discharging of explosives in connection with transportation by vessel; to the Committee on Merchant Marine and Fisheries.

By Mr. BRAMBLETT:

H. R. 6522. A bill relating to the approval, as treaties, of certain agreements negotiated by and under authority of the United States with foreign states; to the Committee on Foreign Affairs.

H. R. 6523. A bill to prohibit the transmittal of communistic propaganda matter in the United States mails or in interstate commerce for circulation or use in public schools; to the Committee on Post Office and Civil Service.

By Mr. CHENOWETH:

H. R. 6524. A bill providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. CROSSER:

H. R. 6525. A bill to amend the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLE:

H. R. 6526. A bill to amend the American River Development Act, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FORAND:

H. R. 6527. A bill to provide that voluntary agreements for the coverage of State and local employees under the Federal old-age and survivors insurance system may include positions covered by retirement systems; to the Committee on Ways and Means.

By Mr. GOODWIN:

H. R. 6528. A bill to repeal the 10 percent surcharge on postal cards; to the Committee on Post Office and Civil Service.

By Mr. JENKINS:

H. R. 6529. A bill providing for the examination and survey of the Ohio River in the vicinity of Pomeroy, Ohio; to the Committee on Public Works.

By Mr. MURRAY of Wisconsin:

H. R. 6530. A bill to provide that the clinical research center being constructed for the National Institutes of Health at Bethesda, Md., shall be named in honor of the late Frank B. Keefe; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON:

H. R. 6531. A bill to amend the American River Development Act, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Alabama:

H. R. 6532. A bill authorizing the construction and operation of facilities for experiments in underground gasification of coal and lignite, oil shale, and other carbonaceous deposits to promote the national defense and increase the energy and chemical resources of the Nation; to the Committee on Interior and Insular Affairs.

By Mr. KILDAY:

H. R. 6533. A bill to amend the Officer Personnel Act of 1947; to the Committee on Armed Services.

By Mr. MCKINNON:

H. R. 6534. A bill to provide for the conveyance of certain lands in San Diego, Calif., to the city of San Diego; to the Committee on Armed Services.

By Mr. MANSFIELD:

H. R. 6535. A bill to authorize the conveyance to the former owners of mineral interests in certain lands in North Dakota, South Dakota, and Montana acquired by the United States under title III of the Bankhead-Jones Farm Tenant Act; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN of Massachusetts:

H. R. 6536. A bill to provide that amounts which do not exceed 51 cents shall be exempt from the tax imposed upon amounts paid for the transportation of persons; to the Committee on Ways and Means.

By Mr. MURRAY of Tennessee:

H. R. 6537. A bill to repeal the 10-percent additional charge on postal cards sold in quantities of 50 or more; to the Committee on Post Office and Civil Service.

By Mr. RAINS:

H. R. 6538. A bill authorizing the construction and operation of facilities for experiments in underground gasification of coal and lignite, oil shale, and other carbonaceous deposits to promote the national defense and increase the energy and chemical resources of the Nation; to the Committee on Interior and Insular Affairs.

By Mr. RANKIN (by request):

H. R. 6539. A bill to provide for a study by the Administrator of Veterans' Affairs of the methods and practices employed by Dr. Robert E. Lincoln in the treatment of tuberculosis and cancer; to the Committee on Veterans' Affairs.

By Mr. RHODES:

H. R. 6540. A bill to amend the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. ROBERTS:

H. R. 6541. A bill to amend the Internal Revenue Code to provide that the tax on transportation of persons shall not apply to

transportation by air of servicemen who have been ordered to duty outside the United States; to the Committee on Ways and Means.

By Mr. ROGERS of Texas:

H. R. 6542. A bill to increase the personal income-tax exemption of a taxpayer and the additional exemption for his spouse from \$600 to \$1,000, and to increase the exemption for a dependent from \$600 to \$750; to the Committee on Ways and Means.

By Mr. SABATH:

H. R. 6543. A bill to provide a more effective method for the elimination of the traffic in narcotic drugs by imposing certain requirements and penalties on banks, ship-owners, and insurance companies; to the Committee on Ways and Means.

By Mr. HARDIE SCOTT:

H. R. 6544. A bill to amend the act of June 28, 1948 (62 Stat. 1061), relating to the establishment of the Independence National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. HUGH D. SCOTT, JR.:

H. R. 6545. A bill to amend the act of June 28, 1948 (62 Stat. 1061), relating to the establishment of the Independence National Historical Park; to the Committee on Interior and Insular Affairs.

By Mr. SPENCE:

H. R. 6546. A bill to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to the Committee on Banking and Currency.

By Mr. TAYLOR:

H. R. 6547. A bill to permit the enlistment of persons convicted under the Youthful Offender Act of the State of New York; to the Committee on Armed Services.

By Mr. WHITTEN:

H. R. 6548. A bill to provide for the waiver of premiums on the national service life insurance and United States Government life (converted) insurance issued to certain former servicemen who are disabled; to the Committee on Veterans' Affairs.

H. R. 6549. A bill to provide a 1 year period during which certain veterans may be granted United States Government life (converted) insurance or national service life insurance, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WILLIAMS of Mississippi:

H. R. 6550. A bill to amend the Universal Military Training and Service Act to provide that certain members of the National Guard and other Reserve components, who served during World War II, shall be released from active duty upon completing seventeen months' active duty after June 24, 1950; to the Committee on Armed Services.

By Mr. YORTY:

H. R. Res. 373. Joint resolution declaring the boundaries of the inland or internal waters of the United States to be as far seaward as is permissible under international law, and providing for a survey of such boundaries to be made by the United States Coast and Geodetic Survey in the light of the Anglo-Norwegian Fisheries case; to the Committee on the Judiciary.

By Mr. SABATH:

H. J. Res. 374. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1952, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. J. Res. 375. Joint resolution to rescind the consent of Congress to the compact or agreement between the State of New York and the State of New Jersey creating the Port of New York Authority, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Wisconsin:

H. J. Res. 376. Joint resolution proposing an amendment to the Constitution of the United States relative to the making of

treaties and executive agreements; to the Committee on the Judiciary.

By Mr. HAGEN:

H. Con. Res. 197. Concurrent resolution to establish the Joint Committee on Coverage of Administrative Positions into the Classified Civil Service; to the Committee on Rules.

H. Con. Res. 198. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to House Concurrent Resolution 197; to the Committee on House Administration.

By Mr. DOLLINGER:

H. Res. 521. Resolution favoring the embracing within the Republic of Ireland of all the territory of that country; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Delaware, relative to transmitting an authenticated copy of an interstate civil defense compact as entered into and ratified by the State of Delaware, pursuant to subsection 201 (g) of the Federal Civil Defense Act of 1950 (Public Law 920, Eighty-first Congress; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Nevada, relative to transmitting an authenticated copy of an interstate civil defense compact as entered into and ratified by the State of Nevada, pursuant to subsection 201 (g) of the Federal Civil Defense Act of 1950, Public Law 920, Eighty-first Congress; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Pennsylvania, relative to transmitting an authenticated copy of Act No. 330 of the General Assembly of the Commonwealth of Pennsylvania, concerning mutual military aid and assistance by and between the Commonwealth of Pennsylvania and other States, in an emergency, and empowering the Governor to enter into a compact with the State of New Jersey and the State of New York and any other State concurring therein for such purpose; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Kentucky, relative to requesting the official designation of the body of water impounded by Wolf Creek Dam, "Lake Cumberland", and asking that the name of the Dam remain "Wolf Creek Dam"; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Massachusetts, relative to urging Congress to lower the premiums on national service life insurance; to the Committee on Veterans' Affairs.

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts, urging Congress to lower the premiums on national service life insurance; to the Committee on Veterans' Affairs.

By Mr. MARTIN of Massachusetts: Memorial of the House of Representatives of the Commonwealth of Massachusetts, urging Congress to lower the premiums on national service life insurance; to the Committee on Veterans' Affairs.

By Mr. FORAND: Resolution entitled "Resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to work for the passage of legislation to amend the social security act so as to authorize the extension of old-age and survivors' benefits under the act to State and local employees who are covered by State or local retirement systems, as passed by the General Assembly of the State of Rhode Island and Providence Plantations at the January session, A. D. 1952, and approved by the Governor on February 5, 1952"; to the Committee on Ways and Means

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAMBLETT:

H. R. 6551. A bill for the relief of Hyeng Pok Sunoo; to the Committee on the Judiciary.

H. R. 6552. A bill for the relief of Velisarios G. Zavitsanos; to the Committee on the Judiciary.

By Mr. BURLESON:

H. R. 6553. A bill conferring jurisdiction upon the United States District Court for the Northern District of Texas, Abilene Division, to hear, determine, and render judgment upon certain claims of Yetta Mae Slayton; to the Committee on the Judiciary.

By Mr. BYRNES:

H. R. 6554. A bill to effect entry of Kim Jung Soo to be adopted by United States citizens; to the Committee on the Judiciary.

By Mr. CASE:

H. R. 6555. A bill for the relief of Mrs. Seyre Odichou; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 6556. A bill authorizing the issuance of a patent in fee to Erle E. Howe; to the Committee on Interior and Insular Affairs.

By Mr. JAVITS:

H. R. 6557. A bill for the relief of Rebecca Polak; to the Committee on the Judiciary.

By Mr. LANE (by request):

H. R. 6558. A bill for the relief of certain members of the naval service, with respect to shipments of household effects; to the Committee on the Judiciary.

By Mr. MCGREGOR:

H. R. 6559. A bill for the relief of Setsuko Motohara Kibler, widow of Robert Eugene Kibler; to the Committee on the Judiciary.

By Mr. McVEY:

H. R. 6560. A bill for the relief of Mrs. Joyce Heveran, nee Rigby; to the Committee on the Judiciary.

By Mr. RICHARDS:

H. R. 6561. A bill to effect entry of a minor child adopted or to be adopted by United States citizens; to the Committee on the Judiciary.

By Mr. RIEHLMAN (by request):

H. R. 6562. A bill for the relief of Andreas or Andrew Voutsinas; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 6563. A bill for the relief of Peter Penovic, Milos Grahovac, Nikola Maljkovic, and Mile Milanovic; to the Committee on the Judiciary.

H. R. 6564. A bill for the relief of Antonio Tralonga; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

538. By Mr. KILDAY: Petition of Richard M. Casillos, M. M. Lugo, Henry Romo, Joaquin Abrego, Wayne E. LeCrory, Fred M. Ramirez, A. M. Ramirez, Martin B. Aparicio, Frank Galvan, R. Rubio, T. G. Hernandez, Joseph N. McCumber, Albert A. Pena, Jr., Julian S. Garvia, and Conrad Salinas, urging legislation to prohibit employing, harboring, or recruiting illegal workers from Mexico; to the Committee on the Judiciary.

539. By the SPEAKER: Petition of Miami Friendship Townsend Club, No. 1, Miami, Fla., requesting enactment of House bills 2678 and 2679, known as the Townsend plan; to the Committee on Ways and Means.

540. Also, petition of West Palm Beach Townsend Club, No. 1, West Palm Beach, Fla., requesting enactment of House bills 2678 and 2679, known as the Townsend plan; to the Committee on Ways and Means.

541. Also, petition of Miami Townsend Club No. 22, Miami, Fla., requesting passage

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 27, 1952

For actions of March 26, 1952

82nd-2nd, No. 50

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House debated Interior appropriation bill. Both Houses adopted conference report on bill to provide for loyalty investigations by CSC. Ready for President. Senate committee voted to extend Defense Production Act 1 year. Rep. Buckley introduced revised road-authorizations bill. Sen. Carlson criticized livestock-price controls. Rep. D'Ewart urged foot-and-mouth disease laboratory and inserted Brannan's release on Mexican campaign.

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HOUSE

- ~~1. INTERIOR DEPARTMENT APPROPRIATION BILL, 1953. Began debate on this bill, H. R. 7176 (pp. 2980-3019). Agreed to an amendment by Rep. Davis, Ga., 101-92, to reduce Bureau of Land Management by \$1,027,395 (p. 3019). Rejected an amendment by Rep. Cotton, N. H., 103-105, to cut \$10,000,000 from Bonneville Power Administration for construction of transmission lines, and an amendment by Rep. Coudert, N. Y., to delete language authorizing construction and acquisition of transmission lines, etc., by the Southeastern Power Administration and to reduce the amount allowed by \$869,000, 92-108 (pp. 3009-16).~~
- ~~2. LOYALTY INVESTIGATIONS. Both Houses agreed to the conference report on S. 2077, to provide for loyalty investigations of Government employees by the Civil Service Commission instead of the Federal Bureau of Investigation (pp. 2934, 2980). This bill will now be sent to the President.~~
- ~~3. COCONUT-OIL IMPORTS. The Ways and Means Committee voted to report (but did not actually report) H. R. 7188, to provide that the additional tax imposed by Sec. 2470 (a)(2) of the Internal Revenue Code shall not apply in respect of coconut oil produced in, or produced from materials grown in, the Territory of the Pacific Islands (p. D270).~~
- ~~4. PRICE MAINTENANCE. The Rules Committee reported a resolution for consideration of H. R. 5767, to amend the Federal Trade Commission Act with respect to contracts and agreements which establish minimum resale prices and which are extended by State law to non-signers (p. 2979).~~

SENATE

5. **DEFENSE PRODUCTION.** The Banking and Currency Committee commenced executive meetings to consider amendments to the Defense Production Act. Agreed to mark up S. 2594, which extends the present act for 1 year; rejected a motion to end price and wage controls June 30, 1952, and a motion to end them Mar. 31, 1953; voted to substitute Public Law 590, 81st Congress, for Sec. 104 of the Defense Production Act, regarding import controls; voted to continue the Small Defense Plants Administration; voted against livestock slaughter quotas; amended the Herlong amendment by striking out "hereafter" and adding a clause to prevent the pyramiding of retail prices due to increased excise taxes; rejected a motion to repeal the Herlong amendment, and also a motion to require the amendment to apply on an individual retailer basis rather than an industry-wide basis; voted against any change in statutory credit-control requirements; and adopted a motion to table an amendment which would channel Government contracts into areas of surplus employment. (p. D266.)
6. **PRICE CONTROL.** Sen. Carlson criticized livestock price controls and inserted a statement on this subject by the Kansas Livestock Association (pp. 2918-9).
7. **TRANSPORTATION.** The Interstate and Foreign Commerce Committee reported without amendment S. 2748, authorizing Canadian vessels to transport iron ore between U. S. ports on the Great Lakes during 1952 in order to make more vessels available for grain transportation (S. Rept. 1354)(p. 2919).
8. **PERSONNEL STUDY.** Agreed to S. Res. 288, continuing until Jan. 31, 1953, the authority for the Post Office and Civil Service Committee study of personnel needs and practices of Government agencies and to make available \$50,000 additional for the study (p. 2920).

BILLS INTRODUCED

9. **FLAMMABLE FABRICS.** S. 2918, by Sen. Johnson, Colo.; H. R. 7256, by Rep. Canfield, N. J.; H. R. 7257, by Rep. Johnson, Calif.; and H. R. 7258, by Rep. Seely-Brown, Conn.; to prohibit the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous; to Interstate and Foreign Commerce Committees (pp. 2921, 3030).
10. **CIVIL-SERVICE RETIREMENT.** H. R. 7246, by Rep. Addonizio, N. Y., to extend retirement benefits to certain former Government employees; to Post Office and Civil Service Committee (p. 3030).
11. **LOYALTY INVESTIGATIONS.** H. R. 7249, by Rep. Bow, Ohio, to provide that all data, records, findings, and reports relating to civilian personnel in the executive branch shall be made available to congressional committees upon request; to Post Office and Civil Service Committee (p. 3030).
12. **ROADS.** H. R. 7250, by Rep. Buckley, N. Y., to amend and supplement the Federal-Aid Road Act of 1916, as amended and supplemented, to authorize appropriations for continuing highway construction, etc.; to Public Works Committee (p. 3030).

ITEMS IN APPENDIX

13. **FOOT-AND-MOUTH DISEASE RESEARCH:** Speech in the House by Rep. D'Ewart, Mont., urging appropriations to construct the foot-and-mouth disease eradication

Daily Digest

HIGHLIGHTS

Both Houses cleared for President bill on civil-service investigations.

Senate worked on tidelands bill and adopted seven routine resolutions.

House worked on Interior Department appropriations.

Senate Banking and Currency Committee started marking up bill on defense production and housing and rent controls; and other committees approved bills on geomagnetics, vessels, land transfer, gas, mailing privileges, poison, and seven routine resolutions.

Miscellaneous bills on taxation, revenue, and import duties approved by House Ways and Means Committee.

Senate

Chamber Action

Routine Proceedings, pages 2917-2921

Bills Introduced: Seven bills were introduced, as follows: S. 2918 to S. 2924. Page 2921

Bills Reported: Reports were made as follows:

S. Con. Res. 56 with original committee amendment (S. Rept. 1351); S. Con. Res. 64 with amendment (S. Rept. 1352); S. Res. 288 (S. Rept. 1353)—for titles of these three resolutions see Routine Resolutions Adopted;

S. 2748, authorizing vessels of Canadian registry to transport iron ore between U. S. ports on the Great Lakes during 1952 (S. Rept. 1354); and

S. Con. Res. 69 (no written report); S. Res. 297 (no written report); S. Res. 289 (no written report); and S. Res. 296 (no written report)—for titles of these four resolutions see Routine Resolutions Adopted. Pages 2919-2920

Bill Referred: One House-passed bill was referred to appropriate committee. Page 2921

Routine Resolutions Adopted: The following routine resolutions were adopted:

S. Con. Res. 69, joint committee to arrange for inauguration of President-elect on January 20, 1953;

S. Res. 297, granting gratuity to widow of deceased Senate employee;

S. Res. 288, extending authority and authorizing additional funds of \$50,000 for Committee on Post Office and Civil Service in investigating personnel needs and practices of various governmental agencies;

S. Con. Res. 56, authorizing expenditure of \$50,000 for study of Railroad Retirement Act and related problems, with committee amendment;

S. Con. Res. 64, authorizing expenditure of \$25,000 by Joint Committee on Navajo-Hopi Indian Administration, with committee amendment;

S. Res. 289, authorizing printing of document entitled "Making Ends Meet on Less Than \$2,000 a Year"; and

S. Res. 296, increasing by \$15,000 limit of expenditures of Committee on Interior and Insular Affairs for investigation of relationship between U. S. and Indians. Pages 2920-2921

Civil Service Investigations: Conference report on S. 2077, to provide for certain investigations by the Civil Service Commission in lieu of the FBI, was adopted, clearing the bill for the President. Page 2934

Tidelands: Senate continued on S. J. Res. 20, to provide for continuation of operations under certain mineral leases covering submerged lands of the Continental Shelf, to encourage the development of such leases, and to provide for the protection of the interests of the U. S. in the oil and gas deposits of said lands. By unanimous consent, Senator O'Mahoney (on behalf of committee) withdrew the one remaining committee amendment, which provides that for 5 years the authority of the Secretary of the Interior to grant oil and gas leases on seaward tidelands shall be subject to approval of State involved.

Pending at recess was Hill amendment, providing that certain moneys received shall be held in special account to be used only for development essential to national defense and thereafter for grants in aid of education. Pages 2921-2932, 2934-2977

Nominations: The nominations of Clarence H. Adams, of Connecticut, to be member of Securities Exchange Commission, and of B. Bernard Greininger, of New York, to be a member of the Renegotiation Board, were received.

Page 2977

Program for Thursday: Senate recessed at 6 p. m. until noon Thursday, March 27, when it will continue on S. J. Res. 20, tidelands bill.

Committee Meetings

(Committees not listed did not meet)

GRAIN SHORTAGE INVESTIGATION

Committee on Agriculture and Forestry: Continuing its hearings on the investigation of grain shortages, committee received testimony, as indicated, from the following witnesses: Arleis H. Myers, president, Harry Easley, vice president, Dan M. Nee, secretary, and John Stark, treasurer, all of the Midwest Storage & Realty, Inc., and Paul B. Edwards, protection and maintenance contractor, Camp Crowder, Mo., all of whom testified with respect to operations of the Midwest Storage & Realty, Inc.;

Quirk J. Bernard, former regional director, War Assets Administration, Kansas City, Mo., who testified on War Assets leases to the Midwest Storage & Realty, Inc., and the V. M. Harris Grain Co.;

Paul Mather, former liquidator, War Assets, GSA, and Louis S. Vandover, former special agent in charge of compliance, War Assets, Kansas City office, who testified on investigation of leases executed in behalf of War Assets to the Midwest Storage & Realty, Inc.; and

Sidney Smith, Jr., head of warehouse charges unit, PMA commodity regional office, Kansas City, Mo., who testified on payment of storage charges to the V. M. Harris Grain Co.

Committee continues tomorrow on grain shortages in Edmunds County, S. Dak.

APPROPRIATIONS—AGRICULTURE

Committee on Appropriations: Subcommittee on Agriculture continued executive hearings on proposed Agriculture Department budget estimates for 1953, and heard testimony in support of funds for the Forest Service from Lyle F. Watts, Chief, Forest Service, accompanied by his assistants. Hearings continue tomorrow.

APPROPRIATIONS—STATE DEPARTMENT

Committee on Appropriations: Subcommittee on State, Justice, Commerce continued executive hearings on the proposed 1953 budget estimates for the State Department, and received testimony in support thereof from Deputy Under Secretary of State Carlisle H. Humelsine, accompanied by his associates. Subcommittee continues tomorrow.

APPROPRIATIONS—THIRD SUPPLEMENTAL

Committee on Appropriations: Continuing its executive hearings on H. R. 6947, third supplemental appropriations for 1953, committee heard testimony in support of funds for an additional Washington airport from F. B. Lee, Deputy Administrator of Civil Aeronautics, A. O. Basnight, acting budget officer, and H. H. Howell, all of the CAA; and Emory S. Land and Milton W. Arnold, both of the Air Transport Association. Those appearing in opposition to this project were Senator O'Connor and Harold K. Howe, chairman, Burke Airport Relocation Committee. Committee continues tomorrow.

DEFENSE PRODUCTION

Committee on Banking and Currency: Committee commenced executive meetings to consider amendments to the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and announced the following actions:

Agreed to mark up S. 2594, which extends the present act for 1 year;

Rejected motion to terminate price and wage controls on June 30, 1952;

Rejected motion to end price and wage controls on March 31, 1953;

Substituted Public Law 590 of Eighty-first Congress for section 104, on import controls on fats and oils;

Voted to continue the Small Defense Plants Administration;

Voted against placing slaughter quotas in bill;

Amended the Herlong amendment by striking out "hereafter" and adding a clause which would prevent the pyramiding of retail prices due to increased excise taxes;

Rejected motion to repeal Herlong amendment;

Rejected motion to require the Herlong amendment to apply on an individual retailer basis rather than on an industry-wide basis;

Defeated motion to abolish rent control;

Defeated a motion to repeal Federal rent controls in all except areas now or hereafter declared critical defense housing areas;

Adopted motion to require that public hearings be held 30 days prior to reimposition of Federal rent controls on any area which has been previously decontrolled;

Adopted amendment to clarify provisions of the law exempting services performed by transportation companies;

Adopted amendment to remove from salary control, engineers, certified public accountants, and architects who work for other members of the same profession;

Voted against any change in statutory requirements for regulation W (consumer credit controls); and

Adopted motion to table an amendment which would channel Government contracts into areas of surplus employment.

Committee continues March 31.

82D CONGRESS
2D SESSION

H. R. 7432

IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 1952

Mr. HUNTER introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend section 104 of the Defense Production Act of 1950, relating to import controls of commodities and products which affect the national defense.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 104 of the Defense Production Act of 1950 is
4 hereby amended to read as follows:

5 “SEC. 104. (a) Import controls of fats and oils (in-
6 cluding oil-bearing materials, fatty acids, and soap and soap
7 powder, but excluding petroleum and petroluem products
8 and coconuts and coconut products), peanuts, butter, cheese,
9 and other dairy products, and rice and rice products are
10 necessary for the protection of the essential security interests

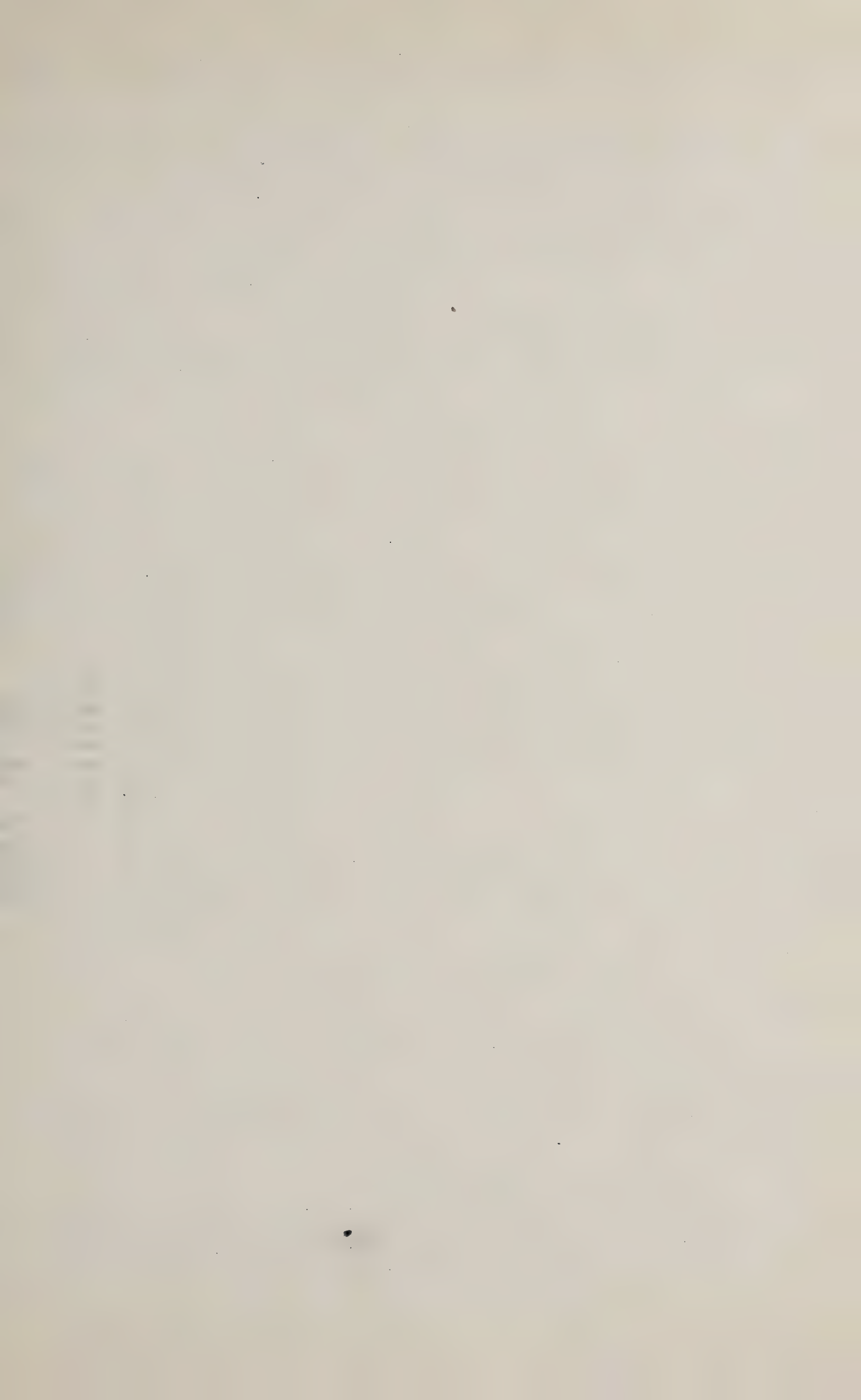
1 and economy of the United States in the existing emergency
2 in international relations, and imports into the United States
3 of any such commodity or product shall be limited to such
4 quantities as the President determines, after a finding by
5 the Secretary of Agriculture, would not—

6 “(1) impair or reduce the domestic production of
7 any such commodity or product below present produc-
8 tion levels, or below such higher levels as the Secretary
9 of Agriculture may deem necessary in view of domestic
10 and international conditions, or

11 “(2) interfere with the orderly domestic storing
12 and marketing of any such commodity or product, or

13 “(3) result in any unnecessary burden or expendi-
14 tures under any Government price-support program.

15 “(b) In addition to the commodities and products re-
16 ferred to in subsection (a), the President is authorized to
17 exercise, administer, and enforce such controls over imports
18 of other commodities or products as he shall deem necessary
19 or appropriate to promote the national defense, upon in-
20 vestigation and recommendation of the Secretary of Agri-
21 culture in the case of agricultural commodities or products
22 thereof; or, upon investigation and recommendation of the
23 Secretary of Commerce, in the case of nonagricultural com-
24 modities or products thereof.”



A BILL

To amend section 104 of the Defense Production Act of 1950, relating to import controls of commodities and products which affect the national defense.

By Mr. HUNTER

APRIL 7, 1952

Referred to the Committee on Banking and Currency

18. **FEDERAL EMPLOYMENT:** Sen. Byrd submitted a report on civilian employment in the Federal Government for February 1952 (3621-4).
19. **FOOT-AND-MOUTH DISEASE; RESEARCH:** Speech by Sen. Thye requesting that Sen. Seaton be added as a co-sponsor of his bill, S. 2962, appropriating \$25,000,000 for a foot-and-mouth disease research laboratory (p. 3647-8).
20. **FIGS; IMPORT QUOTAS.** Sen. Cain inserted a letter from Mr. John Breckenridge criticizing the Department's recent action in refusing to grant relief requested by domestic fig growers through the imposition of import restrictions on foreign figs (p. 3659-61).
21. **MINERAL RIGHTS.** Sen. Langer inserted a constituent's letter favoring passage of his bill to provide for the purchase of mineral rights of submarginal lands sold by former owners to the Government (pp. 3661-2).

ITEMS IN APPENDIX

22. **FOOT-AND-MOUTH DISEASE.** Speech by Rep. Lovre, S. Dak., criticizing the Department for not submitting further plans and specifications for a foot-and-mouth disease research laboratory with the funds available for that purpose. (pp. A2255-6).
23. **TEXTILES.** Rep. Chatham, N.C., inserted an article from the Winston-Salem Journal stating that traditional New England conservatism is to blame for the slump in the area's textile business (p. A2260).
24. **ELECTRIFICATION.** Rep. Miller, N. Y., inserted a Pomona Grange Resolution stating that any further development of hydroelectric power from the Niagara Falls and River should be done by private enterprise (p. A2260).
Rep. Miller, N. Y., inserted resolution of the Kiwanis Club of Warrensburg, N. Y. supporting the passage of the Capehart-Miller bills authorizing the continued development of hydroelectric power on the Niagara River by private enterprise. (p. A2261).
25. **COTTON.** Rep. Abernethy, Miss., inserted a statement by Mr. Gerald Dearing in the Commercial Appeal criticizing the proposed new method of handling the 1952 cotton loan by PMA. Mr. Dearing claimed that this change is set up to give work to idle PMA employees, and would cause great damage to the cotton farmer (pp. A2263-4).

BILLS APPROVED BY THE PRESIDENT

26. **DAYLIGHT-SAVING TIME.** S. 2667, District of Columbia daylight-saving time. Approved April 4, 1952. Public Law 297 - 82nd. Congress.
27. **LOYALTY INVESTIGATIONS.** S. 2077, to provide for loyalty investigations by the Civil Service Commission in lieu of the FBI. Approved April 5, 1952. Public Law 298 - 82nd. Congress.

BILLS INTRODUCED

28. **RETIREMENT BENEFITS.** H. R. 7423, to improve efficiency of civil service; and deny benefits under civil service and other retirement systems to persons convicted of certain felonies; to Ways and Means Committee (p. 3711).

29. **MARKETING.** H.R. 7430, to amend Perishable Agricultural Commodities Act, 1930, to provide that certain hearings under section 6 thereof shall be held in the place of complainant's residence; to Agriculture Committee (p. 3711).
30. **TRADE AGREEMENTS:** H.R. 7431, to amend section 8 (a) of the Trade Agreements Extension Act, 1951; to Ways and Means Committee (p. 3711).
S. 2983, to amend section 3 (a) of the Trade Agreements Extension Act, 1951, so as to require, with respect to fruits and vegetables and other perishable agricultural commodities, prompt action by the Tariff Commission under section 7 of this act or under section 22 of the Agriculture Adjustment Act, unless the Secretary of Agriculture has reported that the commodity involved is not perishable or that the application for relief is frivolous; to Finance Committee (p. 3624). Remarks of author (pp. 3659-61).
31. **IMPORT CONTROLS:** H.R. 7432, to amend section 104 of the Defense Production Act, 1950, relating to import controls of commodities and products which affect the national defense; to Banking and Currency Committee (p. 3711).
32. **FOOT-AND-MOUTH DISEASE: RESEARCH.** H. Res. 600, expressing the sense of the House that the Secretary of Agriculture shall prepare new plans and specifications for the establishment of research facilities for the study of foot-and-mouth disease; to Agriculture Committee (p. 3711).
33. **PERSONNEL INVESTIGATIONS.** S. 2980, to authorize and direct investigation of certain offenses by officers and employees of the executive branch by the FBI; to Judiciary Committee (p. 3624).

COMMITTEE HEARINGS APR. 8: Agricultural and 3rd-supplemental appropriations, S. Appropriations (ex). Financing recreation on national forests, H. Agriculture (Watts and Cliff to testify). Weather control, S. Interstate (ex). Jurisdiction over Oregon and California revested grant lands, H. Interior. Personnel-recruitment procedure, H. Civil Service. Water pollution, H. Public Works. Transportation bills, S. Interstate. Foreign aid program, H. Foreign Affairs.

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 105 Adm.

transmitting the report, on the claim of R. B. Freight Lines, Inc., against the United States, pursuant to section 10 of the Motor Carrier Claims Commission Act of July 2, 1948 (62 Stat. 1222; 49 U. S. C. 305 note); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 1722. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. S. 302. An act to amend section 32 (a) (2) of the Trading With the Enemy Act; with amendment (Rept. No. 1723). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 5713. A bill to amend the Agricultural Act of 1949 to provide that Low Middling seven-eighths inch cotton shall be the standard grade for the purposes of determining parity and price support for the 1952 cotton crop; with amendment (Rept. No. 1724). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 4628. A bill granting the consent of Congress to a compact entered into by the States of Oklahoma, Texas, and New Mexico relating to the waters of the Canadian River; with amendment (Rept. No. 1725). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRYSON: Committee on the Judiciary. H. R. 3975. A bill to amend section 1498 of title 28, United States Code, so as to permit a joint patentee to bring suit on a patent in the Court of Claims in certain cases where one or more of his copatentees is barred from doing so; with amendment (Rept. No. 1726). Referred to the Committee of the Whole House on the State of the Union.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 6525. A bill to amend the Railroad Unemployment Insurance Act; with amendment (Rept. No. 1727). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 7345. A bill to exclude from gross income the proceeds of certain sports programs conducted for the benefit of the American National Red Cross; without amendment (Rept. No. 1728). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 7420. A bill to provide for the interment in a special plot in Arlington National Cemetery of the remains of the last known survivor of each of the armed conflicts in which the United States has been engaged;

to the Committee on Interior and Insular Affairs.

By Mr. FURCOLO:

H. R. 7421. A bill to provide for a silver medal in commemoration of the one hundredth anniversary of the founding of the city of Springfield, Mass.; to the Committee on Banking and Currency.

H. R. 7422. A bill to authorize the coinage of special 50-cent pieces in commemoration of the one hundredth anniversary of the founding of the city of Springfield, Mass.; to the Committee on Banking and Currency.

By Mr. MANSFIELD:

H. R. 7423. A bill to improve the efficiency of the United States civil service; to deny benefits, under the civil service and other retirement systems, to persons convicted of certain felonies; and for other purposes; to the Committee on Ways and Means.

By Mr. BUSBEY:

H. R. 7424. A bill to amend title 18 of the United States Code with respect to the authority and powers of the Attorney General and the Federal Bureau of Investigation relating to investigations of violations of Federal law; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 7425. A bill to amend section 3185 of title 18, United States Code; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 7426. A bill to provide that certain amounts expended by individuals for the purchase of non-interest-bearing United States bonds may be deducted in computing net income, and for other purposes; to the Committee on Ways and Means.

By Mr. CRAWFORD:

H. R. 7427. A bill to provide a civil government for the Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FALLON:

H. R. 7428. A bill to provide for the issuance of a special postage stamp in honor of the late George Herman (Babe) Ruth; to the Committee on Post Office and Civil Service.

By Mr. FERNÓS-ISERN:

H. R. 7429. A bill extending to Hawaii, Alaska, Puerto Rico, and the District of Columbia the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States; to the Committee on the Judiciary.

By Mr. HERLONG:

H. R. 7430. A bill to amend the Perishable Agricultural Commodities Act, 1930, so as to provide that certain hearings under section 6 thereof shall be held in the place of the complainant's residence; to the Committee on Agriculture.

By Mr. HUNTER:

H. R. 7431. A bill to amend section 8 (a) of the Trade Agreements Extension Act of 1951; to the Committee on Ways and Means.

H. R. 7432. A bill to amend section 104 of the Defense Production Act of 1950, relating to import controls of commodities and products which affect the national defense; to the Committee on Banking and Currency.

By Mr. LESINSKI:

H. R. 7433. A bill to provide for transfer of letter carriers or post-office clerks in the postal field service under certain conditions; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 7434. A bill to amend title 18, Criminal Code, to declare certain papers, pamphlets, books, pictures, and writings non-mailable, to provide a penalty for mailing

same, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRAWFORD:

H. J. Res. 421. Joint resolution to continue authority for the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

By Mr. HOLMES:

H. J. Res. 422. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State-Far East International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H. J. Res. 423. Joint resolution to continue the effectiveness of certain statutory provisions until July 1, 1952; to the Committee on the Judiciary.

By Mr. ROSS:

H. J. Res. 424. Joint resolution to authorize the construction of a Veterans' Administration hospital in Queens County, New York, N. Y.; to the Committee on Veterans' Affairs.

By Mr. LOVRE:

H. Res. 600. Resolution expressing the sense of the House of Representatives that the Secretary of Agriculture shall prepare new plans and specifications for the establishment of research facilities for the study of foot-and-mouth disease; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to their Senate Resolution No. 58, relating to retirement pay for postal employees; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States relative to the investigation of the Katyn Forest massacre, so-called; to the Committee on Rules.

By Mr. GOODWIN: Memorial of Massachusetts Legislature relative to the investigation of the Katyn Forest massacre, so-called; to the Committee on Rules.

By Mr. HESELTON: Memorial of the General Court of the Commonwealth of Massachusetts, memorializing Congress relative to the investigation of the Katyn Forest massacre, so-called; to the Committee on Rules.

By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, memorializing Congress relative to the investigation of the Katyn Forest massacre, so-called; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 7435. A bill for the relief of Gabriele Pontillo; to the Committee on the Judiciary.

H. R. 7436. A bill for the relief of Albino Bergamasco; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 7437. A bill for the relief of Mr. Jio Botta Podesta; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 7438. A bill for the relief of Domenico Manzella; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 7439. A bill for the relief of Antoni Rajkowski; to the Committee on the Judiciary.

By Mr. McMULLEN:

H. R. 7440. A bill for the relief of Henry Hauri; to the Committee on the Judiciary.

By Mr. RAMSAY:

H. R. 7441. A bill for the relief of Kelko Shikata; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H. R. 7442. A bill for the relief of Apostolos Savvas Vassiliadis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

668. By the SPEAKER: Petition of the Association of the Oldest Inhabitants of the District of Columbia, Washington, D. C., relative to having the Senate restore the amount of \$12,000,000 to the pending District of Columbia appropriation bill, as provided in the District of Columbia Revenue Act of 1947; to the Committee on Appropriations.

S. 2594

IN THE SENATE OF THE UNITED STATES

APRIL 21 (legislative day, APRIL 14), 1952

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: At the proper place insert the following new section:

1 SEC. . (a) Subsection (b) of the first section of
2 the Act entitled "An Act to provide conditions for the pur-
3 chase of supplies and the making of contracts by the United
4 States, and for other purposes", approved June 30, 1936
5 (41 U. S. C. 35-45), is amended by striking out "locality
6 in which the materials, supplies, articles, or equipment are
7 to be manufactured or furnished under said contract;" and
8 inserting in lieu thereof the following: "(1) city, town,
9 village, or other civil subdivision in which the materials,

1 supplies, articles, or equipment are to be manufactured or
2 furnished under said contract; or (2) if manufacturing or
3 furnishing under said contract is to involve more than one
4 such locality, then in the respective cities, towns, villages, or
5 other civil subdivisions in which particular materials, sup-
6 plies, articles, or equipment are to be manufactured or fur-
7 nished under said contract;”.

8 (b) Section 9 of such Act is amended by striking out
9 that portion of the first sentence thereof which precedes the
10 semicolon and inserting in lieu thereof the following:

11 “This Act shall not apply to purchases of such mate-
12 rials, supplies, articles, or equipment of standard type and
13 construction as are usually sold in the open market to pur-
14 chasers generally, regardless of the method of procurement
15 used by the Government”.

16 (c) Such Act is further amended (1) by redesignating
17 sections 10 and 11 as sections 11 and 12, respectively, and
18 (2) by inserting immediately following section 9 a new sec-
19 tion 10 as follows:

20 “SEC. 10. Notwithstanding any provision of section 4 of
21 the Administrative Procedure Act, such Act shall be appli-
22 cable in the administration of sections 1 to 5 and 7 to 9 of this
23 Act. All orders, determinations, rules, and formal interpreta-
24 tions of general applicability under such sections shall be made

1 on the record after opportunity for a hearing. An appeal
2 from any such order, determination, rule, or interpretation
3 may be taken in the manner provided in section 10 of the
4 Administrative Procedure Act by—

5 “(1) any person adversely affected or aggrieved
6 thereby;

7 “(2) any manufacturer of, or regular dealer in,
8 materials, supplies, articles, or equipment purchased, or
9 to be purchased, by the Government from any source;
10 and

11 “(3) any of the employees of such manufacturer or
12 regular dealer, or any labor organization recognized by
13 such manufacturer or dealer, or duly certified by the
14 National Labor Relations Board, as representing such
15 employees.”

AMENDMENT

Intended to be proposed by Mr. FOLBRIGHT to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

APRIL 21 (legislative day, APRIL 14), 1952
Referred to the Committee on Banking and Currency
and ordered to be printed

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

APRIL 28 (legislative day, APRIL 24), 1952

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. BENTON to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: Section 3, title III, of the Defense Production Act of 1950, as amended, is further amended by adding after section 304 the following new section:

- 1 SEC. 305. (a) For the purpose of ascertaining the ex-
- 2 tent and location of unemployment within the United States,
- 3 the Secretary of Labor shall (1) define the limits of such
- 4 geographical areas thereof as he may determine will most
- 5 accurately reflect the state of employment in each such
- 6 area and (2) conduct such surveys and investigations as may
- 7 be necessary to determine not less than four times in each
- 8 calendar year the extent of unemployment of individuals

1 within any such geographical area caused by economic mobili-
2 zation. Whenever he shall determine that the number of
3 such unemployed persons in any such area is in excess
4 of per centum of the number of employable persons
5 residing in such area, he shall make a written finding to that
6 effect. The Secretary from time to time may cancel or
7 revise any such finding, and may change the limits of any
8 such area. Each such definition and finding and every
9 change thereof shall be published in the Federal Register.

10 (b) Whenever there is in effect with respect to any such
11 geographical area or areas a finding made by the Secretary
12 of Labor pursuant to subsection (a), each department and
13 agency of the Government engaged in the procurement of
14 any supplies or services for use by or on behalf of the United
15 States Government shall, to the maximum practicable extent,
16 procure such supplies and services from contractors who in
17 the furnishing of such supplies and services will undertake
18 to provide for the employment of such unemployed persons
19 in one or more of such areas. Any contract for the procure-
20 ment of any such supplies or services may, under such regu-
21 lations as the President shall prescribe, be awarded to any
22 such contractor after negotiation and without compliance

1 with any provision of law otherwise requiring advertisement
2 or competitive bidding prior to the execution of such con-
3 tract, provided, however, that no price differential shall be
4 allowed in the award of such contract.

AMENDMENT

Intended to be proposed by Mr. BENTON to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

APRIL 28 (legislative day, APRIL 24), 1952
Referred to the Committee on Banking and Currency
and ordered to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 12, 1952

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. YOUNG to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: At the proper place insert a new section as follows:

1 SEC. . Section 402 (e) of the Defense Production Act
2 of 1950, as amended, is amended by adding at the end
3 thereof the following:

4 “(viii) Rates or fees charged by a duly authorized live-
5 stock association for the inspection of brands appearing upon
6 livestock for the purpose of determining the ownership of
7 such livestock.”.

82^d CONGRESS
2^d SESSION

S. 2594

AMENDMENT

Intended to be proposed by Mr. YOUNG to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 12, 1952

Referred to the Committee on Banking and Currency
and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 14, 1952

For actions of May 13, 1952

32nd-2nd, No. 81

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Sen. Kem criticized Secy. Brannan and said he should resign. Senate debated immigration bill. Senate concurred in House amendment to Smokey Bear bill. Ready for President. House debated Puerto Rican constitution. Senate committee voted to report foreign aid bill.

SENATE

1. IMMIGRATION. Continued debate on S. 2550, to revise the laws relating to immigration, naturalization, and nationality (pp. 5171-98).
2. GRAIN STORAGE. Sen. Kem discussed grain-storage irregularities, claimed Secretary Brannan "has sought to conceal...unsavory conditions existing in his Department," and said the Secretary should resign (p. 5171).
3. FORESTRY. Concurred in the House amendment to S. 2322, prohibiting the unauthorized use of the character "Smokey Bear" (which is used to foster forest-fire prevention)(p. 5199). The amendment provides that, before regulations are issued under the bill, the Department must consult the Association of State Foresters and the Advertising Council. This bill will now be sent to the President.
4. FARM PRICES AND SUPPLIES. A handbook, prepared by the Department to answer questions regarding parity prices, was ordered printed as S. Doc. 129. A report by Dr. Wilcox, of the Library of Congress, on reserve levels for storable farm products, was ordered printed as S. Doc. 130. (p. 5167.)
5. FOREIGN AID. The Armed Services Committee voted to report on May 15 S. 3086, to extend the Mutual Security Program for the fiscal year 1953 (p. D446).
6. DEFENSE PRODUCTION. The Banking and Currency Committee adopted numerous amendments to S. 2594, to extend the Defense Production Act, and is expected to vote on a final draft of the bill May 21. One of the amendments agreed to, by Sen. Capehart, would end the Act on Mar. 1, 1953, except for allocations and rent controls, which would end June 30, 1953. (p. D446.)

7. SUGAR. The Foreign Relations Committee ordered reported the protocol prolonging for 1 year the international agreement regarding regulation of the production and marketing of sugar, signed at London in 1937 (p. D446).
8. DAIRY INDUSTRY. Sen. Wiley inserted a Dairyland Cooperative Association statement favoring import-control, continuation, a foot-and-mouth disease laboratory, the St. Lawrence waterway, and continuation of the prohibition against use of oleomargarine by the Navy (p. 5166).

HOUSE

9. TERRITORIES AND POSSESSIONS. Debated approval of Puerto Rican Constitution and deferred until Thursday the vote on the rule making in order the consideration of H. J. Res. 430, approving the Constitution (pp. 5202-13).
Interior and Insular Affairs Committee ordered reported (but did not actually report) H. J. Res. 421, amended, to continue authority for the Trust Territory of the Pacific Islands (p. D448).
10. WATER UTILIZATION. Passed without amendment S. 2521 the reenactment of section 6 of the Flood Control Act, 1944, authorizing the sale of surplus waters under the control of the Secretary of the Army for domestic and industrial uses. This section had been inadvertently repealed by Public Law 247, 82nd Cong. The bill was reported earlier in the day (H. Rept. 1928) (p. 5201.) This bill will now be sent to the President.
11. SURPLUS PROPERTY. Rep. Holifield discussed the problem of government surplus property disposal and the need for a better system than has previously existed (pp. 5217-21).

BILLS INTRODUCED

12. CONSTRUCTION CONTRACTS. H. R. 7834, by Rep. Bender, to prescribe policy and procedure in connection with construction contracts made by executive agencies; to Judiciary Committee (p. 5222).
13. BUDGETING; FARM CREDIT. H. R. 7837, by Rep. Cooley, to amend the Farm Credit Act of 1937 to provide that certain corporations under the supervision of the Farm Credit Administration shall cease to be subject to the budget provisions of the Government Corporation Control Act; to Agriculture Committee (p. 5222).
14. CONSTRUCTION CONTRACTS. H. R. 7841, by Rep. Havenner, and H. R. 7843, by Rep. Jonas, to prescribe policy and procedure in connection with construction contracts made by executive agencies; to Judiciary Committee (p. 5222).
15. PERSONNEL. H. R. 7844, by Rep. Miller, Calif., to authorize, under regulations of the Civil Service Commission, the withholding, upon request, from compensation of Federal employees amounts for the payment of certain life and hospitalization insurance; to Post Office and Civil Service Committee (p. 5222).
H. R. 7845, by Rep. Murray, to provide for right of appeal to the Civil Service Commission in the case of persons separated from the classified civil service for any cause other than reduction in force; to Post Office and Civil Service Committee (p. 5222).

ITEMS IN APPENDIX

16. GOVERNMENT VEHICLES. Rep. Holifield inserted his statement on motor pools and systems explaining the purpose and advantages of H. R. 4924, which authorize

Daily Digest

HIGHLIGHTS

Senate debated bill revising immigration laws.

House debated approval of Puerto Rican Constitution.

Senate Armed Services Committee voted to report Mutual Security bill on May 15, and Banking Committee adopted numerous amendments to Defense Production Act.

House committee concluded hearings on bills to establish individual retirement trusts.

Senate

Chamber Action

Routine Proceedings, pages 5165-5171

Bills Introduced: Six bills and one resolution were introduced, as follows: S. 3159 to S. 3164; and S. J. Res. 154. Page 5166

Bill Referred: One House-passed bill was referred to appropriate committee. Page 5167

Printing of Senate Documents: The following two publications were ordered to be printed as Senate documents: Handbook relating to agricultural parity prices (S. Doc. 129), and study by Department of Agriculture relating to reserve levels for storable farm products (S. Doc. 130). Page 5169

Smokey Bear: Senate concurred in House amendment to, and cleared for President, S. 2322, to prohibit unauthorized manufacture or use of the character, "Smokey Bear." Page 5199

Immigration: Senate continued debate on S. 2550, to revise immigration and naturalization laws. Pages 5171-5198

Confirmations: Nomination of Joseph C. Green, of Ohio, to be Minister to Hashemite Kingdom of the Jordan, was confirmed, along with the nominations of two U. S. attorneys. Page 5200

Nominations: 2 Public Health Service and 82 Coast Guard nominations were received. Pages 5199-5200

Program for Wednesday: Senate recessed at 4:54 p. m. until noon Wednesday, May 14, when it will continue on S. 2550, to revise the immigration and naturalization laws.

Committee Meetings

(Committees not listed did not meet)

GRAIN SHORTAGE INVESTIGATION

Committee on Agriculture and Forestry: Continuing its hearings on grain shortage investigation, committee heard testimony from the following witnesses: G. L. Prichard, Director, Fats and Oils Branch, D. J. Harrill, Chief Auditor, Office of Audit, and W. H. Duggan, Chief, Office of Compliance and Investigations, all of PMA, Agriculture Department; W. Carroll Hunter, Solicitor, and Edward M. Schulman, Deputy Director in Charge of Commodity Credit, Production, and Adjustment, both of Office of Solicitor, Agriculture Department. The morning session of the hearings covered the functions of the Office of Audit and the Fats and Oils Branch, and in the afternoon the operations of the Office of Compliance and Investigations and Solicitor's Office were discussed. Hearings continue tomorrow.

APPROPRIATIONS—ARMY-CIVIL FUNCTIONS

Committee on Appropriations: Subcommittee on Army-Civil Functions continues its executive hearings on H. R. 7268, Army-civil functions appropriations for 1953, and received testimony on funds for projects, as indicated, from the following witnesses: Representative Heselton, accompanied by Andrew J. Dilk, Adams, Mass., and Mayor Rosasco, of North Adams, Mass., on projects for Adams and North Adams, Mass.; Representative Nicholson on Buzzards Bay and Buttermilk Bay Channel, Mass.; Senator Ives, Representative Butler, Charles C. Fichtner, and Richard Templeton on Buffalo Harbor; Representative Greenwood on Fire Island Inlet; Lloyd L. Harvey on New York Harbor; Mr. Belford on New York State Barge Canal; Representative

Reed of New York and Mayor Thomas Martin and Robert Fleischer, both of Wellsville, on local flood-protection funds for Wellsville; Representative Leonard A. Hall on Jones Inlet; E. W. Rising on Lucky Peak Dam, Idaho; and Ben C. Moomaw on Gathright Dam, Va. Hearings continue tomorrow.

APPROPRIATIONS—INTERIOR

Committee on Appropriations: Continuing its hearings on H. R. 7176, Interior appropriations for 1953, Subcommittee on Interior heard testimony, as indicated, from the following witnesses: John Sloan, Greenwood Electric Corp., L. P. Beverage, Four County Electric Membership Corp., Burgaw, N. C., Walter Harrison, Planters Electric Membership Corp., Millen, Ga., Basil Thompson, Alabama Electric Cooperative, Inc., and Covington Electric Cooperative, Andalusia, Ala., E. V. Lewis, Central Electric Power Cooperative, Columbia, S. C., J. E. Smith, Mecklenburg Electric Cooperative, Chase City, Va., Harlee Branch, Georgia Power Co., J. M. Barry, Alabama Power Co., J. F. Crist, Gulf Power Co., L. P. Sweat, Mississippi Power Co., and W. J. Clapp, Florida Power Co.—all on funds for Southeastern Power Administration; Sigurd Olson and William C. Simms, Administrative Assistant to Senator Humphrey—on funds for National Park Service; and S. W. Russell, H. D. McBride, and D. R. Williams, all of Monolith Portland Midwest Co.—on funds for Bureau of Mines. Hearings continue tomorrow.

MUTUAL SECURITY

Committee on Armed Services: Committee, in executive session, concluded consideration of S. 3086, to extend the Mutual Security Program for fiscal 1953, and voted to report the bill on May 15.

Prior to this action, committee heard, in executive session, testimony with regard to this matter from W. Averell Harriman, Director for Mutual Security, Admiral John H. Cassidy, Deputy Chief of Naval Operations (Air), Gen. Nathan F. Twining, Vice Chief of Staff, Air Force, and Secretary of Air Force Thomas K. Finletter.

DEFENSE PRODUCTION

Committee on Banking and Currency: Committee, in executive session, adopted numerous amendments to S. 2594, amending and extending the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, and will vote on a final draft of this bill on Wednesday, May 21. Committee will hear labor representatives on May 19 on the Fulbright amendment to the Walsh-Healey Act, and will vote on same, as well as amendments of the nature of those offered by Senators Frear and Ferguson on import controls, by 5:30 p. m. that day.

Those amendments adopted today are as follows: (1) Dirksen amendment to limit the functions of the WSB,

as amended by Bricker amendment to require all members of the WSB to be public members; (2) Robertson amendment to direct suspension of price and wage controls wherever possible consistent with the control of inflation, with the power to recontrol where necessary; (3) Bricker amendment to require OPS to conform to State minimum-price ceilings; (4) Knowland amendment to exempt from OPS control materials sold and services performed by Federal, State, and local public bodies, and also marine terminals owned publicly or privately; (5) Bricker amendment to clarify the exemption of employed engineers from salary control; (6) Douglas amendment to amend Capehart amendment to apply only to manufacturers and processors; (7) Robertson amendment to strike the word "hereafter" from the Herlong amendment; (8) Robertson amendment to require public hearings before reimposing Federal rent controls on decontrolled areas; (9) Frear amendment to clarify exemption from OPS controls of common carriers; and (10) Capehart amendment to terminate the Defense Production Act on March 1, 1953, except for title I (allocations), and rent controls, which terminate June 30, 1953.

Amendments rejected by the committee are as follows: (1) Douglas amendment to preserve the labor disputes settlement function of the WSB; (2) Dirksen amendment to decontrol prices on September 1, 1952, and reimpose same only after finding of need for recontrol; (3) Bricker amendment to strike titles IV and V (price and wage controls) from the act; (4) Dirksen amendment to make the Herlong amendment apply to individual sellers rather than on an industry-wide basis; (5) Benton amendment to channel Government contracts into areas of unemployment caused by the defense program; (6) Dirksen amendment to end Federal rent control except in areas now or hereafter declared critical defense areas; (7) Bricker amendment to abolish regulation X; and (8) Ives amendment to terminate price and wage controls on January 1, 1953.

In a morning session, committee heard Senator Fulbright testify in behalf of his own amendment. Reuben S. Haslam, representing the U. S. Chamber of Commerce, also supported this amendment.

FOREIGN SERVICE BUILDINGS, AND TREATIES

Committee on Foreign Relations: Committee, in executive session, ordered reported favorably without amendment H. R. 6661, to amend the Foreign Service Building Act of 1926; and protocol prolonging for 1 year international agreement regarding regulation of production and marketing of sugar, signed at London May 6, 1937 (Exec. I, 82d Cong., 1st sess.), and protocol prolonging for 1 year after August 31, 1951, the international agreement regarding regulation of production and marketing of sugar, signed at London May 6, 1937 (Exec. O, 82d Cong., 2d sess.).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 22, 1952

For actions of May 21, 1952

32nd-2nd, No. 37

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House debated foreign-aid bill. House subcommittee approved Poage flood-prevention bill. Senate debated immigration bill. Senate committee ordered reported defense-production bill.

HOUSE

- ~~1. FOREIGN AID. Began debate on and read the first section of H. R. 7005, to amend the Mutual Security Act of 1951. Further action on this bill was deferred until Thursday when it will be considered under the five minute rule. (pp. 5735-37.)~~
- ~~2. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 7641, to provide benefits to Federal employees of Japanese ancestry who lost rights with respect to grade, time in grade, and rate of compensation by reason of any Government policy or program during World War II (H. Rept. 1975) (p. 5795).~~
- ~~3. LOBBYING. A list of persons engaged in lobbying and reports on their activities for the first quarter of 1952 appears in the Congressional Record as required by law (pp. 5796-584).~~
- ~~4. SOIL CONSERVATION; FLOOD PREVENTION. A subcommittee approved for reporting to the Agriculture Committee H. R. 7868, to authorize the USDA to cooperate with States and local agencies in planning and carrying out soil conservation work for flood prevention (p. D483).~~
- ~~5. WILDLIFE CONSERVATION. The Interior and Insular Affairs subcommittee approved for reporting to the full committee H. R. 6285, to amend the Alaska game law relating to the use of license fees, insofar as practicable, for educational programs of wildlife conservation in the Territory (p. D484).
Rep. Andresen was appointed to membership on the Migratory Bird Conservation Commission to fill the vacancy created by the resignation of Rep. Drehm (p. 5734).~~

6. **IMPORT CONTROLS; CHEESE.** Extension of remarks by Rep. Eberharter claiming that Section 104 of the Defense Production Act, which restricts cheese imports, "makes no sense in terms of our major foreign-policy objectives" (p. 5734).
7. **TEXTILES.** Speech in the House by Rep. Lane claiming that the Fulbright amendment to the Defense Production Act would nullify the Walsh-Healy Public Contract Act, which authorizes the Labor Department to set labor, wage, and child-labor standards, and will increase unemployment in New England textile mills (p. 5788).
8. **NEWSPRINT.** Speech in the House by Rep. Philbin criticizing the Canadian Government for increasing the price of newsprint by \$10 per ton and urging Congress and the State Department to take steps to secure fairer prices (pp. 5793-4).

SENATE

9. **IMMIGRATION.** Continued debate on S. 2550, to revise the immigration and naturalization laws (pp. 5693-5722, 5728-9).
10. **RECLAMATION.** The Interior and Insular Affairs Committee reported without amendment S. 2610, providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Col. (p. 5723).
11. **DEFENSE PRODUCTION.** The Banking and Currency Committee reported with amendments S. 2594, amending and extending the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended. The Committee adopted the Fulbright amendment modifying the Walsh-Healy Public Contracts Act. (p. D482.)
12. **FOREIGN TRADE; FIGS.** Sen. Cain inserted the Secretary's letter in rebuttal of the claim of Mr. Breckinridge, California Fig Institute, that he had disregarded and circumvented the intent of Congress in his decision on dried fig imports (pp. 5704-5).
13. **NEWSPRINT.** Sen. O'Connor praised OPS Director Ellis Arnall for protesting to the Canadian Government the \$10 per ton increase in newsprint (pp. 5724-5).
14. **FARM ORGANIZATION.** Sens. Hickenlooper and Tobey praised Allen B. Kline, president of the American Farm Bureau Federation (pp. 5727-8).

BILLS INTRODUCED

15. **RECLAMATION.** S. 3212, by Sen. Hunt (for himself and Sen. O'Mahoney), to approve a contract negotiated with the Midvale irrigation district and to authorize its execution; to Interior and Insular Affairs Committee (p. 5724).
16. **FAIR EMPLOYMENT PRACTICES.** H. R. 7932, by Rep. Roosevelt, to prohibit discrimination in employment because of race, color, religion, or national origin; to Education and Labor Committee (p. 5795).
17. **TAXATION; EXPENDITURES.** H. J. Res. 458, by Rep. Gwinn, proposing an amendment to the Constitution of the United States relative to the taxation and borrowing powers of the Congress; to Judiciary Committee (p. 5795).

Daily Digest

HIGHLIGHTS

Senate reached agreement to vote on immigration bill, rejecting Lehman substitute therefor.

House debated mutual security bill.

Senate Banking and Currency Committee approved bill extending Defense Production Act.

House D. C. Committee tabled congressional delegate proposal.

See Lobbyists' registrations and quarterly reports.

Senate

Chamber Action

Routine Proceedings, pages 5723-5728

Bills Introduced: 10 bills were introduced, as follows:
S. 3207 to S. 3216. Page 5724

Bills Reported: Reports were made as follows:

H. R. 6661, to amend the Foreign Service Building Act of 1926 (S. Rept. 1586);

H. R. 4801, to authorize issuance of certain bonds for flood-control purposes in Honolulu (S. Rept. 1587);

H. R. 4802, to authorize issuance of certain public improvement bonds in Honolulu (S. Rept. 1588);

H. R. 4923, to authorize issuance of certain bonds for construction of Kalihi Tunnel in Honolulu (S. Rept. 1589);

H. R. 5071, to authorize issuance of certain public improvement bonds for flood-control projects on Iao stream in Maui, T. H. (S. Rept. 1590);

H. R. 5072, to authorize issuance of public improvement bonds for the construction of new public-school buildings in Maui, T. H. (S. Rept. 1591);

H. R. 5386, to authorize issuance of bonds for acquisition of real property for public-school purposes in Honolulu (S. Rept. 1592);

H. R. 6675, to authorize the conveyance of lands in the Hoopa Valley Indian Reservation to the State of California or to the Hoopa Unified School District for use for school purposes (S. Rept. 1593); and

S. 2610, providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Colorado (S. Rept. 1594). Page 5723

Bills Referred: 29 House-passed bills were referred to appropriate committees. Page 5724

Veto Message: Veto message on S. 1045, private bill, was received and referred to Committee on the Judiciary. Page 5723

Immigration: Senate continued work on S. 2550, to revise the immigration and naturalization laws, rejecting, by 27 yeas to 51 nays, Lehman amendment in nature of a substitute for the bill (embracing provisions of S. 2343).

Unanimous consent was reached that when Senate returns from joint meeting of Congress tomorrow afternoon, debate will be limited, as follows: Not to exceed 2 hours' debate on each of eight amendments to be presented by Senator Humphrey, and 20 minutes on each other amendment or motion, all amendments to be germane and time to be equally divided. Debate on the bill will be limited to 2 hours equally divided. Pages 5693-5722, 5728-5729

Confirmations: 6 nominations in the Diplomatic and Foreign Service were confirmed, along with 149 postmasters. Pages 5730-5731

Nominations: Eight Public Health Service nominations were received, along with two in the Air Force, one in the Navy, and one in the Army. Page 5730

Program for Thursday: Senate recessed at 5:24 p. m. until noon Thursday, May 22, when it will continue under debate limitation on S. 2550, to revise the immigration and naturalization laws, after meeting jointly with House to hear address by General Ridgway.

Committee Meetings

(Committees not listed did not meet)

GRAIN SHORTAGE INVESTIGATION

Committee on Agriculture and Forestry: Committee resumed hearings on grain shortage investigation, and

heard Secretary of Agriculture Charles Brannan review his Department's actions on conversion and shortage cases involving commodities owned by the Commodity Credit Corporation. Hearings continue tomorrow.

APPROPRIATIONS—ARMY-CIVIL FUNCTIONS

Committee on Appropriations: Subcommittee on Army-Civil Functions continued its executive hearings on H. R. 7268, Army-civil functions appropriations for 1953, hearing testimony as indicated from the following witnesses: Senator Taft and Representatives Feighan, Crosser, and Bender, on funds for Cleveland harbor; Senator Taft on funds for Dam No. 10 on the Muskingum River; Senator Clements on a group of flood-control projects in Kentucky; Representative Golden on flood-control projects in Pineville, Barberville, and Middlesboro, Ky.; W. I. Jones, of Middlesboro, Ky., on flood-control projects for his town; Representative Bates of Kentucky, accompanied by the mayor and representatives of the Flood Control Committee of Maysville, Ky., on funds for projects in that town; local witnesses from Frankfort, Ky., on the Jessamine Creek Reservoir and Ashland projects; Senator Long and a group of local witnesses on flood-control projects on the Red River in Louisiana; and a group from the National Rural Electrical Association and other groups interested in funds for Table Rock Dam in Missouri and Arkansas. Hearings continue tomorrow.

FAR EAST SITUATION—GENERAL RIDGWAY

Committee on Armed Services: Committee, in executive session, heard Gen. Matthew B. Ridgway testify with regard to the situation in the Far East, developments of prison riots at the Koje POW Camp, and NATO policies.

DEFENSE PRODUCTION

Committee on Banking and Currency: Committee, in executive session, ordered favorably reported with amendments S. 2594, amending and extending the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended. In addition to the amendments adopted on May 13, the committee adopted Fulbright amendment modifying the Walsh-Healy Public Contracts Act, except for that section relating to the definition of localities. Committee rejected amendments by Senators Ferguson and Frear relating to the International Material Conference, and a Douglas amendment which would have terminated the Fulbright amendment on February 28, 1953.

D. C. CRIME

Committee on the District of Columbia: Subcommittee on Crime met in executive session, made no announcements, and will meet again tomorrow.

INDIANS

Committee on Interior and Insular Affairs: Subcommittee held hearings on S. 3004, to facilitate the termination

of Federal supervision over affairs of Indians formerly under jurisdiction of Grand Ronde and Siletz Agencies, Oregon, and S. 3005, to facilitate the termination of Federal supervision over Indian affairs in California, and received further favorable testimony from Rex Lee, Associate Commissioner, Bureau of Indian Affairs. Subcommittee recessed subject to call.

TRANSPORTATION

Committee on Interstate and Foreign Commerce: Committee held hearings on S. 1868, providing investigation and study by ICC of passenger-carrier facilities in metropolitan area of D. C., and S. J. Res. 135, providing unified regulation of common carriers transporting passengers in Maryland, Virginia, and D. C., and heard testimony favoring enactment of both bills from the following witnesses: O. B. Allen, Washington Metropolitan Area Transportation Committee; Gerald J. Glassman, Arlington County Board; Fred W. Gast, Prince Georges Civil Federation; Mason A. Butcher, Director of Public Works, Montgomery County; Winters Haydock, Alexandria citizen; Robert Cox, Arlington County Board; and C. Stephen Duvall, Jr., and E. D. Campbell. Also testifying were Don Willner, Greater Washington Area Council, AVC; Malcolm A. Miller, Arlington attorney, who favored S. 1868; Edward J. Waters, Prince Georges County commissioner; and Samuel E. Stonebraker, Montgomery County Civic Federation. Hearings continue tomorrow.

CONSTRUCTION CONTRACTS

Committee on the Judiciary: Continuing its hearings on S. 2907, Federal Construction Contract Act of 1952, subcommittee received testimony in opposition to enactment thereof from the following witnesses: Charles L. Harney, Charles L. Harney Co., San Francisco, and Gardner Johnson, attorney, of San Francisco; F. S. Oldt, F. S. Oldt Co., Dallas; R. M. Dixon, Municipal Contractors Association, Associated General Contractors, Dallas; William Salter, Stewart & Williams, Augusta, Maine; T. W. Cunningham, T. W. Cunningham, Inc., Bangor, Maine; Maury Poze, Del E. Webb Construction Co., Phoenix, Ariz.; Frederick W. Mast, Jens Olesen & Sons Construction Co., Waterloo, Iowa; Gordon Wickes, Wickes Engineering & Construction Co., Des Moines; James M. Jarvis, Jarvis Courtney Corp., Clarksburg, W. Va.; A. S. Crain, Crain & Denbo, Inc., Durham, N. C.; R. E. Fulmer, General Construction Co., Columbia, S. C.; George F. Cook, George F. Cook Construction Co., Minneapolis; Herbert W. O'Grady, executive secretary, Virginia branch, A. G. C., Richmond; B. T. Rome, George Hyman Construction Co., Washington, D. C.; Robert Moyer, Charles H. Tompkins Co., Washington, D. C.; Paul Hauck, John McShain, Inc., Arlington, Va.; and F. H. Martell, F. H. Martell Co., Inc., Washington, D. C. Subcommittee recessed subject to call.

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 26 (legislative day, MAY 12), 1952

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. MUNDT to the bill (S. 2594)
to extend the provisions of the Defense Production Act of
1950, as amended, and the Housing and Rent Act of 1947,
as amended, viz:

1 On page 2, beginning with line 8, strike out through line
2 5 on page 3; and renumber succeeding section numbers.

3 On page 10, strike out lines 4 to 7, inclusive, and insert
4 in lieu thereof the following:

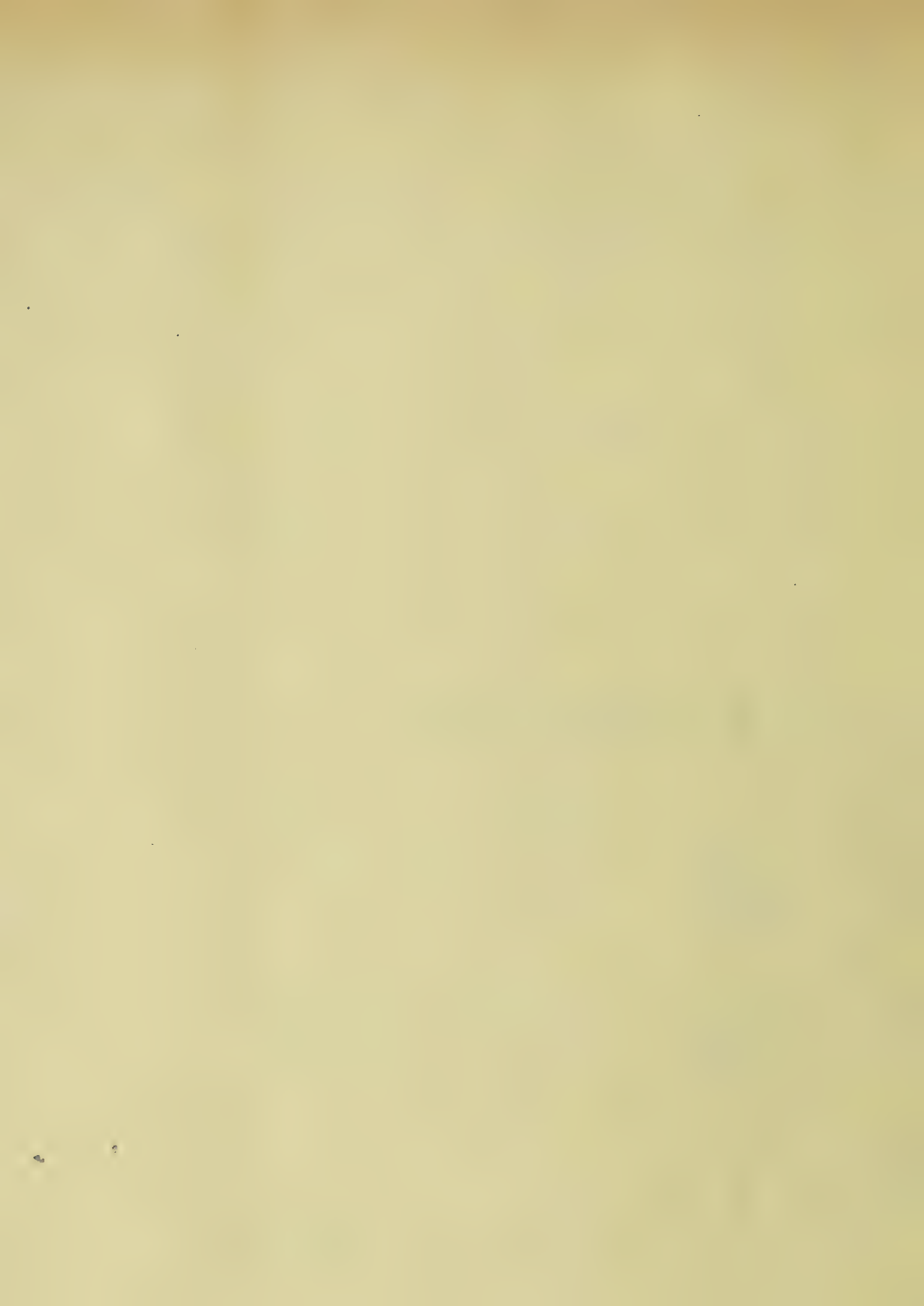
5 “(b) Section 104 and paragraph (4) of subsection (a)
6 of section 714 of the Defense Production Act of 1950, as
7 amended, are each amended by striking out ‘June 30,
8 1952’ and inserting in lieu thereof ‘June 30, 1953’.”

AMENDMENTS

Intended to be proposed by Mr. MUNDY to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 26 (legislative day, MAY 12), 1952

Referred to the Committee on Banking and Currency
and ordered to be printed



82D CONGRESS}
2d Session }

SENATE

{REPORT
{No. 1599

TO AMEND AND EXTEND
THE DEFENSE PRODUCTION ACT
OF 1950

REPORT

FROM THE

COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

S. 2594

A BILL TO AMEND AND EXTEND THE DEFENSE
PRODUCTION ACT OF 1950 AND THE HOUSING AND
RENT ACT OF 1947, AND FOR OTHER PURPOSES
TOGETHER WITH THE MINORITY VIEWS OF MR.
DOUGLAS, MR. BENTON, AND MR. MOODY



MAY 27 (legislative day MAY 12), 1952.—Ordered to be
printed with illustrations

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1952

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AMEND AND EXTEND THE DEFENSE PRODUCTION ACT OF 1950

MAY 27 (legislative day MAY 12), 1952.—Ordered to be printed with illustrations

Mr. MAYBANK, from the Committee on Banking and Currency,
submitted the following

R E P O R T

Together with the

MINORITY VIEWS OF MR. DOUGLAS, MR. BENTON, AND
MR. MOODY

[To accompany S. 2594]

The Committee on Banking and Currency, to whom was referred the bill (S. 2594) to amend and extend the Defense Production Act of 1950, and the Housing and Rent Act of 1947, and for other purposes, having considered the same, report favorably thereon, with amendments, and recommend that the bill do pass.

GENERAL STATEMENT

Your committee in reporting out this bill to continue wage and price controls for 8 months and the remainder of the Defense Production Act for 1 year, does so after long and thorough hearings on all phases of the problem, including the current steel management-labor controversy. Your committee and the Joint Committee on Defense Production on which five senior members of your committee serve, and which is charged with overseeing the administration of the act, have kept themselves continuously informed on the operation of the act, particularly so on the more difficult and controversial problems that have arisen from time to time. Thus, in recommending this bill for favorable consideration by the Senate we do so with fairly complete knowledge of its failures and accomplishments.

It is your committee's very considered judgment that the accomplishments of the act have thus far greatly outweighed any shortcomings, failures, or inconveniences that an act, which affects in such

a direct way an economy as big and as complex as ours, could be expected to engender. Experience in the administration of the act and the good results which it helped to achieve have reduced to a minimum the failures, shortcomings, and the resulting inconveniences. The flexibility of operation for which the act makes ample provision, and the testimony of the various administrators that they intend to make full use of these powers, to which their various actions to date lend real credence, should serve as assurance that in extending the Defense Production Act we shall, in fact, as the declaration of policy sets forth, do the job of promoting peace and providing for our national defense in such a way—

* * * that the national economy may be maintained with maximum effectiveness and the least hardship. * * *

Your committee recognizes as Secretary of Defense Lovett reminded us—

that the temptations to remove administrative controls which we have imposed on ourselves over the past 18 months are often superficially attractive.

And we wholeheartedly agree with him that—

It is not easy to carry out a partial mobilization which would permit the build-up of the military strength necessary to national security and at the same time maintain a strong civilian economy. It is novel and it is difficult. It has never before been attempted in this country. It is patient and intelligent compromising which the middle way demands and which is never easy to achieve.

ACCOMPLISHMENTS

In spite of all the difficulties of imposing and maintaining economic controls under a system of partial mobilization and partial war, our achievements have been enormous. As we pointed out in our report of August 7, 1950, initially recommending the Defense Production Act "the most satisfactory method of meeting the problem of increased requirements is expanded production." The results we intended to be accomplished by that act are evidencing themselves magnificently and are fast proving the correctness of that contention.

Our production of steel, the lifeblood of our industrial system, has increased from 96.5 million tons in 1950 to an estimated 112 million tons for the current year, and if we are successful in maintaining our present mobilization efforts in 1953, we shall have reached the goal of 120 million tons. By the third quarter of this year the direct military and defense-rated take will chew up almost one-fifth of our total steel supply, yet we shall have as much left for civilian purposes as we did in the first half of 1950. By 1953 the military and defense-rated demand for steel will increase further, but our steel production will have increased sufficiently by that time to meet that need and provide a civilian supply exceeding our highest peacetime demand.

The production of our other basic metal, primary aluminum, increased from an annual rate of 735,000 tons during the initial months of the Korean conflict to an estimated annual rate of 1,030,000 tons this year and will double the pre-Korean war period production in 1953. The military and indirect military demand for aluminum is much greater proportionately than it is for steel. The demand for aluminum is estimated to be approximately 43 percent in the third quarter of this year, and thus it will not be until sometime in 1953 before the civilian market will get what it procured in 1950. Begin-

ning with 1953 the military and indirect military take is expected to decrease somewhat, and with the increased production which will come into being, it is expected that by the close of 1953 the supply available for civilian purposes will exceed that of 1950.

For copper, the third basic material so necessary for our defense build-up, the outlook is not as bright as it is for steel or aluminum. It will continue to be in short supply through 1953, at least. It will not be until 1954 that our total supply will exceed that of 1950, and while the military and defense take is expected to decline after the first quarter of 1953, it will still require somewhere between 30 and 25 percent of the total supply. It is hoped that the resulting difficult situation will be eased in part by increasingly substituting aluminum for copper.

The increase in our electric power expansion has more than kept pace with the expansion of the vital industries to which it supplies power. From a generating capacity of 68 million kilowatts in 1950 it is estimated that the capacity will reach a figure of 84 million kilowatts this year, 95 million kilowatts in 1954, and 107 million kilowatts, or a 57-percent increase over 1950 by 1954.

Machine tools, upon which military production must wait until the proper ones are designed, ordered, and produced, doubled its production from 1950 to 1951, and in 1952 it is estimated it will double its production over that of 1951. The bottleneck was broken in 1951 as a result of a concerted and successful effort on the part of the defense officials and industry to subcontract a large part of the job. The backlog of orders has begun to decline. But the job is not over. Production still has to be increased and orders for tools must be synchronized to the vacant space appearing on the order boards of some of the companies.

In the expansion of resources, short-term measures have been taken to bring out readily available new production, and long-range measures have also been used to open up new sources at home and abroad. In petroleum, 44,000 new wells were drilled last year, and this year about 46,000 are planned. It is expected that refining capacity will increase from 7 million barrels a day to 8 million barrels a day by the end of 1953.

Magnesium production more than doubled in 1951 and barring power difficulties should more than double again this year. Zinc expansion projects should raise production in 1953 by 200,000 tons over the 1951 total of 1 million tons.

The progress and development in transportation and other basic industries, and our supply of raw materials and minerals have paralleled in general the growth described above. Investment in manufacturing during the 6 months ending in March is estimated to be 28 percent above the 1947-49 rate; utilities, 28 percent; and transportation, 16 percent above, and this after adjustments have been made for price changes.

By the beginning of 1953 our mobilization base—the basic facilities necessary to expand military production—will be in most respects well on the road to completion. The period of severest shortages appears to be past and already the defense agencies have been able to remove and relax some controls on materials. On other materials still under control, allotments for nondefense production and construction have been increased.

Deliveries of military "hard goods"—planes, tanks, and other weapons—have reached \$5.1 billion the past quarter. This is a gain of 38 percent over the previous quarter, and almost six times the rate of the first quarter after the invasion of Korea. Our present rate of deliveries is almost at the rate of \$2 billion per month and it is expected to reach \$3.5 billion a month at the end of the year; \$45 billion worth of commitments with American industry for military procurement and construction have been made.

All these accomplishments and others too numerous to discuss here have been made, and with relatively little reduction in or restriction of our civilian economy.

THE PRODUCTION JOB AHEAD

But we have barely started on the main job—military production—for which the mobilization base is being fashioned. Deliveries have only been made of \$26 billion worth of military goods from the start of Korean invasion up to March 30 of this year, while \$71 billion, including deliveries, have already been obligated, and for which \$94 billion are available. In addition to this, \$38 billion more have been requested, for a total of \$132 billion. It was estimated that the rate of military expenditures this year would amount to \$44 billion, but with the recent slow-up in the rate of military expenditures, the amount will probably run about \$40 to \$42 billion.

Nevertheless, the quantity of the materials to be delivered is enormous. To achieve the present military goal, it will be necessary to double the rate of output of hard goods and construction from the end of 1951 calendar year to the end of 1952. Many individual items will rise much faster—combat aircraft, for instance, by $2\frac{1}{2}$ times last December's rate. Plans call for maintaining the high rate of military production which is expected to be achieved early next year through 1954. The production of individual items will, of course, follow a varying pattern. The medium-tank program is expected to follow an increasing schedule. The number of aircraft is expected to level off next year, but there will be an increasing number of jet engines produced after that date. The production of heavier planes will continue to increase until the middle of 1954.

We tend to forget, when we refer to the number of planes in a statistical way, how much effort, time, materials, and money go into them. The B-47, for example, requires 2 years to design, 2 years to reach the test-flight stage, and 2 more years before assembly-line production can be started. It contains some 72,000 parts, 40 miles of wiring, and 1,500 electronic tubes. It costs \$2,500,000, or the equivalent of 300 moderately priced houses.

Thus, the rate of increase of critical new weapons—the heart of our military strength—over the next few years will be as rapid as physically possible. The rate of increase will vary on different items. The leveling-off rate for some items is several years away, for others it will be sooner. But to insure their production and delivery will require continuous control and organization. Bottlenecks must continuously be attacked.

The Department of Defense and the National Production Authority must continue to trace down specific components, materials, or tools that may be limiting the production of major items, and take the steps

necessary to bring these items up to schedule. Your committee, in rejecting certain proposals to limit international efforts to assure a fair distribution of scarce materials among our allies, recognized the importance of concerted and cooperative international action.

In addition to maintaining a high level of military production, with the astonishing developments in military weapons and modern warfare, the modernization of our forces will require a constant replacement of equipment, much of it at heavier cost. Thus, we can never expect to return to conditions as they were before Korea, no matter how successful we are in achieving our present military goals. Basic research and development will be continuously required, if we are to maintain our military might.

Our mobilization base must be maintained in ever-readiness so that every element of production will be available when it is needed. Important to this base is our stockpile of critical materials. The amount required should be constantly recalculated in the light of new developments. During recent periods the rate of deliveries on many stockpile items has been slowed or halted. In some cases withdrawals from the stockpiles had to be made. With supplies increasing, a choice must be made as to the extent to which these increases should be channeled to the stockpile and the extent to which they should be diverted for civilian use. In many cases, if we are to safeguard ourselves properly and prudently, we must complete those stockpile objectives in the shortest possible time. In other cases, where the civilian need is very great and the calculated risk seems less, we might divert more to civilian uses. In the case of some materials, the elasticity of supply and demand is much greater, and by a reduction of civilian consumption or by a higher rate of production in the United States or adjoining areas, we can provide for our defense needs. But if we do divert, we must at the same time make production plans or purchase plans to make up for such diversions.

In addition to these purely production aspects of the job, we have the related problem of manpower. We must constantly be prepared to have an adequate supply of properly trained military personnel available and a large source of industrially skilled workers. We have managed to meet the needs to date, but any substantial increase in demand would create an enormous and far-reaching problem.

Related also to our problem of maintenance of high production is the maintenance of an adequate civil defense. With the passage of time the chances for an all-out attack upon us increase, and if we are to maintain our military and civilian production and might during such perilous times, we must maintain our ability to spring back into production promptly following any attack.

ALLOCATIONS AND PRIORITIES

The success thus far achieved in our mobilization efforts is due in very large part to the wise operation of the program of allocations and priorities.

As we indicated above, it takes huge quantities of materials to make the progress which is required, if we are to make ourselves secure. By using the flexible priority and allocation provisions of the act, the administration has been able to channel materials to these essential programs, and to cut down on the demands of less essential users.

The appropriate balance between supply and demand has greatly reduced delays in filling essential needs, as it has also helped to reduce the inflationary demands which at times have given rise to black markets in steel and other scarce materials.

The degree to which we follow through and handle efficiently and expeditiously the job still ahead will depend in large part on the intelligence with which the controlled material program designed under this authority is carried out. The job today is not merely one of getting critical materials for the military and defense plants, but seeing to it that the remaining civilian supply is fairly and equitably distributed. Without authority to allot critical materials in short supply, the result would be a wild scramble among users in the economy—resulting in an unfair distribution and unnecessary closing down of many small business enterprises unable to obtain a fair share of materials.

Secretary of Defense Lovett well stated the need for retaining the existing authority when he said:

Remember, in spite of the progress we made during 1951, it was still essentially a year of making ready. It was a time of designing and engineering, tooling up, testing, and of getting ready the production lines to turn out their products. Over the next year or so, the maximum production impact of our defense effort will occur, and the long lead-time items, the heavy stuff, will begin to roll off the production lines. More goods and services will be diverted from the nonessential civilian economy. Purchasing power will be up, goods available will be down. When this impact is felt on our economy, its inflationary effect must be contained or much of the industrial strength of that we have built up will have been dissipated by the increased costs which will result, and the dislocations of price, wage, and profit which will ensue. The bill now before your committee will preserve and strengthen the statutory weapons with which we can help to make sure that our policy of containing inflation is effective.

The Department of Defense, as the largest single purchaser in our economy, has a vital stake in the sufficiency of our stabilization efforts to meet the challenge that will be presented in the near future by our accelerated production and procurement programs. Not only would mounting inflation have a deleterious effect on our military budget in reducing the end items obtainable per dollar, but it also would make very difficult the necessary planning of production and procurement that must be done if the national security is to be intelligently safeguarded. As General Marshall reminded us in his appearance before your committee last year, "The loss of guns, tanks, and planes to a creeping inflation is just as damaging to national security as if they had been destroyed in battle or captured by a more visible and concrete enemy. In either case, it is the Nation that suffers." His observation is equally applicable now.

Your committee concluded that it was absolutely necessary to the security of the Nation that these powers should be extended for 1 year, to June 30, 1953.

The decision to grant broad and flexible allocation and priority powers has been proved wise. In the period of the greatest and most general shortages, these powers were used very generally, to the great benefit of the armed services, the expansion program, and the maintenance of the essential civilian economy, and at the same time helped greatly in preventing and reducing to the minimum the undue strains and dislocations upon production and distribution of materials for civilian use, particularly in the case of small businesses. Now that the primary emphasis in the mobilization program is shifting from the expansion of the basic capacity to the production of additional materials and equipment, the allocation and priority powers must still be used, but in different ways.

The vast expansion program to which we referred above required huge quantities of steel mills, aluminum plants, and other facilities. This made it necessary to impose stringent restrictions on construction

of all sorts, with particularly serious effects on commercial and educational building. As more and more of the new production facilities approach completion, the demand for structural steel has eased off. This has made it possible to increase the supply of structural steel available for commercial and educational building.

At the same time the completion of aluminum facilities has greatly increased the demand for cryolite, an essential element in producing aluminum. This has made it necessary to impose new and more stringent controls over cryolite.

This example is typical of the changing picture in the field of materials. There are many more. In the recent past, it has been possible to remove or relax controls on cattle hides (NPA Order M-35, revoked effective February 29, 1952), horsehides (NPA Order M-62, revoked effective February 29, 1952), glass containers (NPA Order M-51, revoked December 31, 1951), rubber (NPA Order M-2, amended), sulfuric acid (schedule 3 to NPA Order M-45, revoked December 29, 1951, NPA Order M-94 issued December 29, 1951) lead (NPA Order M-38, revoked May 15, 1952), cadmium (NPA Order M-19, revoked May 15, 1952), and zinc (NPA Order M-9, amended May 15, 1952). At the same time, new or more stringent controls have been found necessary on selenium (NPA Order M-91, March 3, 1952), cryolite (NPA Order M-99, issued February 29, 1952), diamond grinding wheels (NPA Order M-103, issued March 13, 1952), metal-working machinery (NPA Order M-41, amended May 15, 1952), the use of copper in lighting fixtures (NPA Order M-97, issued February 1, 1952), and the production of light gage plate on wide plate mills (Directive 5 to NPA Order M-1, effective May 3, 1952).

The standards laid down by the act for the use of these powers are general—to promote the national defense by meeting the requirements of military programs in support of our national security and foreign policy objectives and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian uses, within the framework, as far as practicable, of the American system of competitive enterprise. These standards do not provide an easy, ready-made answer for the major problems involved in the mobilization program of this Nation and the free world. And as the requirements of the mobilization program shift from time to time, constant reappraisal is necessary to assure that the guideposts of the act are being followed. But your committee is convinced that these guideposts are clear and have been and will be followed. Your committee stated in 1950, and wishes to repeat again, the main guiding principle in the use of these powers:

However, while these powers are broad and are intended to be used broadly, it is the intent of the committee that they should be used only where necessary or appropriate to promote the national defense. They should not be used to accomplish purposes, however meritorious, which bear no relation to national defense. Your committee expects that careful attention should be given in exercising these powers to assure that their exercise will be so confined.

OTHER AIDS TO PRODUCTION

ACCELERATED AMORTIZATION PROGRAM

No program in the history of modern industry has been more successful in promoting expanded production and industrial capacity

than has the tax-amortization program, which your committee recommended favorably to the Committee on Finance and to which your Joint Committee on Defense Production has given considerable attention. It has encouraged the investment of \$18.4 million in expanded capacity from the start of the program until April 15, 1952. While the amount of rapid amortization has varied widely by industry and from company to company, the average amount of tax amortization allowed as a percent of proposed investments for the whole program is 58.8 percent.

Your committee has been critical of the use of certificates for plants which already had been planned and financed, and many of them almost completed. It is your committee's opinion that accelerated amortization was provided on the theory that when the war was over, the need for a particular plant would be greatly diminished and, therefore, the particular enterprise would never have been undertaken unless an immediate tax advantage was offered. A plant that was already financed or under construction before Korea is *prima facie* evidence that the investors expected a good future market. Of course, something can be said, in fairness, that the accelerated amortization system engendered a great deal more postwar competition than a particular peacetime investor could have envisioned.

Your committee also is of the opinion that the number of small businesses that have received certificates still appears far on the short side compared to the number given to the larger businesses. Your committee also hears many complaints about the delays with which small-business applicants are faced.

Your committee is also critical of the apparent laxity in granting certificates to certain entrepreneurs whose character and business standards leave much to be desired.

Following is a cumulative list of the certificates of necessity that have been granted, by program, amount, and the percentage of certificates granted to each program compared to the total.

Certificates of necessity

Major program	Approved, cumulative as of Apr. 15, 1952		
	Number	Amount	Percent of total
Iron and steel.....	804	\$3, 642, 080, 000	19.8
Railroads, other transportation and storage.....	1, 098	2, 862, 542, 000	15.6
Public utilities.....	348	2, 523, 966, 000	13.7
Chemicals and allied products.....	633	2, 029, 427, 000	11.0
Crude petroleum and natural gas extraction, refining and natural gas.....	307	1, 260, 767, 000	6.9
Aluminum and other nonferrous metals.....	206	809, 854, 000	4.4
Aircraft and parts.....	849	802, 926, 000	4.4
Iron ore mining.....	96	708, 160, 000	3.8
Pulp and paper.....	117	666, 479, 000	3.6
Machinery (except electric) and parts.....	1, 309	554, 551, 000	3.0
Electrical machinery, equipment and supplies.....	519	304, 380, 000	1.7
Stone, clay, and glass products.....	251	296, 460, 000	1.6
Crude and refined petroleum pipelines.....	61	290, 107, 000	1.6
Ordnance and supplies.....	471	226, 415, 000	1.2
Nonferrous mining.....	57	218, 826, 000	1.2
Coal and coke.....	67	209, 375, 000	1.1
All other.....	1, 875	998, 658, 000	5.4
Total.....	9, 068	18, 404, 973, 000	100.0

LOAN PROGRAMS UNDER TITLE III

Section 301 loans or private loans guaranteed by the Government and made by a private bank are almost always guaranteed by the Department of Defense. More than 95 percent of the loans are used for working capital rather than for capital investment, and as such are, therefore, not directly related to the expansion of production facilities.

The following table represents all the loan guarantee activity through March 31, 1952.

Sec. 301 loan action, as of Mar. 31, 1952

[Thousands of dollars]

	Number of cases	Percent	Dollar amount	Percent
Filed.....	1,153	100	1,785,357	100
Approved.....	971	84	1,677,786	94
Denied.....	142	12	51,674	3
Pending.....	40	4	55,897	3

Section 302 or direct loans were certified to 177 applicants in the amount of \$288.5 million. Of these, 137 had been approved for \$169.5 million, and 37 for \$169.5 million were pending final RFC action. Interior approved \$5.6 million, Defense Transport Administration \$4.5 million, Department of Commerce \$100 million, Defense Material Procurement Agency \$168 million, and Defense Material Procurement Agency under delegation \$170 million.

Section 302 and 303 loans for the expansion of supplies of critical metals, minerals, installation of equipment, and other special projects of national interest totaled \$3.7 billion through March 31, 1952.

TABLE 1.—*Program emphasis in first quarter on section 302 and 303 loans*

[Thousands of dollars]

Program	Gross value of actual transactions				Probable ultimate net cost to United States actual transactions			
	First quarter of calendar year 1952		Cumulative to Mar. 31, 1952		First quarter of calendar year 1952		Cumulative to Mar. 31, 1952	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Total.....	801,276	100	3,677,694	100	119,587	100	219,074	100
Machine tool.....	222,177	28	1,108,418	30	8,614	7	22,426	10
Magnesium.....	176,814	22	181,560	5	79,467	66	81,600	37
Nickel.....	155,897	19	155,897	5	27,215	23	27,215	12
Copper.....	127,916	16	383,863	10	12,085	10	18,969	9
Aluminum.....	82,155	10	769,371	21	13,695	12	18,961	7
All other.....	36,317	5	1,078,585	29	¹ -21,489	¹ -18	49,904	25

¹ Cancellations of programs exceeded the probable ultimate net cost of new certifications in the "All other" category.

THE PRICE-STABILIZATION PROGRAM

Most of the testimony which your committee heard related primarily to title IV, the price and wage stabilization program. As in the past, the testimony was either completely opposed to the continuation of

title IV, or completely in support of its continuation and strengthening. Much of the testimony could be summarized as "Control the other fellow, but not me."

But from all the testimony and after a careful evaluation and analysis was made of all the data submitted to your committee, a number of significant facts and trends stand out. These form the basis for what we believe are reasonable judgments and decisions which your committee made and which it recommends to this body.

GENERAL PRICE STABILITY

The most significant fact is the relatively high degree of stability of the general price level that this Nation has experienced since the relevant provisions of title IV of the Defense Production Act were put into effect during the early part of 1951, and especially during the last 6 to 9 months.

As a result of the post-Korean wave of inflation, the Consumers' Price Index of the Bureau of Labor Statistics (1935-39=100) had reached 183.8 by February 15, 1951, after an advance of about 8 percent in 8 months. During the next 8 months, this index advanced slightly less than 2 percent to 187.4 on October 15, 1951; and since then it has fluctuated within a narrow range, with the latest available figures at 188.0 for March 15, 1952.

As usual, wholesale prices have been subject to substantially greater fluctuations. They rose more than 16 percent during the first 8 months after Korea, from 100.2 in June 1950 to 116.5 in February and March 1951, according to the recently revised and greatly improved Wholesale Price Index of the Bureau of Labor Statistics. This sharp inflationary advance was followed by a fairly steady and slow decline to 111.9 in April 1952.

A still greater effect of the post-Korean inflation and a correspondingly sharper correction occurred in the speculative raw commodity markets which are reflected in the BLS Index of Spot Market Prices. The 1951 peak of this index was 48.5 percent above its level before Korea but it now is only 12.3 percent above the pre-Korean level.

SOUNDER PRICE RELATIONSHIPS

Another striking fact emerges when the latest data for all three of these indexes are compared with their pre-Korean level. The Consumers' Price Index now is 10.6 percent higher, the Wholesale Price Index 11.7 percent and the Spot Market Index 12.3 percent, although a year ago the respective increases were 8 percent, 16 percent and 40 percent. In other words, the sharp dispersion of price movements after Korea has been corrected by converging movements during the last year, and price relationships today are far healthier and more normal than they were a year ago, or when the price stabilization authority of the Defense Production Act was first put to use.

THE EFFECT OF DIRECT PRICE CONTROL

Your committee has heard a great deal of argument concerning the causes of the more stable and healthier price conditions that we are now enjoying. Some opponents of direct price control have claimed

that the improvement is due exclusively to normal market developments, while others are willing to concede that increased taxation and a stricter credit policy have also played an important role. Advocates of direct price control who have come before your committee have not denied that these so-called indirect controls have significantly assisted in stabilization. But they have emphasized that the most important contribution was made by direct price control.

Your committee is willing to leave the final judgment in this dispute to the economic historians who will some day study this period. Meanwhile, however, it is impossible for your committee to overlook or disregard these blunt facts: (1) indirect controls which were put into motion shortly after Korea did not succeed in stopping inflation, and (2) the imposition of direct price control early in 1951 was promptly followed by the turn of the tide. Consumers and businessmen alike stopped their inflationary panic buying only when, and as soon as, price control was put into effect.

Your committee does not favor Government controls which interfere with the operation of our free and competitive economy, except when emergency conditions make such controls necessary in the interest of the entire Nation. In retrospect, it must be said, however, that the inclusion of price-control authority in the Defense Production Act, which your committee proposed, and the Congress accepted, was a wise decision and the use of that authority after some lapse of time was necessary and generally successful.

This conclusion becomes all the more clear when thought is given to the great change in the national production pattern which has been accomplished during the last 15 months while prices were kept generally stable and realigned in a sounder pattern. During this period, the gross national product rose from \$304 billion to \$335 billion in the last quarter of 1951—a 10-percent increase. National security expenditures, however, rose in the same time from \$24 billion to almost \$48 billion—a 100-percent increase. The share of our national output that is directly devoted to our defense production program thus has increased from less than 8 percent to more than 15 percent in little more than 1 year—and this was accomplished without inflation and, in fact, with an improvement in our price picture. Without the Defense Production Act this achievement would not have been possible.

CONTINUING DANGER OF INFLATION

While the defense production program has made substantial progress, it is far from completion. As mentioned above, national security expenditures during the first quarter of 1952 absorbed at the annual rate of somewhat less than \$48 billion, or 15 percent of the gross national product. Recent indications are that defense demands on the economy are rising rapidly at the present time. National security expenditures for the current quarter may average an annual rate of \$55 billion—an increase of almost 15 percent in 3 months. Toward the end of the calendar year 1952, the total is expected to reach an annual rate of \$60 billion.

It is also important to note that the increases scheduled from here on will almost entirely relate to production of hard goods and military construction. These items alone, which initially accounted for only a modest proportion of total defense spending, are scheduled to reach

a delivery rate of \$3.5 billion a month—or an annual rate of \$42 billion—around the end of calendar 1952 or the beginning of 1953, and they will continue at that level into the latter part of 1954. This involves a further substantial shift in the pattern of our national production and any such shift is accompanied by danger of inflationary pressure. The expansion of industrial capacity which has been accomplished under the provisions of the Defense Production Act will facilitate this shift. Nevertheless, we cannot at this time be sure that no inflationary pressure will result in the industries most directly affected.

This possibility is especially serious at this time because the Treasury is currently operating with a deficit and the budget for fiscal 1953 is almost certain to show an even larger deficit. In fact, present prospects for avoiding a deficit in fiscal 1954 are at least dubious. The inflationary potential involved in this budgetary outlook certainly cannot be overlooked by the Congress.

Nor must we forget the basic reason why this Nation had to undertake an extraordinary defense mobilization program—the threat of Communist aggression. Truce negotiations in Korea have been proceeding for many months and have not reached a conclusion. Your committee does not feel called upon to appraise the probability of peace in Korea but it certainly cannot recommend to the Congress to anticipate such a peace in making its decisions on the Defense Production Act.

Even if there were peace in Korea today, tomorrow, or next month, the American people still could not feel secure. Communist aggression might start at some other place at any time. If it did, and if we did not have special protection, fear of war might quickly bring about another wave of panic buying like the one experienced after Korea. With national security expenditures several times as large as they were at that time, and with the Government's financial operations showing a large deficit, the inflationary effect of an international incident could be even more rapid and serious than it was after Korea. How often can our economy stand so destructive an upheaval?

EXTENSION OF PRICE STABILIZATION AUTHORITY

In the face of a rapidly rising defense production program, a growing budget deficit, a tense international situation—in the face of the danger of inflation arising from these factors, it clearly would be foolhardy to discard at this time the special emergency protection of price stabilization.

Your committee does not modify its basic position that price control should never be used by this Government in normal times, and in emergencies only to the extent that the economic security of the Nation requires. Indeed, your committee recognizes that the success thus far attained by the stabilization program makes it possible to reduce at this time the area of our economy requiring close control, to which we shall make further reference.

Your committee, moreover, hopes that the increase in national output and the expansion of productive capacity that is going forward will further reduce the need for direct price control even while the defense production program is still under way. Because of this hope, your committee cannot concur in the recommendation made by the

President and by the administrators of defense and stabilization agencies that the Defense Production Act be extended for 2 years.

Direct economic controls are so undesirable that the Congress must have more frequent opportunity to review the need for them. Price and wage controls in particular are controversial. Your committee therefore recommends that title IV of the Defense Production Act be extended to March 1, 1953. By that time, a new Congress will have had the opportunity to appraise the economic situation and to decide whether price and wage controls are still necessary.

APPEARANCE OF SOFT MARKETS

While the increasing demands of the defense production program and the budgetary situation in the judgment of your committee do not allow the termination of price stabilization at this time, your committee has given much thought to the testimony of numerous witnesses who have reported the appearance of soft markets in their trades and industries.

It is clear that a substantial number of commodities are currently being sold at prices below ceilings set by the Office of Price Stabilization. The most comprehensive statistical information on this subject was submitted to your committee by the Director of Price Stabilization (hearings pp. 154-165). In summary, these statistics show that, as of December 15, 1951, peak prices prevailed for 58 percent of the consumer purchase reflected in the Bureau of Labor Statistics Consumers' Price Index. Eighty percent of consumer prices were within 2 percent of peak and 86 percent within 5 percent, while only 8 percent were 10 percent or more below peak. Subsequently prepared statistics of the Bureau of Labor Statistics show that on March 15, 1952, items sold at peak accounted for 50 percent of the Consumers' Price Index, items within 2 percent of peak for 71 percent, and items within 5 percent of peak for 85 percent of the Consumers' Price Index, while items 10 percent or more below peak accounted for slightly less than 10 percent of the Consumers' Price Index.

Statistics submitted by the Director of Price Stabilization further showed that as of early 1952, 63 percent of all wholesale transactions were at peak prices or ceiling prices where the latter are below peak, while 16 percent were slightly, and 21 percent significantly below peak or ceiling. A further breakdown showed for commodities of wide general interest, which account for just under half of all wholesale transactions, the following figures: 41 percent at peak or ceiling, 20 percent slightly below, and 39 percent significantly below ceiling. In contrast, the other half of wholesale prices, those of interest mainly to business, showed these figures: 84 percent at peak or ceiling, 12 percent slightly below, and only 4 percent significantly below peak or ceiling prices. (According to a subsequent check with the Office of Price Stabilization, these figures showed only minor changes since then.)

In accordance with these figures, much other testimony made it clear that, while prices generally have not declined much (as shown by price indexes) and while there is little or no price softness in many areas of the economy, there are some other areas in which a substantial number of prices are significantly below ceilings.

In part, this situation is, of course, due to the fact that most price ceilings are based on the high level reached in the period December 19, 1950, to January 25, 1951. Prices for some material may have receded below this high level and still be inflationary. For this reason alone, a good many prices would have to be below ceilings unless we had been completely unsuccessful in preventing an all-pervading and continuing inflation, unless ceilings had been reduced in every case in which market prices declined—a policy which your committee would neither recommend nor approve.

There are, however, also a number of commodities selling far below ceiling and with no prospect that they will reach ceiling prices in the foreseeable future. Your committee does not believe that price control need or should be maintained for such commodities. There is no justification in these cases for burdening business with the inconvenience and workload necessarily involved in price control. It is true that there is, in our present situation, also no justification for disregarding the continued existence of the danger of resumed inflationary pressure. But, in the opinion of your committee, Government must and can discharge its responsibility of guarding the Nation against inflation without imposing needless burdens on the economy.

SUSPENSION OF PRICE CONTROLS BY THE OFFICE OF PRICE STABILIZATION

At the very beginning of the hearings held by your committee, the Director of Price Stabilization reported that a special committee had been established in the agency to develop means for adjusting price control in soft markets (hearings, pp. 168–170). He emphasized that suspension of control, rather than decontrol, would be used and that controls would be made fully effective before there can be penetrations of present ceiling levels. Your committee urged the Director to proceed along these lines and he returned at a later date to give a more extensive report (hearings, p. 2417). This report covered the progress made by the OPS committee, the basic policies and standards adopted, and a list of commodities suspended from price control at that time. This list included:

Cattle hides	Crude soybean oil
Kips	Crude corn oil
Calfskins	Burlap
Tallow	Wool
Lard	Wool waste
Animal waste materials	Wool tops
Vegetable soapstock	Wool noils
Crude cottonseed oil	Alpaca

Since then, the Office of Price Stabilization has further pursued its suspension program and has suspended price regulations for raw cotton and cotton, wool, and synthetic textiles.

It is the understanding of your committee that, while these price regulations are suspended, businesses covered by them need no longer pay any attention to price control and are relieved of all its burden. Your committee wants to emphasize, however, that the Office of Price Stabilization is not thereby relieved from its responsibility in regard to the prices affected. The Director has assured your committee that appropriate steps will be taken to prevent these prices from rising above the suspended ceiling levels, if they should again closely approach these levels, and your committee expects that this be done in

accordance with the provisions made therefor by OPS in connection with each of its suspension actions.

Your committee notes that these provisions made by the OPS vary from case to case, according to the volatility of prices and other relevant factors embodied in the agency's standards. This will make it possible for OPS to suspend price ceilings in soft markets without incurring the danger that the suspended ceiling level be pierced in case of a renewed price rise and without continuing the burden of price control on business when such control is not needed.

Your committee expects that this policy will be continued by OPS and will be extended to additional areas, even though its particular form of application will have to be varied according to the circumstances of each case. In view of the complexity of our economy, the interrelationships between soft markets and markets that are not so soft, and the responsibility involved, your committee recognizes that careful study must precede the extension of this policy into new areas. Therefore, your committee does not mean to criticize the OPS for proceeding with appropriate caution. But your committee wishes to express its expectation that this program be pursued further with all practical dispatch.

AMENDMENT ON SUSPENSION

A number of witnesses appearing before your committee have urged that the Defense Production Act be amended to eliminate price control from areas where it is no longer needed and some formulas have been proposed to achieve this end. Your committee has not found any of these formulas suitable for sufficiently general application to include them in the act. It appears to your committee that each case must be judged on its own merits. Otherwise, suspension will either involve too large a risk of permitting price rises, or else it will be confined to too narrow an area.

For this reason, the Director of Price Stabilization and other stabilization officials have urged that the matter be left entirely to administrative discretion. Your committee did not consider this course appropriate. Administration policies and programs may be changed at will and without notice to the Congress. Therefore, the Congress should not at this time extend authority for price control without giving legislative foundation to the suspension program that has been developed. Your committee proposes to do this by insertion of section 411 into the act.

This amendment reaffirms the policy of the Congress that the powers conferred by the act be so used as to permit the earliest possible termination of general price and wage control. The amendment further provides that, pending such termination, the policy of suspension is to be applied wherever appropriate in the light of all the circumstances, such as conditions of supply, existence of prices below ceilings, historical volatility of prices and relative importance to living costs and business costs, and it may be noted here that these costs also affect the costs of the defense production program.

The amendment specifically emphasizes that actions to be taken under this provision must be consistent with the purposes of the act, including the avoidance of dangerous or cumulative unstabilizing effects. Accordingly, the amendment further requires that suspension

be terminated when that is found necessary to achieve the aforementioned purposes of the act. Upon terminating the suspension order price ceilings shall be reimposed at levels no lower than those in effect when the suspension order was issued.

THE RELATION OF PRICE AND WAGE STABILIZATION IN REGARD TO SUSPENSION

From the beginning of its work on the Defense Production Act, it has been the policy of your committee to provide for the appropriate relationship of price and wage stabilization and the Congress has approved this policy and incorporated it in sections 402 (b) (3) and 402 (b) (4) of the act. These sections clearly express the intent of the Congress to view price and wage stabilization together, since prices cannot be stabilized without reference to wages and wages cannot be stabilized without reference to prices. In accord with this general policy, your committee considers it necessary that the amendment providing for suspension of price stabilization in appropriate circumstances also provide for suspension of wage stabilization wherever appropriate. This is done in section 411 as proposed by your committee.

This committee and the Congress have never regarded the general policy discussed above as a rigid rule to be followed mechanically. This is indicated by several provisions of the act, including sections 402 (e), 402 (f), and 704. Exactly like these provisions, the proposed section 411 permits some separation of suspension of price controls and suspension of wage controls. This does not mean that the price control agency should not look at the wage situation insofar as it is a relevant factor in arriving at its decisions on the suspension of price controls. Similarly, the wage-control agency should take the price situation into account in deciding on suspension of wage ceilings. The decision to suspend price ceilings, however, need not be dependent on any specific action in regard to wage ceilings, and vice versa.

No other approach would be practical. Prices of materials are affected by supply and demand for them and for related or competitive materials. While the resulting business conditions in the industry producing a material may have some influence in the wages this industry is willing and able to pay, these wages often are related in a much greater degree to conditions in other industries located in the same geographic area and using similar skills. Many industrial areas contain diversified industries selling their products in markets that are entirely unrelated to each other but drawing on the same labor pool for both unskilled workers and those skilled crafts that are needed in many different industries for maintenance and other purposes.

Therefore, undesirable consequences would result if suspension and reimposition of wage regulations were to disregard labor-market conditions and were instead to be governed solely by conditions in commodity markets, and vice versa. If wage ceilings could not be separated, prudence would require suspension be limited to those instances where the conditions for suspension would be simultaneously present in regard both to the markets for the materials concerned and the labor markets involved. In view of the highly complex and by no means identical patterns of markets for materials on the one hand and for labor on the other, this would be an impractical limitation of the suspension program.

In appraising this problem, it must be kept in mind that the suspension program is designed only for such areas in which either prices of materials or wages are below present ceilings with no prospect of their reaching ceilings in the foreseeable future. Under these conditions your committee can see no possible threat to wage stabilization from suspension of price control, nor any possible threat to price stabilization from wage control.

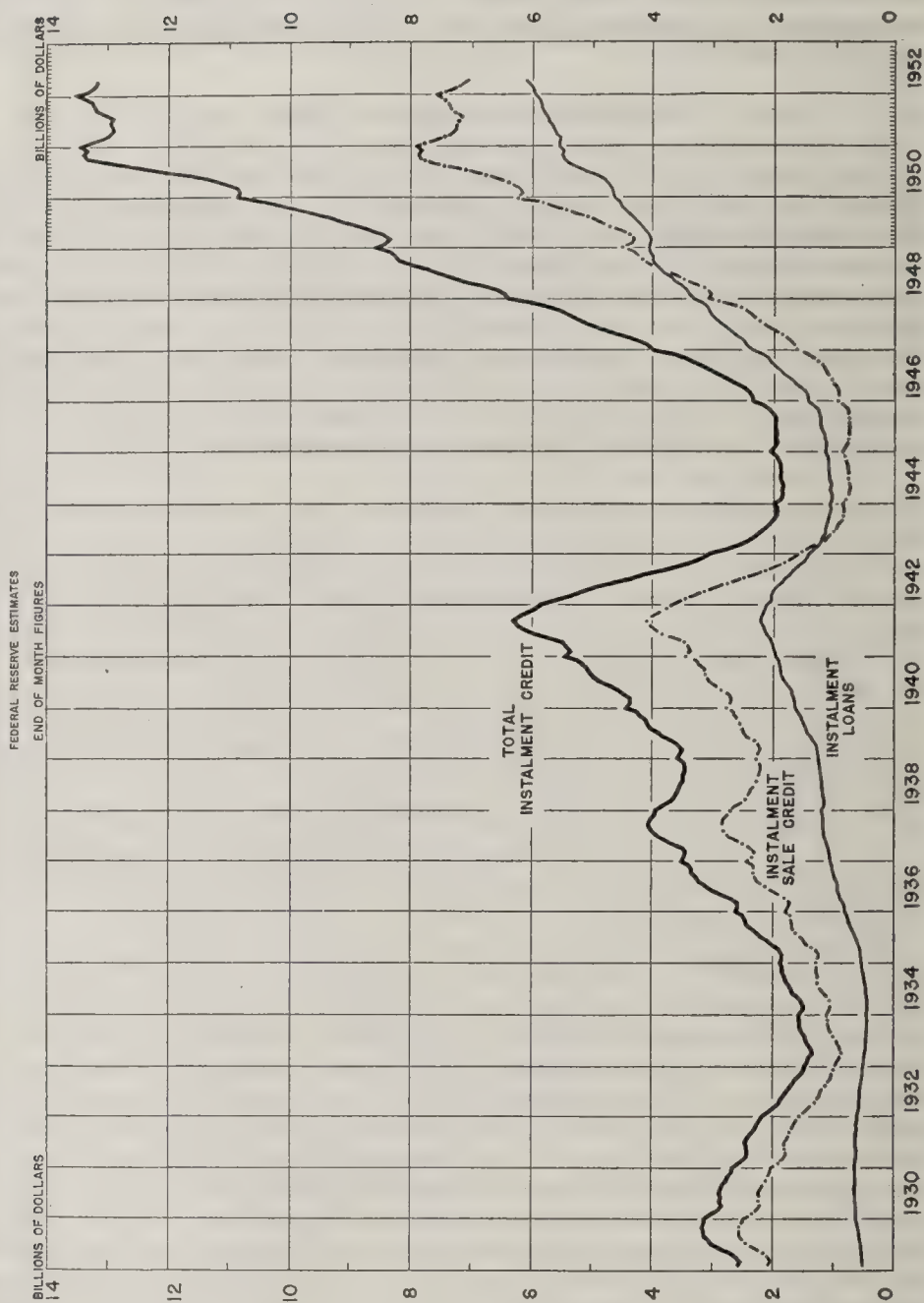
EXTENSION OF CREDIT CONTROLS

Your committee in recommending the continuation until June 30, 1953, of title VI, relating to the authority for consumer and real-estate credit regulations, took into consideration the fact that inflationary pressures, particularly in the consumer durable goods area, have lessened in recent months. Regulation W accordingly has been suspended by the Board of Governors of the Federal Reserve System. The following graph shows that installment sale credit has dropped steadily since the beginning of the year 1951 and is now at the pre-Korean level. The Federal Reserve Board utilizing the flexibility granted to it under title VI took appropriate action.

Your committee was mindful, however, of the fact that the demand for mortgage credit still is at a high level and complete removal of mortgage-credit controls would increase the difficulty of channeling a sufficient share of the limited supply of mortgage money into critical defense housing areas. Furthermore, while the supply of building materials has eased there are present shortages particularly of copper and other necessary materials. Your committee is informed that if the present rate of housing starts continue they will total slightly in excess of 1,000,000 for the year 1952. Shortage of supply in building materials will probably reappear and mortgage-credit controls may be necessary to funnel necessary home construction into critical defense areas, and to low-cost and medium-cost housing where the need is greatest. General inflationary forces, though reduced, still offer a threat in the coming months. It is only prudent that the authority for both of these controls be extended for another year.

In view of the highly uncertain international situation the defense program remains of paramount importance to the country. A sound and stable economy is vital to our military strength. A substantial Federal deficit, as we indicated above, is in prospect for the second half of this year, and, should inflationary pressures reemerge, consumer and real-estate credit regulation could contribute significantly to economic stabilization. The existing authority, which it is recommended be extended, includes the limits that Congress placed last summer upon the power of the Board of Governors and the Housing and Home Finance Administrator to tighten these controls, so that more severe restrictions than those limits allow could not be imposed without further congressional action. The declaration of policy concerning wage and price controls which your committee adopted, stating that wage and price control shall be terminated as rapidly as possible consistent with the policies and purposes of this act, should apply also to consumer and real-estate credit controls. Your committee feels that the Board of Governors of the Federal Reserve System is mindful of this policy and will lessen or suspend these controls when the situation so warrants.

CONSUMER INSTALMENT CREDIT OUTSTANDING



EXTENSION OF SMALL DEFENSE PLANTS ADMINISTRATION

Your committee recommends an extension until June 30, 1953, of the Small Defense Plants Administration (sec. 714). Its purpose was to assist and enable small businesses to obtain a fair share of defense contracts and also their proper share of allocated materials in order that they might contribute to defense production and essential civilian production. In adopting this amendment to the Defense Production Act, Congress reaffirmed its belief that the conservation of small business enterprise is a prerequisite if we are to preserve and enhance, if possible, the competitive element in American business enterprise.

The primary aid of SDPA was not only to help the small-business man, but, more important, to get the small-business man to help the defense effort. The aggregate productive capacity of small business is tremendous and all efforts must be made to utilize this potential. This requires special effort and special safeguards to prevent small business from being impaired and engulfed while we operate under a system of allocations and large defense spending.

The Small Defense Plants Administration assists small business in receiving its proportionate share of defense contracts that it can handle; its fair share of materials whenever it is necessary to have them under allocation; and financial assistance it needs to participate effectively in defense and essential civilian business.

A report of the Munitions Board shows that the dollar volume of military prime contracts placed with small concerns has been steadily decreasing. In fiscal 1950 the percentage was 24.5; in fiscal 1951, 20.9; and the first half of fiscal 1952, 19.7. There is no basis for the belief that the trend will reverse itself. The study of the statistics of World War II shows that if strenuous efforts are made small business will share more equitably in defense spending. The small-business share of procurement by the Army service forces rose from 12.6 percent in 1943 to 26.7 percent in June 1945. This rise was largely due to the activities of the Smaller War Plants Corporation.

The most important and difficult task of the Small Defense Plants Administration is to broaden and increase the participation of small-business concerns in Government procurement. In addition to protecting our economy a great diffusion of military procurement will speed production, spread know-how, and increase strategic dispersal of industry and retain the productive potential of small plants.

SDPA since its inception has engaged in the following major activities in an attempt to maintain and implement the position of small business in our "economy."

1. Recommendations to RFC of loans to small concerns for defense and essential civilian purposes.
2. Assistance in obtaining accelerated tax amortizations.
3. Negotiations with the Department of Defense to place SDPA procurement specialists in the major contracting offices of the Armed Forces.
4. Certifications of small plants as competent with respect to credit and capacity to perform contracts in order that contracts may be awarded such plants.
5. Encouraged and assisted in the formation of production pools.
6. Furnished technical advice and assistance to small plants on when and how to obtain defense contracts.

7. Established field offices and regional advisory boards as appropriations permitted.

This committee feels that so long as materials are allocated and tremendous sums are being channeled into defense production, the existence and capacity of the small businesses of this country must be safeguarded and protected in order to preserve one of the foundation stones of our competitive economy.

EXTENSION OF HOUSING AND RENT CONTROL ACT OF 1947

Your committee recommends the extension of Federal rent stabilization to June 30, 1953. On June 21, 1951, your committee stated its belief that it should be the policy of Congress to terminate Federal rent control at the earliest possible time. Your committee still believes that this is a proper policy, but it finds that the time has not yet arrived when rent controls can properly be removed throughout the United States. The information presented to the committee during its hearings clearly indicates that this objective cannot possibly be attained before June 30, 1953. The outbreak of the Korean conflict and the great mobilization program we have undertaken since the middle of 1950 is both directly and indirectly responsible for the continuing necessity for Federal rent control. In well over 100 communities throughout the country, the influx of servicemen to new or expanded military installations and the immigration of defense production workers has caused acute housing shortages and such excessive increases in rents that the dislocation of defense activities was directly and immediately threatened. This immediate threat to our defense program will continue for at least another year, and will undoubtedly be experienced in additional localities as the year progresses.

The indirect effects of the mobilization effort are equally important. Approximately five-sixths of all of the rental units which are presently subject to regulation are located in communities which have not been designated as "critical defense housing areas" because they have not felt the direct impact of the mobilization program in terms of incoming servicemen and defense workers. Nevertheless, the vast majority of our industrial potential is located in these communities. The increasing utilization of this potential for defense production has created an even greater demand for housing in these communities, and has greatly increased the inflationary pressure on rents. Your committee feels that it is essential to evaluate this additional demand against the background of three basic facts:

1. Prior to the outbreak of the Korean conflict there was a general shortage of housing throughout the country. The 1950 census reported a country-wide vacancy rate of only 1.1 percent for nonseasonal, nondilapidated dwelling units offered for rent.

2. Shortages of certain essential building materials has forced a curtailment in the construction of new housing. The number of new rental units for which construction was started in 1951 was 21 percent lower than in 1950 and 17 percent lower than in 1949. Most of this decrease occurred in the last half of the year, and initial reports for 1952 indicate that the decrease is continuing. Similar decreases have been experienced for all types of housing—both for rent and for sale. The decrease in the rate of new construction in established population centers has been

even greater than these figures would indicate, inasmuch as much of the new construction that has been started in recent months has been concentrated in smaller communities which are close to isolated military installations and defense plants.

3. Most of the new rental housing which is being created in established population centers by new construction rents at amounts which are far beyond the financial means of a large segment of our population.

Your committee considers it highly improbable that this trend can be reversed, and that any substantial Nation-wide progress can be made in meeting the increased backlog of housing demand, before June 30, 1953.

Your committee is likewise concerned over the possible results of the premature termination of rent control on a Nation-wide basis. The Bureau of Labor Statistics reports that in 10 of our largest decontrolled cities, rents rose 23.1 percent from mid-1949 to the 3-month period ending January 1952. In this same period, the rent increase in 24 controlled cities was only 7.9 percent. These over-all average increases obscure the fact that the effect of premature decontrol has been even more serious on the rents of housing occupied by our lower-income families. From the date when these various cities were decontrolled through the spring of 1951, some 50 to 86 percent of the units previously renting for less than \$30 per month experienced rent increases. From city to city these increases averaged between 29 and 62 percent. Increases in the middle-bracket units were also substantially higher than the over-all averages would indicate.

Your committee believes that there are adequate guaranties in the present law against the undue extension of rent control in any locality, inasmuch as the law provides four methods of decontrol, three of which are based on local self-determination. The impact of the defense mobilization program is not of uniform degree in our various communities, and probably will not be of uniform duration. Your committee believes that the impact will continue in sufficiently critical degree in most of our communities to warrant extension of the Housing and Rent Act of 1947 until June 30, 1953. The various decontrol provisions of the law are available and will, in the opinion of the committee, be used for the removal of rent control in those individual communities where additions to the housing supply or a tapering-off of the defense production effort ends the necessity for rent control sooner than June 30, 1953.

AMENDMENTS

IMPORT CONTROLS ON FATS AND OILS, ETC. (SEC. 101)

Your committee heard testimony from many representatives of industry on the provisions of section 104 restricting imports of fats and oils and rice and rice products, some favoring continuation of the provision, others urging repeal. The Government urged repeal.

After careful consideration of the testimony, your committee reached the conclusion that the provision in its present form is unnecessarily restrictive and inflexible, and may result in injury to the

American export trade and to American producers dependent on exports, disproportionate to the benefits resulting from the provision.

On the other hand, in the light of the impact of the mobilization program on the commodities covered by section 104, the committee concluded that there is a need, under existing circumstances, for protection to the American industries covered by this provision, over and above the protection afforded by section 22 of the Agricultural Adjustment Act of 1933, as amended, and section 7 of the Trade Agreements Extension Act of 1951.

Your committee feels that Public Law 590, Eighty-first Congress, had provided ample protection without unduly affecting in an adverse manner our export trade or our relations with friendly foreign nations.

Accordingly, your committee revised section 104, so as to follow the provisions of Public Law 590, adding cheese and other dairy products to the commodities covered. These commodities are covered by section 104 but were not specifically mentioned in Public Law 590.

Under the proposed revision, section 104, based on Public Law 590, title III of the Second War Powers Act, 1952 (56 Stat. 177), as amended, would be revived and continued in force for the purpose of exercising import controls over fats and oils (including oil-bearing materials, fatty acids, soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese, and other dairy products, and rice and rice products, where such controls are found (a) essential to the acquisition or distribution of products in world short supply, or (b) essential to the orderly liquidation of temporary surpluses of stock owned or controlled by the Government.

This would give full legal authority to restrict or prohibit imports of the specified commodities where such restrictions are necessary to accomplish the purposes of the provision. In view of the broad discretion given to the President under this section, it is expected that it will be used carefully to carry out the purposes of the provision without unnecessarily interfering with international trade. Items which are not directly competitive with one another should not be barred from import merely because their importation might have an indirect but remote effect upon other articles of commerce covered by the criteria for import controls set forth in this section.

In recommending substitution of the criteria in Public Law 590 for those placed in section 104 of the Defense Production Act by the amendments of 1951, your committee has considered the representation of several foreign governments opposing the 1951 version of section 104. Other nations should note, however, that this change in the law is being recommended in the expectation that they themselves will halt any unreasonable protectionist trend, such as that which seems to prevail in some areas with respect to the perennial fruit industry, an industry built on the basis of offshore distribution. Progress in international trade requires a two-way street. In instances where foreign governments have gone further in trade restrictions than required by their balance of payments situation, they should be made aware by our Government that unwarranted continuance of such restrictions will not go unnoticed by the Congress, especially where they result in denying access of crops grown in the United States to foreign markets.

APPLICATION OF SECTION 402 (4) (D) (SEC. 102)

The sole purpose of this amendment is to make statutory and re-emphasize the original congressional intent that this paragraph, commonly referred to as the Capehart amendment, is not applicable to retailers and wholesalers of materials, since these sellers are covered by section 402 (k). This is made necessary by recent decision of the Emergency Court of Appeals holding that this paragraph did apply to sellers of material at retail and wholesale.

EXEMPTION OF PROFESSIONAL ENGINEERS, ARCHITECTS AND ACCOUNTANTS (SEC. 103 (A))

The provision of section 103 exempting professional engineers, certified public accountants, and architects from wage and salary stabilization was included in order to place these professional persons on the same basis as doctors and lawyers who were granted an exemption last year. Although the Salary Stabilization Board has authority to grant exemptions to these groups of professionals, in response to your committee's request to do so last year the Board responded that it has not felt that employment conditions have been such as to warrant administrative action. It is your committee's judgment that it is only fair and equitable that engineers as well as certified public accountants and architects who are in private practice on a consultant fee basis should have for their employees the same advantage as physicians and lawyers.

The exemption is not qualified by the use of the word "licensed" inasmuch as practices vary from State to State with respect to recognition of what constitutes a professional employment, and which govern within the different States.

CLARIFICATION OF EXEMPTION OF RATES AND CHARGES BY COMMON CARRIERS AND PUBLIC UTILITIES (SEC. 103 (B))

Section 402 (e) (v) of the Defense Production Act as adopted in 1950 and carried forward to date prohibits the authority conferred by title IV of that act from being exercised with respect to rates charged by any common carriers or other public utility, with a proviso that a common carrier and a public utility, after the imposition of selective or general controls on prices and wages, must give the President (or OPS) 30 days' advance notice before increasing its charges for property or services sold by it for resale to the public, for which application is filed with the Federal, State, or municipal authority having jurisdiction to consider the proposed increase, and under those circumstances such common carriers and public utilities must consent to timely intervention by OPS before the Federal, State, or municipal authority having jurisdiction to consider such increase.

As administered by OPS up to the time hearings on extension of the Defense Production Act beyond June 30, 1952, began before your committee on March 4, 1952, this subsection was not interpreted to exempt from OPS control publicly owned or privately owned marine terminals, docks, and warehousing facilities. OPS contended that these were not per se public utilities and therefore fell within the orbit of OPS control. It relied on the decision of the Supreme Court of the

United States in *Davies Warehouse v. Bowles* (320 U. S. 144) as indicating that outside the field of conventional public utilities, facilities could be found to be public utilities if they were appropriately classified as such under Federal, State, or local law and actually had their maximum rates regulated by a governmental authority exercising rate regulatory jurisdiction. Under this policy, OPS controlled some terminal facilities and held others to be exempt from OPS rate control. OPS asserted that the fact that a marine terminal was subject to the Shipping Act of 1916, as amended, of itself was not enough to exempt such a terminal from OPS control. OPS held that the Maritime Commission could only prevent unreasonable or discriminatory practices and could not regulate rates as such or pass upon their reasonableness except in the case of common carriers by water. Your committee does not agree with the interpretation OPS has thus placed upon section 402 (e) (v). It has considered marine terminals to be within the meaning of the words "public utility" as used in this section, whether these terminals are publicly owned or privately owned. In view of the competitive forces in this field, your committee has never considered it necessary to place either type of marine terminal under rate control by virtue of the Defense Production Act in its original or amended form. To clarify this situation it has added language to the bill expressly noting that the exemption extends to rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended.

Your committee further deemed it advisable to add language to this paragraph (v) declaratory of existing law to make it clear that the exemption of common carrier activities from OPS control extends beyond actual transportation services for which charges have been approved by Federal or State regulatory commissions. Your committee was advised that in authorizing rate increases for rail freight and passenger service, regulatory agencies take into consideration carriers' revenue from all sources incidental to the performance of transportation, and have at times admonished such carriers to adjust charges for services so that they will yield a more compensatory return. Consequently what the carrier collects from one source should serve to keep down the charge it can collect directly from the public for transportation itself.

It should be noted that all services as to which rates or charges will be exempted expressly by the provision of this portion of the amendment are not provided directly to the public, with the exception of charges for the use of pay washrooms and toilet facilities and charges for the use of automobile parking spaces. In the case of pay-toilet facilities, your committee believes there is no need for price control as long as in the same station there are available free toilet facilities kept in the same condition of sanitation and repair as are the pay toilets. In the case of parking facilities operated by common carriers in connection with their common-carrier operations, your committee decided that railroads should be permitted to make a charge adequate to keep space near railroad stations available for the parking of automobiles of patrons and those assisting patrons.

It was and is the intention of the Congress, in the opinion of your committee, to exempt from price control authority all services normally performed by bona fide common carriers incidental to their primary business of transportation. It should be noted that this intention did

not extend to charges for dining-car service or hotel accommodations, however. These services are sometimes provided by concessionaires or others rather than by common carriers themselves, even though they are utilized by patrons of common carriers, and therefore should not be exempted as a class.

The proviso in paragraph (v) has been clarified by inserting the words "if any" after the words "Federal, State, or municipal authority" each time they appear. The purpose of this particular amendment is to make clear that the Federal price control agency cannot claim authority to control a proposed increase in charges for property or services sold by a common carrier or public utility for resale to the public in the event no Federal, State, or municipal authority exists having jurisdiction to consider the proposed increase. As a matter of fact, it has been the intention of the Congress, in the opinion of your committee, that the proviso spells out the only circumstances under which the Federal price control agency is authorized to intervene in a rate case concerning rates or charges by a common carrier or public utility. As evidence of that intention your committee invites attention to the refusal of the Congress to adopt the suggestion made to it in 1951 that the right of the Federal price control agency to intervene in applications for proposed rate increases be broadened to include increases in all rates or charges and not merely those rates or charges for property or services sold for resale to the public. It has come to the attention of your committee that notwithstanding this fact, representatives of OPS have proposed intervention in proceedings before regulatory bodies involving rates charged by common carriers or public utilities for property or services which are not sold for resale to the public. Such action would be contrary to the intention of the Congress and it would be improper for OPS to expend for that purpose any funds appropriated for the purposes of the Defense Production Act.

SALES AND SERVICES BY PUBLIC BODIES (SEC. 103 (C))

A new paragraph viii is added to section 402 (e) of the Defense Production Act of 1950, as amended, to exempt from the authority of the Federal price control agency—

rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing.

By General Overriding Regulation 14, OPS has already exempted sales of services by governments which it believes are not of serious consequence to the stabilization program because they are not significant to the economy, are of purely local concern and, generally speaking, not competitive with sales by private business. Your committee is of the opinion that elected officials of non-Federal governments are as cognizant of the need for the Nation's welfare as are officials of the Federal Government. It realizes that local officials know the conditions existing in their area better than do Federal officials sitting in Washington. Under these circumstances your committee is confident that non-Federal governments will exercise the power they have to control prices for any sales made or services

performed by the particular governmental operations over which they have jurisdiction.

Insofar as the exemption applies to sales and services by Federal officials your committee deems it unnecessary to authorize the OPS to control the decisions made by such officials in the performance of their duties.

All executive officers of the States and of the Federal Government have taken an oath of office to uphold the Constitution which expressly provides in article VI that it and all laws made in pursuance of the Constitution are the supreme law of the land. Section 2 of the Defense Production Act expressly declares the intention of the Congress to prevent undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use. Your committee assumes the officials mentioned above will abide by the spirit of that intention.

Instances of abuse, if any, of the confidence so placed in all these officials could surely be brought to the attention of the Congress when it again considers the need for Federal price-control legislation. Your committee expects that officials will live up to the confidence this committee places in them.

REVISION OF RETAIL AND WHOLESALE MARGIN AMENDMENT (SEC. 104)

The so-called Herlong amendment, section 402 (k) as originally passed, was inapplicable to regulations issued prior to its enactment. This limitation was included because otherwise the effect on ceiling price regulations issued prior to its effective date was not clear. However, this limitation may discriminate between some retailers governed by regulations issued prior to the effective date and those governed by new regulations. This amendment, therefore, removes the limitation.

Its purpose is to express the congressional intent that as soon as practicable, depending on the circumstances in each case, all distributors be given the mark-ups required by the provisions of section 402 (k). This amendment will not be disruptive of existing OPS regulations. Under the present provisions the burden of demonstrating the pre-Korea mark-ups is on sellers. Moreover, the testimony at the hearings demonstrates that the mark-ups under most existing ceiling price regulations, even those issued prior to the passage of section 402 (k), conform as far as practicable with the mark-up requirements. In that case there is, of course, no need to revise the regulations.

ADJUSTMENT OF CEILINGS TO STATE MINIMUM SALE PRICES (SEC. 105)

Prior to the passage of the Defense Production Act some States had enacted and enforced minimum price laws on some commodities. Ceiling price regulations interfere with the enforcement of some of these laws because Federal regulations prevail in event of conflict with State laws.

This new subsection, therefore, provides that ceiling prices for materials sold or delivered in any State shall not be below the minimum prices of such materials as fixed by that State's minimum price law which is now in effect. General so-called fair trade laws have been excepted from this amendment. Under this new provision the

President shall adjust ceiling prices in a given State to make them not less than the level of prices established by such State's minimum price laws where it is shown that the ceilings are less than the minimum price level.

CREATION OF STATUTORY WAGE STABILIZATION BOARD (SEC. 106)

In the hearing before your committee it was evident that the Wage Stabilization Board created by Executive order operated to some extent independently of the Economic Stabilization Administrator, thereby resulting in ineffective coordination between the stabilization of wages on the one hand and that of prices on the other. Economic Stabilization Administrator Putnam argued:

In its dispute settling function the Board is directly under the President and they do not have to come under me.

The Board while it derives that portion of its duties and functions which pertains to the stabilization of wages, salaries, and other compensation from the authority vested in the President from title IV of the Defense Production Act, that portion of its duties and functions which pertain to the settlement of labor disputes, through recommendation to the President, is derived from the Executive order of the President, presumably based on his inherent powers.

Section 106 of the amendments adds a new subsection (b) to section 403 of the Defense Production Act. This subsection abolishes the existing Wage Stabilization Board and creates a new one to take its place.

Subsection (1) provides that the new Wage Stabilization Board "shall be composed exclusively of members representative of the general public." Your committee believes that the tripartite structure of the present Board has not operated exclusively in the public interest, because the majority of its members are designated to represent particular interest groups. To correct this defect the bill specifies that every member of the new Board, whatever his background, shall be designated to represent only the general public, shall be confirmed by the Senate, and shall engage in no other employment while a member of the Board. The number of members is to be determined by the President. Your committee intends that the number will be adequate to permit the President to appoint members who have a variety of backgrounds.

Subsection (2) provides that the public members be appointed by the President by and with the advice and consent of the Senate.

Subsection (3) provides that the term of office expire with the expiration date of the price and wage stabilization functions of the Defense Production Act.

Subsection (4) provides that each member receive compensation at the rate of \$15,000 per year, and while a member of the Board shall engage in no other business, vocation, or employment.

Subsection (5) provides that—

The Board shall, under the supervision and direction of the Economic Stabilization Administrator, (A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; * * *

This provision was inserted because your committee is not satisfied that there is sufficient guaranty in the present act that all general

wage stabilization policies and regulations are subject to the approval of the Administrator, who must be in a position to coordinate stabilization policies.

Clause B of subsection (5) gives the Board responsibility—

upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, (to) advise as to the interpretation, or the application to particular circumstances, of policies, and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

This authorizes the Board, under the supervision and direction of the Administrator, to issue rulings and decisions in particular cases arising under wage stabilization. "Stabilization of wages, salaries, and other compensation" is defined as meaning "prescribing maximum limits thereon."

With respect to the jurisdiction which the old Board has exercised over disputes, subsection (5) provides that the new Board shall have no jurisdiction with respect to any labor dispute or any issue involved therein, except as provided in clause B. As noted above, this authorizes the Board, upon request, to "advise as to the interpretation, or the application to particular circumstances" of wage stabilization policies and regulations. In advising a person or a Federal department or agency in a dispute case, the Board is to have no jurisdiction over any case which does not involve a wage stabilization question, or over any noneconomic issue such as the union shop. These are to be dealt with, so far as governmental action is concerned, only in accordance with statutes which have been enacted or may be enacted by the Congress.

The existence of the present board in your committee's judgment has tended to nullify free collective bargaining, the full prior use of the mediation and conciliation service, and tends to provide a bypass of the use of the national emergency provisions of the Labor-Management Relations Act. Your committee feels most strongly that disputes that arise between industry and labor should be and can be settled by free collective bargaining where both parties approach the problems in a spirit of good faith and earnest intent. The steel dispute is a good example of how the parties went through the motions of collective bargaining and use of the mediation and conciliation service without earnestly and wholeheartedly trying to bargain and come to an equitable settlement. At all times each party had his eye on Washington with the ultimate idea of dumping the problem in the Board's lap. The recommendations of the Board take on the vestment of unchangeable decision as the party which emerges with the decision in its favor will accept the recommendations of the Board and then refuse any further bargaining. The existence of a board with such powers could conceivably result in what amounts to compulsory arbitration, which would be the deathknell of collective bargaining.

It is the earnest hope of your committee that industry and labor in view of the grave times of travail through which we are passing will recognize that wages and prices must be stabilized in order to prevent run-away inflation with disastrous results to our economy. This amendment brings the stabilization of prices and wages together under a single administrator and leaves the other labor problems to

collective bargaining, and the other laws providing for the amicable settlement of labor disputes.

Your committee has no desire to be a party to any acts which might ultimately result in compulsory arbitration and the abandonment of free collective bargaining.

SUSPENSION OF CONTROLS (SEC. 107)

Adds a new section 411 to the wage- and price-stabilization title, declaring the policy of the Congress with respect to the suspension of price and wage controls. (See p. 14.)

EXCULPATORY CLAUSE (SEC. 108)

The first sentence of section 707 of the act contains the so-called exculpatory clause, which protects a person from liability, under contract or otherwise, as the result of compliance with the act or regulations issued under the act. This provision was included to encourage and assist people to comply with the act, even though it was recognized that common-law doctrines, such as frustration and impossibility of performance and the like, would cover many of the same cases.

It has been called to the attention of your committee that section 707 is in one respect subject to a narrower interpretation than the similar provision in the Second War Powers Act, 1942. Section 707, like the statute (Public Law 89, 77th Cong., 55 Stat. 236) preceding the Second War Powers Act, 1942, provides protection against liability caused by "his compliance." The Second War Powers Act, 1942, amended the provision by deleting the word "his."

This change makes it clear that the protection applies to cases where the liability is caused by the compliance of another person, for example, where a contractor is unable to carry out a contract because his suppliers are prohibited from making or shipping him the parts he needs to carry out the contract.

Your committee had not intended to provide a narrower form of relief in this respect than was provided under the Second War Powers Act, 1942. Accordingly, in order to remove any erroneous inference that the inclusion of the word "his" in section 707 was intended to give the provision a narrower effect, and to make it entirely clear that the broader effect is intended, your committee deleted the word "his" from the first sentence of section 707.

EXTENSION OF THE DEFENSE PRODUCTION ACT (SEC. 109)

Amends sections 717 and 714 so as to provide for the extension of titles I, II, III, VI, and VII until the close of June 30, 1953; and extends titles IV and V until the close of February 28, 1953.

EXTENSION OF HOUSING AND RENT ACT OF 1947, AS AMENDED (SEC. 201)

Amends section 4 (e) and section 204 (f) so as to provide for the extension of the Housing and Rent Act until the close of June 30, 1953.

NOTICE AND PUBLIC HEARINGS WHERE RENTS ARE RECONTROLLED
(SEC. 202)

Last year your committee in recommending an extension of Federal rent control also recommended the recontrol of maximum rents in areas designated as "critical defense housing areas" by the Secretary of Defense and the Defense Mobilizer, acting jointly, under well-defined standards. The local option decontrol provisions of the act remained applicable to areas so designated.

Under present law in those areas where decontrol is brought about by local governing bodies, such action can be brought about only after a public hearing has been held. Your committee feels, after considered deliberation that in the operation of the democratic powers it is only just and fair that a public hearing be held before such areas are recontrolled. Accordingly, provision is made in the bill for a public hearing, after 30 days' notice, before an area, heretofore decontrolled under the local-option provisions of the act, is placed back under Federal rent control.

AMENDMENT OF THE WALSH-HEALEY PUBLIC CONTRACTS ACT (SEC. 301 (A))

The bill contains two amendments to the Walsh-Healey Public Contracts Act (the act of June 30, 1936; 41 U. S. C. 35-45), a statute which provides for labor standards with respect to Government contracts for the manufacture or furnishing of materials, supplies, articles, and equipment in an amount exceeding \$10,000.

The first amendment, the "open market" exemption would modify the language of section 9 of the act which exempts certain contracts from the requirements of the act. The present language of the statute exempts "purchases of such materials, supplies, articles or equipment as may usually be bought in the open market." Your committee believes that the construction placed on this language by the Secretary of Labor has been unduly restrictive and has resulted in the act applying to certain contracts which Congress in enacting the statute had intended to be exempt. Accordingly, the bill modifies the statutory language to conform to what your committee regards as the original congressional intent. The bill would specify as exempt those purchases of materials, etc., "of standard type and construction" as are usually sold in the open market to "purchasers generally, regardless of the method of procurement used by the Government." The quoted phrases are those which the bill would add to the present language of section 9.

The Secretary of Labor has construed the present language of section 9 as limiting the exemption to such items as may usually be bought in the open market by the Government; that is, those purchases which Government agencies are authorized by statute to make in the open market, without the necessity of advertising for bids. The bill would extend the scope of the section to exempt purchases by the Government of standard articles, which are available in the open market to any purchaser. The method of procurement utilized by the Government would be immaterial. The purchase of standard articles, such as ordinary light bulbs, pencils, and shoes would be exempt from the provisions of the act.

However, the amendment of section 9 would not affect the purchase of any articles which are not ordinarily available in the above manner. For example, an Army contract for the purchase of clothing, such as shoes, T-shirts, khaki pants, shirts, and underwear, would still be covered by the act since such items are usually not of standard type nor are they usually sold in the open market to purchasers generally. It is the opinion of your committee that hardly any military equipment or clothing is of "standard type and construction" within the meaning of the amendment, and that the Walsh-Healey Act would apply to contracts for the purchase of such clothing and equipment.

In adopting this "open market" exemption, it was not the intention of your committee that this was to be the only exemption from the provisions of the Walsh-Healey Act. The adoption of this amendment was not intended to interfere with the discretion placed in the Secretary of Labor by section 6 of the act to exempt other items or to make reasonable limitations, variations and tolerances.

The bill also further amends the Walsh-Healey Act to assure that persons adversely affected or aggrieved by administrative action shall have proper procedural and judicial safeguards.

Section 4 of the Administrative Procedure Act provides that the rule-making procedures of that section shall not apply to public contracts. The second amendment, the "procedure amendment," would make those procedures applicable to contracts covered by the Walsh-Healey Act (but not to other public contracts).

Under this amendment, all orders, determinations, rules and formal interpretations of general applicability, made by the Secretary of Labor in the administration of sections 1 to 5 and 7 to 9 of the Walsh-Healey Act, must be on the record after an opportunity for a hearing. Further, a review may be had of such orders, determinations, rules, and interpretations by interested persons in the manner provided by section 10 of the Administrative Procedure Act. This right would be extended to such persons, manufacturers of or regular dealers in items purchased by the Government from any source, and employees of such manufacturers or regular dealers, or labor unions representing them and to any person who is adversely affected or aggrieved by any such order, determination, rule, or interpretation.

In adopting the so-called "procedure" amendment to the Walsh-Healey Act, your committee has facilitated the process of obtaining court review of orders, determinations, rules, and formal interpretations of general applicability published in the Federal Register. Presumably, this might include questions such as the interpretation of "locality," "regular dealer," "manufacturer," and "open market" purchases in section 1 of the Walsh-Healey Act.

Your committee considered, and rejected, a proposal to change the word "locality," in section 1 (b) of the act, to "city, town, village, or other civil subdivision" (similar to the language in the Davis-Bacon Act), which was subsequently modified to read "local labor market area," in order to include workers in a normal commuting area surrounding the place of manufacture, and avoid the artificial boundaries of a city, town, or county. It is the intent of your committee that its action in rejecting this proposal be without prejudice to future deliberations of the courts concerning the meaning of "locality."

The language "formal interpretations of general applicability" in the amendment refers only to formal findings, which usually take the

form of regulations and are published in the Federal Register. The term does not include informal interpretations or opinions such as rendered to individual persons or firms with respect to particular contracts.

ADMINISTRATIVE RECOMMENDATIONS

AVOIDANCE OF UNDUE DISLOCATION IN CERTAIN LOCALITIES

Lack of defense construction and shortages of critical materials resulting from the defense effort brought on distress conditions in the building-construction industry in large urban areas such as New York, Washington, Boston, Portland-Seattle, Los Angeles, and San Francisco. In these areas there was not sufficient military or other defense construction to replace normal civilian construction, and local conditions made it impracticable to operate within minima for self-authorization permitted by the National Production Authority for the country as a whole. These conditions prompted certain amendments offered by Senator Ives and Senator Lehman at the suggestion of the New York Building Congress for the purpose of affirming the intention that after meeting requirements of building materials for military and other defense construction, such materials then remaining for civilian use should be so allocated that adjustments would be made to alleviate distress conditions in hardship areas.

One of the declared objectives of the Defense Production Act was the prevention of undue strains and dislocations upon the distribution of materials for civilian use. The conditions reported to your committee appear to result from undue dislocations which the act was intended to prevent. It was reported to the committee, however, that after conferences with Senator Ives, Senator Lehman, other Members of the Congress and industry representatives the National Production Authority was able to revise its regulations, make adjustments in favor of the distressed areas, and promise all possible encouragement to normal civilian construction in those areas. Under these circumstances the sponsors felt that it was not necessary to press the amendments. Your committee agreed with this conclusion, but noted the need for careful administrative inventory and planning in the light of local conditions to avoid undue dislocations in particular localities. Your committee feels that any distribution of materials remaining after military and defense requirements are met should reflect some measure of equality of sacrifice on the part of different segments of industry and in different geographical areas.

Your committee and its members who serve on the Joint Committee on Defense Production will continue to follow closely the administration of the act to make sure that due consideration is given to the effects of administrative action on regional and industry problems.

CLARIFICATION OF POWER TO DETERMINE MILK PRICES IN NON-FEDERAL AREAS

Since the Cole-Ives provision in section 402 (d) (3) of the Defense Production Act of 1950, as amended, was designed to assure substantially similar treatment to producers of milk for fluid distribution in areas under Federal milk marketing orders and other areas, the proviso which follows immediately after the ratio provision is under-

stood to authorize the Secretary of Agriculture to determine prices at a higher or a lower level than the level computed pursuant to the ratio, in the light of the standards specified in the proviso.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

THE DEFENSE PRODUCTION ACT OF 1950, DEFENSE PRODUCTION ACT AMENDMENTS OF 1951, DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

* * * * *

SEC. 104 [SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese, and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and no imports of any such commodity or product shall be admitted to the United States until after June 30, 1952, which the Secretary of Agriculture determines would (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program. The President shall exercise the authority and powers conferred by this section.] *Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title are hereby revived and shall continue in effect until June 30, 1953, for the purpose of authorizing and exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply, or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government: Provided, however, That such controls shall be removed as soon as the conditions giving rise to them have ceased. This section shall not be construed to limit the authority contained in sections 101 and 704 of this Act.*

* * * * *

SEC. 402 * * *

(d) * * *

(4) After the enactment of this paragraph no ceiling price on any material (other than an agricultural commodity) or on any service shall become effective which is below the lower of (A) the price prevailing just before the date of issuance of the regulation or order establishing such ceiling price, or (B) the price prevailing during the period January 25, 1951, to February 24, 1951, inclusive. Nothing in this paragraph shall prohibit the establishment or maintenance of a ceiling price with respect to any material (other than an agricultural commodity) or service which (1) is based upon the highest price between January 1, 1950, and June 24, 1950, inclusive, if such ceiling price reflects adjustments for increases or decreases in costs occurring subsequent to the date on which such highest price was received and prior to July 26, 1951, or (2) is established under a regulation issued prior to the enactment of this paragraph. Upon application and a proper showing of his prices and costs by any person subject to a ceiling price, the President shall adjust such ceiling price in the manner prescribed in clause (1) of the preceding sentence. For the purposes of this paragraph the term "costs" includes material, indirect and direct labor, factory, selling, advertising, office, and all other production, distribution, transportation and administration costs, except such as the President may determine to be unreasonable and excessive. *The provisions*

of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section.

(e) The authority conferred by this title shall not be exercised with respect to the following: * * *

(ii) Rates or fees charged for professional services; wages, salaries, and other compensation paid to physicians employed in a professional capacity by licensed hospitals, clinics and like medical institutions for the care of the sick or disabled; wages, salaries, and other compensation paid to attorneys licensed to practice law employed in a professional capacity by an attorney or firm of attorneys engaged in the practice of his or their profession; wages, salaries, and other compensation paid to professional engineers employed in a professional capacity by an engineer or firm of engineers engaged in the practice of his or their profession; wages, salaries, and other compensation paid to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession. * * *

Declaratory of existing law, paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

(v) Rates [charged] and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended, and including compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operation; and (2) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services: Provided, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or [Municipal] municipal authority, if any, having jurisdiction to consider such increase, unless it first gives [30] thirty days' notice to the President, or such agency as he may designate, and consents to [the] timely intervention by such agency before the Federal, State, or [Municipal] municipal authority, if any, having jurisdiction to consider such increase; * * *

(k) No rule, regulation, order or amendment thereto shall [hereafter] be issued under this title, which shall deny to sellers of materials at retail or wholesale their customary percentage margins over costs of the materials during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question. No such exception shall reduce such customary margins of sellers at retail or wholesale beyond the amount found by the President, in writing, to be generally equitable and proportionate in relation to the general reductions in the customary margins of all other classes of persons concerned in the production and distribution of the excepted item of material.

Prior to making any finding that a specific item of material shall be so excepted, or as to the amount of the reductions in customary margins to be imposed upon retail and wholesale sellers of such item, the President shall consult with representatives of the affected retail and wholesale sellers concerning the basis for and the amount of the exception which is proposed with respect to any such item.

For purposes of this section a person is a "seller of a material at retail or wholesale" to the extent that such person purchases and resells an item of material without substantially altering its form; or to the extent that such person sells to ultimate consumers except (1) to government and institutional consumers and (2) to consumers who purchase for consumption in the course of trade or business.

* * * * *

(l) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in

any State below the minimum sales price of such material fixed by the State law (other than any so-called "fair trade law") or regulation now in effect.

SEC. 403. (a) At such time as the President determines that it is necessary to impose price and wage controls generally over a substantial portion of the national economy, he shall administer such controls, and rationing at the retail level of consumer goods for household and personal use under authority of Title I of this Act (when and to the extent that he exercises such authority), through a new independent agency created for such purpose. Such agency may utilize the services, information, and facilities of other agencies and departments of the Government, but such agency shall not delegate enforcement of any of the controls to be administered by it under this section to any other agency or department.

(b) (1) There is hereby created, in the Economic Stabilization Agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the "Board"), which shall be composed exclusively of members representative of the general public. The number of offices on the Board shall be established by Executive order.

(2) The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among its members.

(3) The term of office of the members of the Board shall terminate on March 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(4) Each member of the Board shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment.

(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this Act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise.

(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10283, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted.

* * * * *

SEC. 411. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other com-

pensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension.

* * * * *

TITLE VII—GENERAL PROVISIONS

* * * * *

SEC. 707. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from [his] compliance with a rule, regulation, or order issued pursuant to this Act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this Act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

* * * * *

SEC. 717. (a) [This Act] *Titles I, II, III, VI, and VII of this Act* and all authority conferred thereunder shall terminate at the close of June 30, [1952] 1953; and *titles IV and V of this Act* and all authority conferred thereunder shall terminate at the close of February 28, 1953.

* * * * *

THE HOUSING AND RENT ACT OF 1947, AS AMENDED

TITLE I

* * * * *

SEC. 4. * * *

(e) This section shall cease to be in effect at the close of June 30, [1952] 1953, or upon the date that the President proclaims that the protection to veterans of World War II of their families provided by this section is no longer needed, whichever date is the earlier, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and regulations and orders issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

* * * * *

TITLE II

* * * * *

SEC. 204. * * *

(f) The provisions of this title shall cease to be in effect at the close of June 30, [1952] 1953, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier; except that as to rights or liabilities incurred prior to such termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.

* * * * *

(p) *Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any defense-rental area which has previously been decontrolled under this Act until a public hearing, after thirty days' notice, has been held in such area.*

* * * * *

WALSH-HEALEY PUBLIC CONTRACTS ACT

* * * * *

SEC. 9. [This Act shall not apply to purchases of such materials, supplies, articles, or equipment as may usually be bought in the open market] *This Act shall not apply to purchases of such materials, supplies, articles, or equipment of standard type and construction as are usually sold in the open market to purchasers*

generally, regardless of the method of procurement used by the Government; nor shall this Act apply to perishables, including dairy, livestock, and nursery products, or to agricultural or farm products processed for first sale by the original producers; nor to any contracts made by the Secretary of Agriculture for the purchase of agricultural commodities or the products thereof. Nothing in this Act shall be construed to apply to carriage of freight or personnel by vessel, airplane, bus, truck, express, or railway line where published tariff rates are in effect or to common carriers subject to the Communications Act of 1934.

SEC. 10. *Notwithstanding any provision of section 4 of the Administrative Procedure Act, such Act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this Act. All orders, determinations, rules, and formal interpretations of general applicability under such sections shall be made on the record after opportunity for a hearing. Review of any such order, determination, rule, or interpretation may be had in the manner provided in section 10 of the Administrative Procedure Act by—*

(1) any person adversely affected or aggrieved thereby;

(2) any manufacturer of, or regular dealer in, materials, supplies, articles, or equipment purchased, or to be purchased, by the Government from any source; and

(3) any of the employees of such manufacturer or regular dealer, or any labor organization recognized by such manufacturer or dealer or duly certified by the National Labor Relations Board, as representing such employees.

SEC. [10] 11. * * *

SEC. [11] 12. * * *

MINORITY VIEWS OF SENATORS DOUGLAS, BENTON, AND MOODY

The consuming public of America—the housewives who face the daily task of feeding a family, and the teachers and white-collar workers and pensioners who have been watching the buying power of their fixed incomes dwindle in recent years—will search this bill in vain to find a single strengthening amendment which will help, rather than hinder, the job of holding the price line.

There are several features of the bill which we opposed during the deliberations of the committee. These include principally the so-called comfort station amendment (sec. 103 (b)) one of whose principal effects seems to be to nullify a \$385,245 action against the Pennsylvania Railroad for overcharges in the toilets and washrooms of its railroad stations; the amendment making the Herlong “historical mark-up” amendment apply retroactively (sec. 104) which will intensify the pressures for higher grocery prices; and the “State minimum price law” amendment (sec. 105), which will have the effect, for example, of raising retail cigarette prices alone by approximately \$25,000,000 a year; it may also raise many other retail prices, including milk and other foods.

We are confining this statement, however, to two aspects of the bill which we believe will have especially damaging effects upon the stabilization and defense production programs: The March 1, 1953, expiration date for price and wage controls; and the Dirksen-Bricker amendment on the Wage Stabilization Board (sec. 106). We are also commenting on the so-called open market amendment to the Walsh-Healey Public Contracts Act (sec. 301 (a)).

I. THE MARCH 1, 1953, EXPIRATION DATE FOR PRICE AND WAGE CONTROLS

The committee has singled out price and wage controls from the other titles of the Defense Production Act having to do with priorities, allocations, credit and rent controls, and has provided a March 1, 1953, expiration date for the price-wage titles, instead of the June 30, 1953, date for the remainder of the act. This, we believe, can have but one result: 2 months of uncertainty for the country (which has an unsettling effect on business) followed either by a tragic abandonment of controls, without adequate consideration, or by a series of stopgap extensions.

Congress has, in the past, had difficulty in meeting even a June 30 dead line. In 1951, for example, the President's recommendations on controls reached Congress nearly 10 weeks before the dead line. Yet, after five full weeks of hearings, 2 weeks of writing up the bill and a week of floor debate, a 31-day stopgap extension was necessary. Next year the problem will be even more acute. A new Congress will take office on January 3, and the thirty-third President of the United

States will not assume the office until a mere 40 days before the expiration date provided in this bill.

Is it in the national interest to fly in the face of this past experience and adopt this apparently unrealistic expiration date of March 1? If the anticipated emergency is to require priorities, allocations and credit and rent controls over the next 12 months, will it not also require at least the authority for price and wage controls?

The choice of March 1 as the date of expiration of price and wage controls will have the obvious effect of torpedoing the public's protection against higher prices.

II. THE DIRKSEN-BRICKER AMENDMENT ON THE WAGE STABILIZATION BOARD

It is highly unfortunate, in our view, that the Dirksen-Bricker amendment reorganizing the Wage Stabilization Board and abolishing its present disputes-handling authority, should have been adopted in the midst of one of the most controversial industrial disputes in our history. Whenever an institution such as the Wage Stabilization Board becomes enmeshed in a controversy which for a time dominates the Nation's attention, there is a tendency to lose sight of its long-run achievements, and the continuing need for and usefulness of the institution.¹

For this reason, it is our intention not to touch in any way, in this statement, upon the steel dispute, but instead to concentrate our attention on the longer-range effects of the Dirksen-Bricker amendment and to pose certain questions which we believe every Member of Congress should seek to answer in his own mind.

It should be pointed out that the Senate Banking and Currency Committee has held virtually no hearings whatever upon the principles and effects of the Dirksen-Bricker amendment, and that, while the Banking Committee has undertaken to do away with the disputes-handling authority now vested in the Board by Executive order, many of the problems created by this action will, inevitably, involve the field of labor-management relations, and will, therefore, presumably have to be handled not by the Banking Committee, but by the Labor Committee.

There are two respects in which the Dirksen-Bricker amendment (sec. 106 of the committee's bill) alters the present Wage Stabilization Board which we feel are unwise. First, it does away with the present tripartite and equal representation features of the Board, whereby labor, industry, and the public are now equally represented. Second, it abolishes the Board's present authority, conferred upon it by Executive order, to deal with labor disputes.

A. THE ABOLITION OF THE TRIPARTITE NATURE OF THE WSB

As originally introduced, the Dirksen amendment (and the Lucas bill which preceded it) merely did away with the present equal-representation composition of the Board by providing for a majority of public members, while retaining equal representation for industry

¹ In 1951, during less heated times, both the House and Senate Labor Committees did hold hearings on the WSB and its disputes functions, following which the House rejected an earlier version of the Dirksen amendment (the Lucas bill) by a vote of 113 to 217, on July 18, 1951, and the Senate Labor Committee affirmed the vesting of disputes-handling functions in the WSB.

and labor. In its present form, as modified by the Bricker proposal, the amendment goes even further: It abolishes the tripartite composition of the Board, leaving it composed exclusively of public members.

This has the effect of denying to the two segments of our economy most directly and vitally affected by wage stabilization any direct participation in the formulation of wage-stabilization policies. It would seem to us that both labor and industry should be equally dissatisfied with this arrangement, and that both should legitimately seek equal representation on the Board's membership in order to satisfy themselves that their respective points of view are properly represented as decisions affecting them are arrived at.

The Wage Stabilization Board itself eloquently summed up the case both for tripartite composition of the Board and for equal representation of labor, industry, and the public in a resolution which it adopted unanimously on June 27, 1951. Four industry members of the Board supported this resolution, two abstained. The Board said:

During such an emergency, the Government is truly the custodian of the liberties of the parties. It is essential, therefore, that Government act in such a way that those liberties may be returned to the parties at the end of the emergency, with a minimum of damage. This is the objective of the tripartite approach, as it has been practiced traditionally by the Government in emergencies similar to the present. * * * Decisions are made after discussion among equals. They are reached through the exercise of persuasion rather than the exercise of a dominant voting power by any particular segment of the Board. *Only through participation by equals can real cooperation be achieved in reaching decisions affecting millions of employees and their employers.* Only in this way can those employees and employers be assured that Government is fully aware of their problems, their needs, and their desires. [Emphas's supplied.]

The fear is often expressed that a tripartite board, with equal representation for industry, labor, and the public will too frequently result in a labor-industry majority outvoting the public members in order to achieve a peaceful settlement, even though an unstabilizing wage increase, contrary to the public interest, may be the cost of settlement. Neither the history of the present Wage Stabilization Board, nor that of the War Labor Board of World War II supports such a fear. Former Economic Stabilizer Eric Johnston and former WSB Chairman George Taylor told the Senate Labor Committee that in not more than two or three insignificant cases during the entire World War II did labor and industry join in outvoting the public members. A tabulation of the votes of the present tripartite Wage Stabilization Board in disputes cases through May 20, 1952, shows 11 unanimous votes, 29 votes with labor members dissenting, 27 votes with industry members dissenting. On no final votes on disputes issues were the public members in a minority role, although they have been outvoted on a few isolated preliminary motions.

B. THE ABOLITION OF THE PRESENT DISPUTES POWERS OF THE BOARD

When Congress enacted the original Defense Production Act in 1950, it specifically expressed its intent to provide authority necessary "to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale."¹

¹ Sec. 401 of the Defense Production Act of 1950.

It said further, in a title of the act headed "Settlement of Labor Disputes" (not merely wage disputes), that—

It is the intent of Congress * * * that there be effective procedures for the settlement of labor disputes affecting national defense.²

We believe that Congress was wise in recognizing both the vital need for uninterrupted production in a mobilization program and the need for effective disputes-settling procedures. For without such effective procedures, Congress would seem to be saying:

"As far as we are concerned, a labor dispute affecting the national defense should be dealt with—

"(a) Under the emergency provisions of the Taft-Hartley Act, unless the dispute is in a single plant, where these Taft-Hartley provisions do not apply; or, where Taft-Hartley does not apply.

"(b) Through the Mediation and Conciliation Service, although this Service cannot and should not recommend settlement terms, and is therefore of only limited usefulness; or, where mediation and conciliation fail.

"(c) On the picket line, regardless of the consequences to the defense effort."

The Dirksen-Bricker amendment does away with the only existing authority to carry out the congressional intent expressed in the original Defense Production Act. Yet the amendment offers no alternative machinery to the Wage Stabilization Board. This raises some very serious questions which we believe every Member of Congress should seek to answer in his own mind. The adoption of the amendment might suggest an increased willingness on the part of Congress to have labor disputes affecting the national defense fought out on the picket lines instead of exhausting every public resource in an effort to settle them first around a conference table.

(1) *The Taft-Hartley emergency provisions cannot handle single-plant disputes affecting national defense.*

The emergency provisions of the Taft-Hartley Act were not designed to, and cannot, deal with all "labor disputes affecting national defense." Their application is limited to strikes "affecting an entire industry or a substantial part thereof." They may not be used to postpone a strike in a single plant engaged in producing military aircraft or in making tank and engine parts or in smelting and refining crucial raw materials, although any such strike would obviously profoundly affect national defense.

Senator Taft himself recognizes that there is a gap. He said, in a Senate Labor Committee hearing on May 17, 1951:

The Taft-Hartley provisions as they apply to a wartime emergency situation are not satisfactory, certainly not to me * * * here you have a question which may extend to very small plants that have a direct effect on the mobilization of industry, that were never intended to be covered by the Taft-Hartley Act.

This is a gap which has more than theoretical consequences to the defense effort. As a matter of fact, most of the disputes cases which have been handled by the WSB are of a type to which the emergency provisions of Taft-Hartley do not apply.

The Douglas Aircraft plant in California, for example, had been struck for about 5 weeks when the President referred the case to the

² Sec. 501 of the Defense Production Act of 1950.

Wage Stabilization Board on October 12, 1951. Although the union protested the referral, it went back to work, voluntarily. It has been back on the job for over 7 months now—over twice as long as the Taft-Hartley emergency provisions can postpone a strike by compulsion. As of this writing, the Board has issued its recommendations, and the parties are near an agreement.

Some divisions of the Borg-Warner Corp., which is making engine and tank parts, were on strike when that case was referred to the Board by the President on October 10, 1951. There again the union strongly protested the referral, and the Board has declined to make any recommendation on one of the union's principal demands, believing the issue to be one that should be determined by the NLRB under the Taft-Hartley Act. Despite this, the union has voluntarily postponed its strike for over 7 months, although the outcome of the dispute is uncertain at this time.

These questions, then, are raised, but not answered by the Dirksen-Bricker amendment:

Without the present voluntary disputes-handling authority in the WSB, how does Congress propose to deal with single-plant disputes affecting the national defense (such as the Douglas and Borg-Warner cases) which the Taft-Hartley Act cannot deal with?

How does Congress propose to achieve even a temporary postponement of a strike in such cases, as the Wage Stabilization Board has been successful in doing?

Does the Congress propose that the Government merely stand by, in such cases, and allow the parties to fight out their dispute on the picket line?

Congress has already answered this last question in the negative by expressing its intent, in the Defense Production Act, that "there be effective procedures for the settlement of labor disputes affecting national defense." If Congress now adopts the Dirksen-Bricker amendment, it will seem to be reversing itself.

It might be contended that the Dirksen-Bricker amendment still permits these cases to be handled either through the Mediation and Conciliation Service, or through ad hoc boards established by Congress. The weaknesses of both these procedures are set forth more fully below. Suffice it to say here that mediation and conciliation services have had to be exhausted before any disputes case could reach the WSB, so apparently they do not furnish the answer.

(2) *In handling disputes, the WSB has been successful in (a) securing back-to-work orders where strikes had begun; (b) deferring scheduled strikes; and (c) settling labor disputes without strikes.*

To date, the Wage Stabilization Board has received 34 cases: 22 submitted voluntarily by the parties and 12 certified by the President. In handling these cases, the Board has achieved the following results:

First. It has succeeded in securing voluntary back-to-work orders where strikes had already begun, and in holding the strikes in abeyance voluntarily, pending Board action, usually for periods far in excess of the maximum 80-day delay provided by a Taft-Hartley injunction. In five cases certified by the President, and four cases submitted by the parties, strikes were already in progress when the Board received the dispute. In all but one case, the unions voluntarily returned to

their jobs. In that one case (involving the copper industry) where the union refused to return to work, the Board returned the case to the President, who invoked a Taft-Hartley injunction against the union.

Second. The Board has succeeded in deferring strikes which were actually threatened at the time the Board received the case, here again for periods frequently in excess of the maximum 80-day postponement under Taft-Hartley. Although its failure to bring about a settlement in the Steel case is held up by many as the biggest black mark against the Board, it should not be forgotten that the Board did succeed in achieving a voluntary postponement of the threatened strike for 19 days longer than a Taft-Hartley injunction could have compelled.

Third. The Board has succeeded in actually bringing about agreements without strikes. In five cases the Board's recommendations have furnished the basis for a settlement, and in two more the parties themselves reached agreement after the cases had come to the Board, but without the necessity of a formal Board recommendation.

The Board's record in disputes cases is not perfect. There have been failures. Yet Congress should not allow these few failures to obscure the long list of voluntary strike stoppages, voluntary strike postponements beyond the 80-day Taft-Hartley period, and actual disputes settlements, all of which were achieved after all other means, including mediation and conciliation, had been exhausted. Congress should weigh carefully the few failures against the many successes of the Board.

It will be said that the Wage Stabilization Board cannot, in the last analysis, prevent a strike. Neither, for that matter, can the Taft-Hartley Act. But this should not lead us to say that the frequently successful efforts of the Board are not desirable. Yet this is precisely what the Congress seems to be saying in the Dirksen-Bricker amendment since, as a result of that amendment, little will be left of the disputes-handling authority which has been responsible for these accomplishments, and no alternative authority is provided.

These accomplishments of the Board raise the following questions:

Without the present voluntary disputes-handling authority in the WSB, how does Congress expect the voluntary strike stoppages, the voluntary strike postponements, and the disputes settlements brought about by the Wage Stabilization Board to be achieved?

Does the Congress prefer to achieve by compulsion, through the Taft-Hartley Act, the strike postponements and strike stoppages which the Wage Stabilization Board has achieved voluntarily?

(3) *When its present disputes authority expires, the Board will still have unsettled disputes cases pending, with threatened strikes held in abeyance*

At the present time, the Wage Stabilization Board has before it 12 disputes cases which have not been settled. In some of these cases, strikes were actually threatened before the case came to the Board. These strikes are being held in abeyance pending Board action. Under the Dirksen-Bricker amendment, the Board's present authority to deal with these disputes will expire 30 days after the enactment of the amendment. This raises the following questions which we believe

should be answered, but are not answered, by the Dirksen-Bricker amendment:

What does Congress propose to do about the unsettled disputes cases pending before the WSB at the time its present disputes authority expires?

Specifically, what does Congress propose to do about those pending cases in which strikes were threatened prior to WSB consideration—especially those where Taft-Hartley is not applicable?

Does Congress propose to drop these disputes and allow strikes to occur?

- (4) *Conciliation and Mediation Services have not been bypassed: they have been fully used but they are not adequate to handle all national defense disputes*

The committee report, in commenting on the Dirksen-Bricker amendment, has said:

The existence of the present board in your committee's judgment has tended to nullify free collective bargaining, [and] the full prior use of the Mediation and Conciliation Service. * * *

We do not believe that the facts support this view. The very fact that less than three disputes cases per month have been accepted by the Board seems to us a good indication that collective bargaining and conciliation have not been largely interfered with by the Board.

Secondly, the Executive order vesting the disputes function in the Board very properly required that the Board accept only those cases "not resolved by collective bargaining or by the prior full use of conciliation and mediation facilities." The Board has been scrupulous in observing this requirement. It has enacted a resolution requiring the parties to demonstrate the bargaining and mediation steps they have taken prior to submitting their case to the Board. It has actually refused jurisdiction over two cases submitted to it, because it found the parties had not exhausted the other means available to them. In one of these cases, the parties later returned to the Board for approval of an agreed-upon settlement.

We cannot help pointing out, however, that the functions of the WSB and those of the Mediation and Conciliation Service are entirely different. The Mediation Service cannot, and should not, recommend settlement terms, as the WSB is empowered to do. The capacity of the Service to settle disputes is, therefore, limited—probably too limited to satisfy the urgent needs of uninterrupted production during a period of defense mobilization. It was presumably in recognition of the need for some machinery beyond the existing Mediation Service that Congress expressed, in the Defense Production Act, its intent that "there be effective procedures for the settlement of labor disputes affecting national defense."

Cyrus Ching, Director of the Mediation and Conciliation Service, explained the difference between the Service and the WSB, before the House Labor Committee on June 4, 1951. He also warned of the danger of vesting in the Mediation Service the power of recommending settlement terms:

The functions of the two services [the Mediation Service and the WSB] are entirely different. The great asset we have is the confidence that organized labor and employee representatives and employer representatives have in our Service as to our impartiality. * * * Now if we ever get into the field where we are making recommendations, then we are acting in a capacity not as mediators but

as arbitrators, and *we will rapidly lose ground and destroy the effectiveness of the Mediation Service.* * * * The Wage Stabilization Board, on the other hand, is a body set up for that purpose in this emergency. That is their function; that is their responsibility, but the two things are quite different.

(5) *Experience shows that ad hoc boards for individual disputes are not workable, especially when subject to reversal by a permanent board*

It may be contended by some that where the Taft-Hartley Act, or other acts of Congress, are incapable of dealing with a strike affecting national defense, Congress is still free, under the Dirksen-Bricker amendment, to establish ad hoc boards to handle each dispute as it arises.

The establishment of such boards would be costly, wasteful, and time-consuming. But they suffer an even more serious difficulty. Their recommendations on wages and other compensation, if any, must ultimately be approved, and may be rejected, by the new Wage Stabilization Board created by the Dirksen-Bricker amendment. Thus, the final decision would actually be made by a body before which neither party would have an opportunity to appear directly. There is a suggestion here of a denial of due process to industry and labor alike. Furthermore, the existence of a separate authority which must ratify the recommendations of the ad hoc board casts a cloud of uncertainty over that board's deliberations, and diminishes its effectiveness in bringing about a settlement.

This is much more than a theoretical fear. A concrete example of what happens when the stabilization function is divorced from the disputes settling function is aptly illustrated in the railroad labor dispute of 1943. An emergency board appointed under the Railway Labor Act made certain recommendations for the settlement of the dispute. These recommendations were set aside by the then Economic Stabilizer Fred Vinson. As a result, there was considerable turmoil and threats of a strike by the railroad unions.

(6) *The Dirksen-Bricker amendment would unwisely restrict the flexibility of Executive action in seeking voluntary settlements of labor disputes*

The Dirksen-Bricker amendment apparently seeks to restrict severely the power of the Executive to take appropriate action to achieve voluntary settlements of labor disputes affecting the national interest. It seeks to do this by specifying that the Government shall deal with labor disputes under provisions of law enacted by Congress "and not otherwise."

Such Executive action has frequently been taken in the past in a wide variety of ways without specific statutory authorization, by Presidents of both political parties and of widely varying political views.¹ The recent settlement of the long-standing railroad dispute was achieved through action taken by Dr. John Steelman, acting for the President, without specific statutory authorization.

Aside from the constitutional propriety of a limitation of Executive power such as is contained in the Dirksen-Bricker amendment (which is a question that can and should be decided by the Supreme Court, not the Congress), we feel that the limitation is most unwise. As has recently been pointed out by an outstanding labor-relations expert, Dr. William H. Davis, before the Senate Labor Committee, it is the

¹ President Cleveland intervened in 1 dispute, President McKinley in 1, President Theodore Roosevelt in 6, President Wilson in 12, and President Harding in 4, all during the period 1894-1922.

very flexibility and variety and, as several representatives of industry have put it, the unpredictability of possible Executive intervention which has a tendency to make the parties rely on their own resources and responsibilities in reaching a settlement.

We concur fully with the emphasis given by the Banking and Currency Committee, both in this report and in the Defense Production Act itself, to a primary reliance on collective bargaining in good faith by the parties as the best way of settling labor disputes. We believe, however, that this limitation of Executive action contained in the Dirksen-Bricker amendment will lessen rather than add to the incentives to collective bargaining.

SUMMARY AND CONCLUSION

The Dirksen-Bricker amendment casts aside the voluntary disputes handling authority which has been given the WSB, but offers nothing definite to take its place.

This leaves a gap in our labor laws, since there are single-plant strikes which can vitally affect national defense, but which cannot be dealt with by the Taft-Hartley Act. The Dirksen-Bricker amendment does not specify how these should be handled.

While the present Wage Stabilization Board may not have a perfect slate, it does have an impressive record of stopping strikes already in progress, of postponing threatened strikes, and of bringing about settlement of disputes. The Dirksen-Bricker amendment does not specify how these accomplishments are to be continued in the future.

When the Board's present disputes functions expire under the Dirksen-Bricker amendment, there will be unsettled cases pending, in some of which threatened strikes are being held in abeyance, pending Board action. The Dirksen-Bricker amendment does not suggest how these disputes are to be resolved.

Of course, the Congress is entitled to wipe out the present voluntary disputes settling authority without providing for any adequate alternative means of settling disputes affecting national defense. But let this be perfectly clear: It will be Congress which should, and will have to, bear the responsibility for this action,

The experience of the past 12 months of the Board's life convinces us that the questions we have raised in this statement, which we believe are not answered in the Dirksen-Bricker amendment, will continually rise to trouble us. It would seem to us that if Congress is to live up to the responsibility it will be assuming under the Dirksen amendment, it should, in the national interest, provide answers to the questions raised by the amendment itself before wiping out the disputes-handling authority now vested in the Wage Stabilization Board.

III. THE "OPEN MARKET" AMENDMENT TO THE WALSH-HEALEY PUBLIC CONTRACTS ACT (SEC. 301 (A))

The following statement summarizes briefly the principal points of our opposition to the so-called open market amendment to the Walsh-Healey Public Contracts Act contained in this bill. The basic issue raised by this amendment is: Shall the "open market exemption" in section 9 of the Walsh-Healey Act apply to all common-use

articles which are available for purchase on the open market by the general public as well as by the Government? Or shall the exemption apply only to those articles which the Government itself buys on the open market (in accordance with purchase statutes) rather than by specific contract. The first of these interpretations is that proposed by the "open market" amendment in this bill. The second interpretation is the one which is now in effect, and which has been in effect ever since the early months of the Walsh-Healey Act.

* * * * *

1. THIS IS A PERMANENT AMENDMENT TO A BASIC STATUTE ATTACHED TO EMERGENCY LEGISLATION

This constitutes a fundamental and sweeping amendment, which is permanent in character, to a basic statute which originated in the Senate Labor Committee, and has been on the books for nearly 16 years. Nevertheless, this permanent amendment is attached to a piece of emergency legislation, supposedly temporary in character. We believe this is extremely bad legislative procedure. Permanent amendments to basic legislation should, we believe, be introduced as separate bills in their own rights. Our attempt to have this amendment (as well as the so-called procedure amendment to the Walsh-Healey Act) expire with price and wage controls, so as to limit its effects to the emergency period, was only narrowly defeated by the committee.

2. CONGRESS' INTENT IS NOT CLEARLY ESTABLISHED IN THE MANNER OF THIS AMENDMENT

Although the amendment purports merely to clarify and express the original intent of the Congress which enacted the Walsh-Healey Act, we believe that the available evidence does not definitely establish Congress' intent in the manner proposed by this amendment. If anything, the evidence favors the interpretation of the "open-market exemption" which has been in effect now for 15 years.

The legislative history

First of all, although the legislative history in this matter is divided, there is certainly ample legislative history supporting the existing interpretation of the open-market exemption. For example, Congressman Healey, principal sponsor of the legislation in the House, said in congressional debate that he anticipated that classes of such common-use articles as shoes and clothing sold to the Civilian Conservation Corps were to be included in the bill's provisions. (See Congressional Record, June 18, 1936, p. 10094.) Likewise, Senator Walsh, principal Senate sponsor of the legislation, testifying before the House Judiciary Committee, expressed his concern that "the boot and shoe industry is being wiped out in the boot and shoe centers of Massachusetts" because of the migration of the industry to low-wage areas. If this is one of the things which Senator Walsh was seeking to prevent, it is fair to presume that he did not intend to exempt from the act an article so susceptible of purchase in the open market by the general public as shoes.

Other sections of the act

Second. There is evidence in other sections of the Walsh-Healey Act itself that Congress did not intend the open-market exemption to apply to all common-use items purchasable in the open market by the general public. For one thing, the very section which contains the so-called open-market exemption also specifically exempts "perishables, including dairy, livestock, and nursery products." Clearly, dairy products are of a standard type available on the open market to the general public. If Congress had intended to exempt, by the open-market provision, all such standard common-use articles, why would it have found it necessary to make explicit reference in the exemption section of the act to such things as dairy products?

For another, one of the basic requirements in the act (sec. 1 (a)) is that a contractor be "the manufacturer of or a regular dealer in" the articles to be furnished the Government. If Congress had intended the act to apply only to specialized articles made exclusively for the Government, the "regular dealer" requirement would be meaningless since, obviously, there are no "regular dealers" in artillery and machine guns.

Recent purchasing acts

Third. Congress has, subsequent to the enactment of the Walsh-Healey Act, enacted legislation governing Government purchases whose references to the Walsh-Healey Act confirm the existing interpretation of the "open market exemption" (i. e., that only those goods which the Government is authorized to buy on the open market are exempt) as the continuing understanding and intent of Congress. During World War II, Congress enacted legislation permitting the war procurement agencies to dispense with the requirements of advertised bidding in negotiating war contracts. In doing so, however, Congress explicitly stated that negotiated contracts were not to be exempted from the provisions of the Walsh-Healey Act "solely because of being entered into without advertising." Had Congress not believed that the "open market exemption" applied only to those Government purchases not made by advertised bids, (i. e., applied only to those purchases which the Government makes on the open market), it would not have found it necessary to include such an explicit reference to the Walsh-Healey Act in these purchase statutes (54 Stat. 712; 54 Stat. 884; 54 Stat. 676). A similar provision was included as recently as 1947 in the Armed Services Procurement Act of 1947.

3. THE EXISTING INTERPRETATION OF THE OPEN MARKET EXEMPTION WAS CONFIRMED IN 1937 BY THE COMPTROLLER GENERAL

In the early months of the Walsh-Healey Act, Congress, through the House Appropriations Committee, asked for, and received from the Acting Comptroller General, a confirmation of the interpretation given the open-market exemption by the Secretary of Labor, before it would appropriate a single penny for the administration of the Walsh-Healey Act. In its letter to the Comptroller General requesting his opinion, the House Appropriations Committee pointed out the testimony it had received to the effect that—

whereas between 3,500 and 4,000 contracts are now covered by the act, *such a construction of the law* [exempting all "common use" items] *would reduce the number of contracts to be considered to about 500.* [Emphasis supplied.]

In his reply to the House Appropriations Committee dated March 24, 1937, the Acting Comptroller General said:

The point (as to the proper interpretation of the open-market exemption) was carefully considered in connection with other questions presented here for decision involving the operation of the Walsh-Healey Act, and in disposing of those matters, I found no proper basis upon which to disagree with the interpretation placed on this provision in the opinion of the Solicitor of Labor. * * *

Under the construction of the 8-hour law provision [enacted in 1912] there were exempted all classes and characters of supplies from twine and paper boxes to dynamos and locomotives. * * * *To permit such exemptions under the present act, which relates only to supply contracts, would so restrict its operation as practically to nullify its other provisions.* [Emphasis supplied.]

Ever since, Congress has continually been appropriating funds to administer Walsh-Healey in accordance with the Acting Comptroller General's opinion 15 years ago. It is not as if this were a dormant or obscure interpretation which Congress had allowed to remain unchallenged over the years.

4. THIS AMENDMENT WILL EXEMPT BILLIONS OF DOLLARS OF GOVERNMENT CONTRACTS FROM ALL THE REQUIREMENTS OF THE WALSH-HEALEY ACT

This amendment exempts from the coverage of the Walsh-Healey Act those standard articles which are generally available for purchase by civilian purchasers. The Government buys literally thousands of types of articles in a wide variety of forms, as any examination of a Federal purchasing catalog will show. The combination of factors determining the general availability to civilian purchasers of Government-purchased articles is almost infinite. The sheer complexity of Government purchasing, therefore, makes it impossible to estimate with precision, without several months of experience under the amendment, the extent to which this "open market" amendment will exempt Government purchases now covered by the act.

It is clear, however, that literally billions of dollars of contracts now covered will be eligible for exemption under this amendment. As the committee report points out, such things as everyday type pencils and office equipment which are generally available for purchase by civilian purchasers will be exempted. So will those standard foods and chemicals and paints and cement which are generally available for civilian purchase.

It should not be forgotten that contracts exempted by this amendment are exempted from every requirement in the act, and not merely the minimum wage provision. They will be exempted, for example, from the requirement in section 1 (a) of the act that the contractor be "a manufacturer of or a regular dealer in" the article to be furnished the Government. Because billions of dollars of contracts will be exempt from this "manufacturer-regular dealer" requirement, one of the principal purposes of the act will be severely crippled—namely, the elimination of "vest pocket" bid brokers, who have no manufacturing facilities of their own, but who merely secure Government contracts, and peddle them to the lowest wage areas or to financially distressed firms. The child labor and the safety and sanitation requirements of the act will likewise be severely curtailed by the exemption of additional billions of dollars of contracts by virtue of this amendment.

5. THIS AMENDMENT WILL BE DIFFICULT TO INTERPRET AND ADMINISTER AND WILL CREATE UNCERTAINTY FOR GOVERNMENT CONTRACTORS

This amendment replaces a clear-cut definition of the open-market exemption, clearly defined by the Government purchasing statutes, with one vastly more difficult to interpret because of the variety and complexity of Government purchases to which we have already made reference.

For example, there is a wide range of possible differences between the specifications that may be required in a Government contract and those ordinarily used for similar articles usually sold in the open market to purchasers generally. Thus, in the administration of this amendment, there will likely be differences of opinion as to what degree of difference is required if an article is not to be called of standard type and construction.

Similarly, there will be a number of items, such as rifle ammunition, which are produced principally for the Government, but which are sold in minor but varying degrees to purchasers generally.

The result is likely to be a great deal of uncertainty both for business and for the procurement agencies. Many cases may have to be settled by costly and time-consuming litigation, from which the existing interpretation of the "open market exemption" has been virtually free.

* * * * *

In conclusion, we would like to make two general observations concerning the Walsh-Healey Act as a whole.

First. It would be a mistake, we believe, to consider this as an act for the exclusive benefit of labor. It also provides protection for manufacturers who pay fair wages, and who wish to bid on Government contracts.

Second. This amendment is predicated, in part, on the theory that it will enhance the industrialization of one section: The South. To us, this is not, and should not be, a sectional issue. The factors which contribute to the industrial growth of any area are complex indeed. Some facts have been brought to light which at least cast some doubt upon the theory that a "cheap labor market" is the principal factor. A survey of 88 corporations locating in the South, made by the National Planning Association, showed that "labor supply" was only a third-ranking factor, with "good markets" and "available materials" playing a more important role. The association's pamphlet, *New Industry Comes to the South*, said:

* * * new plants were usually not after cheap labor; they wanted labor supply itself and low labor costs—quite a different thing. * * * What they [the employers] were primarily interested in were lower labor costs—less labor turnover and absenteeism, with greater opportunity of operations—not chiefly cheap labor.

Statistics indicate, furthermore, that the South has not had an unimpressive industrial growth during the past decade, during which the existing interpretation of the "open market exemption" of the Walsh-Healey Act was in effect. From 1939 to 1947, manufacturing employment in the Southeast States rose by 89 percent, as compared with only a 45-percent increase for Southwestern States. While

many factors may have contributed to this development, the Walsh-Healey Act apparently did not prevent it.

Because the problem of the industrial growth of the Nation as a whole, as well as that of any of its regions is so complex, we strongly believe that the Congress should give extensive consideration, which we feel this amendment has not received, before it enacts into permanent law such a sweeping amendment to a basic statute as is represented by the proposed "open market" amendment.



Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

[Report No. 1599]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5 (legislative day, JANUARY 10), 1952

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

MAY 27 (legislative day, MAY 12), 1952

Reported by Mr. MAYBANK, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That sections 714 (a) (4) and 717 (a) of the Defense
4 Production Act of 1950, as amended, are each amended
5 by striking out "June 30, 1952" and inserting in lieu thereof
6 "June 30, 1953".

7 SEC. 2. Sections 4 (e) and 204 (f) of the Housing and

1 Rent Act of 1947, as amended, are each amended by strik-
2 ing out "June 30, 1952" and inserting in lieu thereof "June
3 30, 1953".

4 That this Act may be cited as the "Defense Production Act
5 Amendments of 1952".

6 TITLE I—AMENDMENTS TO DEFENSE PRO-
7 Duction Act of 1950, AS AMENDED

8 PRIORITIES AND ALLOCATIONS

9 SEC. 101. Section 104 of the Defense Production Act of
10 1950, as amended, is hereby amended to read as follows:

11 "SEC. 104. Notwithstanding any other provision of law,
12 title III of the Second War Powers Act, 1942, as amended,
13 and the amendments to existing law made by such title are
14 hereby revived and shall continue in effect until June 30,
15 1953, for the purpose of authorizing and exercising, admin-
16 istering, and enforcing of import controls with respect to fats
17 and oils (including oil-bearing materials, fatty acids, and
18 soap and soap powder, but excluding petroleum and petroleum
19 products and coconuts and coconut products), peanuts,
20 butter, cheese and other dairy products, and rice and rice
21 products, upon a determination by the President that such
22 controls are (a) essential to the acquisition or distribution of
23 products in world short supply, or (b) essential to the orderly
24 liquidation of temporary surpluses of stocks owned or con-

1 *trolled by the Government: Provided, however, That such*
2 *controls shall be removed as soon as the conditions giving rise*
3 *to them have ceased. This section shall not be construed to*
4 *limit the authority contained in sections 101 and 704 of this*
5 *Act."*

6 *PRICE AND WAGE STABILIZATION*

7 *SEC. 102. Paragraph (4) of subsection (d) of section*
8 *402 of the Defense Production Act of 1950, as amended, is*
9 *amended by adding at the end thereof the following: "The*
10 *provisions of this paragraph shall not apply in the case of a*
11 *seller of a material at retail or wholesale within the meaning*
12 *of subsection (k) of this section."*

13 *SEC. 103. (a) Subsection (e) of section 402 of the De-*
14 *fense Production Act of 1950, as amended, is amended by*
15 *adding after the word "profession" in paragraph (ii) thereof*
16 *the following: "; wages, salaries, and other compensation*
17 *paid to professional engineers employed in a professional*
18 *capacity by an engineer or firm of engineers engaged in the*
19 *practice of his or their profession; wages, salaries, and other*
20 *compensation paid to professional architects employed in a*
21 *professional capacity by an architect or firm of architects*
22 *engaged in the practice of his or their profession; and wages,*
23 *salaries, and other compensation paid to certified public ac-*
24 *countants licensed to practice as such employed in a profes-*

1 sional capacity by a certified public accountant or firm of
2 certified public accountants engaged in the practice of his or
3 their profession”.

4 (b) Declaratory of existing law, paragraph (v) of sub-
5 section (e) of section 402 of the Defense Production Act of
6 1950, as amended, is amended to read as follows:

7 “(v) (1) Rates and charges by any common carrier
8 or other public utility, including rates charged by any
9 person subject to the Shipping Act, 1916 (Public Law 260,
10 Sixty-fourth Congress), as amended, and including com-
11 pensation for the use by others of a common carrier’s cars or
12 other transportation equipment, charges for the use of wash-
13 room and toilet facilities in terminals and stations, and
14 charges for repairing cars or other transportation equipment
15 owned by others; charges for the use of parking facilities
16 operated by common carriers in connection with their com-
17 mon carrier operations; and (2) charges paid by common
18 carriers for the performance of a part of their transportation
19 services to the public, including the use of cars or other trans-
20 portation equipment owned by a person other than a common
21 carrier, protective service against heat or cold to property
22 transported or to be transported, and pickup and delivery
23 and local transfer services: Provided, That no common car-
24 rier or other public utility shall at any time after the Presi-
25 dent shall have issued any stabilization regulations and orders

1 under subsection (b) make any increase in its charges for
2 property or services sold by it for resale to the public, for
3 which application is filed after the date of issuance of such
4 stabilization regulations and orders, before the Federal, State,
5 or municipal authority, if any, having jurisdiction to con-
6 sider such increase, unless it first gives thirty days' notice
7 to the President, or such agency as he may designate, and
8 consents to timely intervention by such agency before the
9 Federal, State, or municipal authority, if any, having juris-
10 diction to consider such increase;”.

11 (c) Subsection (e) of section 402 of the Defense Pro-
12 duction Act of 1950, as amended, is amended by adding at
13 the end thereof the following new paragraph:

14 “(viii) Rates, fees, and charges for materials or serv-
15 ices supplied directly by the States, Territories, and posses-
16 sions of the United States, and their political subdivisions
17 and municipalities, the District of Columbia, and any agency
18 of any of the foregoing.”

19 SEC. 104. Subsection (k) of section 402 of the Defense
20 Production Act of 1950, as amended, is amended by striking
21 out the word “hereafter” in the first sentence thereof.

22 SEC. 105. Section 402 of the Defense Production Act of
23 1950, as amended, is further amended by adding at the end
24 thereof a new subsection (l) as follows:

25 “(l) No rule, regulation, order, or amendment thereto

1 issued under this title shall fix a ceiling on the price paid
2 or received on the sale or delivery of any material in any
3 State below the minimum sales price of such material fixed
4 by the State law (other than any so-called 'fair trade law')
5 or regulation now in effect."

6 SEC. 106. Section 403 of the Defense Production Act of
7 1950, as amended, is amended by inserting "(a)" after
8 "403." and by adding at the end thereof the following new
9 subsection:

10 "(b) (1) There is hereby created, in the Economic
11 Stabilization Agency, a Wage Stabilization Board (herein-
12 after in this subsection referred to as the 'Board'), which shall
13 be composed exclusively of members representative of the gen-
14 eral public. The number of offices on the Board shall be
15 established by Executive order.

16 "(2) The members of the Board shall be appointed by
17 the President, by and with the advice and consent of the
18 Senate. The President shall designate a Chairman and Vice
19 Chairman of the Board from among its members.

20 "(3) The term of office of the members of the Board
21 shall terminate on March 1, 1953. Any member appointed to
22 fill a vacancy occurring prior to the expiration of the term
23 for which his predecessor was appointed shall be appointed
24 for the remainder of such term.

25 "(4) Each member of the Board shall receive com-

1 *pensation at the rate of \$15,000 a year, and while a member*
2 *of the Board shall engage in no other business, vocation, or*
3 *employment.*

4 *“(5) The Board shall, under the supervision and direc-*
5 *tion of the Economic Stabilization Administrator—*

6 *“(A) formulate, and recommend to such Adminis-*
7 *trator for promulgation, general policies and general*
8 *regulations relating to the stabilization of wages, salaries,*
9 *and other compensation; and*

10 *“(B) upon the request of (i) any person substan-*
11 *tially affected thereby, or (ii) any Federal department*
12 *or agency whose functions, as provided by law, may be*
13 *affected thereby or may have an effect thereon, advise as*
14 *to the interpretation, or the application to particular*
15 *circumstances, of policies and regulations promulgated*
16 *by such Administrator which relate to the stabilization*
17 *of wages, salaries, and other compensation.*

18 *For the purposes of this Act, stabilization of wages, salaries,*
19 *and other compensation means prescribing maximum limits*
20 *thereon. Except as provided in clause (B) of this para-*
21 *graph, the Board shall have no jurisdiction with respect to any*
22 *labor dispute or with respect to any issue involved therein.*
23 *Labor disputes, and labor matters in dispute, which do not*
24 *involve the interpretation or application of such regulations*
25 *or policies shall be dealt with, if at all, insofar as the Federal*

1 *Government is concerned, under the conciliation, mediation,*
2 *emergency, or other provisions of laws heretofore or hereafter*
3 *enacted by the Congress, and not otherwise.*

4 “(6) Paragraph (5) of this subsection shall take effect
5 thirty days after the date on which this subsection is enacted.
6 The Wage Stabilization Board created by Executive Order
7 Numbered 10161, and reconstituted by Executive Order
8 Numbered 10233, as amended by Executive Order Numbered
9 10301, is hereby abolished, effective at the close of the twenty-
10 ninth day following the date on which this subsection is
11 enacted.”

12 *SEC. 107. Title IV of the Defense Production Act of*
13 *1950, as amended, is amended by adding at the end thereof*
14 *the following new section:*

15 “*SUSPENSION OF CONTROLS*”

16 “*SEC. 411. It is hereby declared to be the policy of the*
17 *Congress that the President shall use the price, wage, and*
18 *other powers conferred by this Act, as amended, to promote*
19 *the earliest practicable balance between production and the*
20 *demand therefor of materials and services, and that the*
21 *general control of wages and prices shall be terminated as*
22 *rapidly as possible consistent with the policies and purposes*
23 *set forth in this Act; and that pending such termination, in*
24 *order to avoid burdensome and unnecessary reporting and*

1 record keeping which retard rather than assist in the achieve-
2 ment of the purposes of this Act, price or wage regulations
3 and orders, or both, shall be suspended in the case of any
4 material or service or type of employment where such factors
5 as condition of supply, existence of below ceiling prices, his-
6 torical volatility of prices, wage pressures and wage relation-
7 ships, or relative importance in relation to business costs or
8 living costs will permit, and to the extent that such action will
9 be consistent with the avoidance of a cumulative and danger-
10 ous unstabilizing effect. It is further the policy of the Con-
11 gress that when the President finds that the termination of
12 the suspension and the restoration of ceilings on the sales or
13 charges for such material or service, or the further stabiliza-
14 tion of such wages, salaries, and other compensation, or both,
15 is necessary in order to effectuate the purposes of this Act,
16 he shall by regulation or order terminate the suspension."

17 SEC. 108. The first sentence of section 707 of the De-
18 fense Production Act of 1950, as amended, is amended by
19 striking out the word "his".

20 SEC. 109. (a) Section 717 (a) of the Defense Produc-
21 tion Act of 1950, as amended, is amended to read as
22 follows:

23 "(a) Titles I, II, III, VI, and VII of this Act and
24 all authority conferred thereunder shall terminate at the

1 close of June 30, 1953; and titles IV and V of this Act
2 and all authority conferred thereunder shall terminate at the
3 close of February 28, 1953.”

4 (b) Paragraph (4) of subsection (a) of section 714
5 of the Defense Production Act of 1950, as amended, is
6 amended by striking out “June 30, 1952” and inserting in
7 lieu thereof “June 30, 1953”.

8 TITLE II—AMENDMENTS TO HOUSING AND
9 RENT ACT OF 1947, AS AMENDED

10 SEC. 201. Subsection (e) of section 4 and subsection
11 (f) of section 204 of the Housing and Rent Act of 1947,
12 as amended, are each amended by striking out “June 30,
13 1952” and inserting in lieu thereof “June 30, 1953”.

14 SEC. 202. Section 204 of the Housing and Rent Act
15 of 1947, as amended, is amended by adding at the end
16 thereof the following:

17 “(p) Except in the case of action taken after full com-
18 pliance with subsection (k) of this section, the President
19 shall not reestablish maximum rents in any defense-rental
20 area which has previously been decontrolled under this Act
21 until a public hearing, after thirty days’ notice, has been
22 held in such area.”

1 *TITLE III—MISCELLANEOUS*2 *PUBLIC CONTRACTS*

3 *SEC. 301. (a) Section 9 of the Act entitled "An Act*
4 *to provide conditions for the purchase of supplies and the*
5 *making of contracts by the United States, and for other*
6 *purposes", approved June 30, 1936 (41 U. S. C. 35-45),*
7 *is amended by striking out that portion of the first sentence*
8 *thereof which precedes the semicolon and inserting in lieu*
9 *thereof the following:*

10 *"This Act shall not apply to purchases of such materials,*
11 *supplies, articles, or equipment of standard type and construc-*
12 *tion as are usually sold in the open market to purchasers*
13 *generally, regardless of the method of procurement used by*
14 *the Government".*

15 *(b) Such Act is further amended (1) by redesignating*
16 *sections 10 and 11 as sections 11 and 12, respectively, and*
17 *(2) by inserting immediately following section 9 a new sec-*
18 *tion 10 as follows:*

19 *"SEC. 10. Notwithstanding any provision of section 4*
20 *of the Administrative Procedure Act, such Act shall be ap-*
21 *plicable in the administration of sections 1 to 5 and 7 to 9*
22 *of this Act. All orders, determinations, rules, and formal*

1 *interpretations of general applicability under such sections*
2 *shall be made on the record after opportunity for a hearing.*
3 *Review of any such order, determination, rule, or interpre-*
4 *tation may be had in the manner provided in section 10 of*
5 *the Administrative Procedure Act by—*

6 “(1) *any person adversely affected or aggrieved*
7 *thereby;*

8 “(2) *any manufacturer of, or regular dealer in,*
9 *materials, supplies, articles, or equipment purchased, or*
10 *to be purchased, by the Government from any source;*
11 *and*

12 “(3) *any of the employees of such manufacturer or*
13 *regular dealer, or any labor organization recognized by*
14 *such manufacturer or dealer, or duly certified by the*
15 *National Labor Relations Board, as representing such*
16 *employees.”*

Amend the title so as to read: “A bill to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes.”

82^d CONGRESS
2^d SESSION

S. 2594

[Report No. 1599]

A BILL

To extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

By Mr. MAYBANK

FEBRUARY 5 (legislative day, JANUARY 10), 1952
Read twice and referred to the Committee on
Banking and Currency

MAY 27 (legislative day, MAY 12), 1952
Reported with amendments

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

1 On page 5, after line 21, insert the following new
2 section:

3 SEC. 105. Section 402 of the Defense Production Act
4 of 1950, as amended, is further amended by adding at the
5 end thereof a new subsection as follows:

6 “(j) On and after September 1, 1952, no ceiling shall
7 be applicable with respect to a material or service unless the
8 President makes a specific finding of fact, and sets forth the
9 basis for the finding, in the rule, regulation, order, amend-
10 ment or supplement thereto imposing such ceiling that (i)

1 such material or service is in such short supply as to threaten
2 to cause the price of such material or service to rise unreason-
3 ably, and (ii) such material or service is important in rela-
4 tion to business costs or living costs. Thereafter, the Presi-
5 dent shall review such findings of fact and all rules,
6 regulations, and orders issued thereunder, and add to or
7 remove from such individual services or materials such ceil-
8 ings in accordance with the afore-mentioned standards; but
9 no ceiling on any material or service shall be reimposed or
10 maintained below the ceiling price on such material or
11 service in effect on the date the ceiling on such service or
12 material was suspended.”

S. 2594

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 5, after line 18, insert the following new section:

1 SEC. 104. Subsection (d) of section 402 of the Defense
2 Production Act of 1950, as amended, is amended by adding
3 at the end thereof the following new paragraph:

4 “(5) After the enactment of this paragraph, no ceiling
5 price shall be established or maintained on any agricultural
6 or fish commodity during any calendar month which begins
7 more than thirty days after the date of enactment of this
8 paragraph unless such commodity is certified to the Presi-
9 dent under this paragraph as being in short supply. On

1 the first day of the first calendar month which begins more
2 than thirty days after the date of enactment of this para-
3 graph, the Secretary of Agriculture shall certify to the
4 President each agricultural commodity, and the Secretary
5 of Interior shall certify to the President each fish commodity,
6 which such Secretary determines to be in short supply.
7 Thereafter, on the first day of each succeeding calendar month,
8 each Secretary shall certify modifications of such certification
9 by adding other agricultural or fish commodities which have
10 become in short supply and by removing from such certifica-
11 tion such commodities which he determines are no longer
12 in short supply. Within fifteen days of the receipt of any
13 such certification or modification of such certification, the
14 President shall suspend and may reactivate the price ceilings
15 applicable to particular agricultural or fish commodities as
16 required or permitted by such certification. For the pur-
17 poses of this paragraph (i) an agricultural commodity or
18 fish commodity shall be deemed to be in short supply unless
19 the supply of such commodity equals or exceeds the require-
20 ments for such commodity for the current marketing season;
21 (ii) the term 'agricultural commodity' shall be deemed to
22 mean any agricultural commodity and any food or feed
23 product processed or manufactured in whole or substantial
24 part from any agricultural commodity; (iii) the term 'fish

1 commodity' shall be deemed to mean any fish or seafood
2 and any food or feed product processed or manufactured in
3 whole or substantial part from any fish or seafood."

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 10, after line 13, insert the following new section:

1 SEC. 202. Section 204 of the Housing and Rent Act of
2 1947, as amended, is amended by adding at the end thereof
3 the following new subsection:

4 “(p) On and after July 1, 1952, the provisions of this
5 title shall not be applicable to any area which prior to or
6 subsequent to said date is not certified under subsection (1)
7 of section 204 of this Act as a critical defense housing area;
8 except that as to rights or liabilities incurred prior to such
9 date, the provisions of this title and regulations, orders and

1 requirements thereunder shall be treated as still remain-
 2 ing in force for the purpose of sustaining any proper suit or
 3 action with respect to any such right or liability.”

Calendar No. 1529

82ND CONGRESS
 2ND Session

S. 2594

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 5, after line 21, insert the following new section:

1 SEC. 105. Subsection (e) of section 402 of the Defense
2 Production Act of 1950, as amended, is amended by adding
3 at the end thereof the following new paragraph:
4 “(m) Annual or semiannual payments in the nature
5 of compensation made to employees or officers of a business
6 or enterprise which constitutes a distribution of a portion or
7 percentage of its profits according to a profit-sharing plan
8 or practice which was established and in effect on or before
9 January 15, 1950. If the determination of any amount or
10 part of the plan or practice involves the exercise of the

1 discretion of managers of the business or enterprise, such
2 plan or practices may be continued and payments made there-
3 under so long as the discretion is exercised according to the
4 same policy standards and principles which were applicable
5 and in effect on or before January 15, 1950.”

Calendar No. 1529

82ND CONGRESS
2^D SESSION

S. 2594

AMENDMENT

Intended to be proposed by Mr. DIRKSEN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 27 (legislative day, MAY 12), 1952

Ordered to lie on the table and to be printed

82D CONGRESS
2D SESSION

H. R. 8007

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1952

Mr. TALLE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Defense Production Act of 1950, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 717 (b) of the Defense Production Act of
4 1950, as amended, is hereby amended by adding at the end
5 thereof the following new paragraph:

6 “(4) The authority conferred upon the President by
7 title IV of this Act shall not be exercised to maintain any
8 existing ceiling price on any material or to impose any
9 new ceiling price on any material, (a) unless the Presi-
10 dent finds with respect to a material, that it is necessary
11 to maintain or to impose allocation control under authority

1 of title I of this Act and, in the case of any agricultural com-
2 modity or product thereof, that it is necessary also to ration
3 such agricultural commodity or product thereof at the retail
4 level for household and personal use of consumers under
5 authority of title I of this Act, and (b) until the President
6 actually places such allocation, or allocation and ration con-
7 trols, as the case may be, into effect.”

82ND CONGRESS
2ND SESSION

H. R. 8007

A BILL

To amend the Defense Production Act of 1950,
as amended.

By Mr. TAITE

MAY 27, 1952

Referred to the Committee on Banking and Currency

82^D CONGRESS
2^D SESSION

H. R. 8008

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1952

Mr. TALLE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Defense Production Act of 1950, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 717 (b) of the Defense Production Act of
4 1950, as amended, is hereby amended by redesignating the
5 presently designated paragraph (3) as paragraph (4); and
6 by adding after paragraph (2) thereof the following new
7 paragraph:

8 “(3) All authority conferred under title IV with re-
9 spect to agricultural commodities for which Congress has
10 provided price support legislation and with respect to prod-
11 ucts processed in whole or substantial part therefrom and

1 with respect to the industry or business producing, process-
2 ing, handling, or distributing such agricultural commodities
3 or products shall terminate on June 30, 1952.”

82ND CONGRESS
2^D SESSION

H. R. 8008

A BILL

To amend the Defense Production Act of 1950,
as amended.

By Mr. TALE

MAY 27, 1952

Referred to the Committee on Banking and Currency

82^D CONGRESS
2^D SESSION

H. R. 8009

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1952

Mr. TALLE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the defense Production Act of 1950, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 402 (d) (3) of the Defense Production Act of
4 1950, as amended, is hereby amended by striking the proviso
5 at the end of the second sentence and inserting in lieu thereof
6 the following: "*Provided, That, notwithstanding any other*
7 provision of this title, in establishing, maintaining, and adjust-
8 ing ceilings on products resulting from the processing of agri-
9 cultural commodities, including livestock and livestock prod-
10 ucts, or on the distribution thereof, a generally fair and equi-
11 table margin shall be allowed for such processing and dis-

1 tributing of such products; and equitable treatment shall
2 be accorded to all such processors and distributors.
3 For the purposes of this paragraph a margin shall not
4 be deemed to be fair and equitable for a processor if
5 it is below the highest margin received by him between
6 January 1, 1950, and June 24, 1950, or, in the case of a
7 group of processors, below the highest average margin re-
8 ceived by a representative number of the members of the
9 group during such period, adjusted in either case, for increase
10 or decrease in all costs (other than prices paid for the agri-
11 cultural commodities) occurring subsequent to the date on
12 which such margin was received and prior to the effective date
13 of the rule, regulation, or order, establishing such adjusted
14 margin; and a margin shall not be deemed to be fair and
15 equitable for a distributor if it reflects a percentage margin
16 over the price or cost of the processed commodity lower than
17 the percentage margin which he received during the period
18 May 24, 1950, to June 24, 1950, or such other nearest repre-
19 sentative date determined under section 402 (c), or, for a
20 group of distributors, if it reflects a percentage margin over
21 the price or cost of the processed commodity lower than the
22 average percentage margin received by a representative num-
23 ber of the members of the group during the period May 24,
24 1950, to June 24, 1950, or such other nearest representative
25 date, determined under section 402 (c).”

A BILL

To amend the Defense Production Act of 1950,
as amended.

By Mr. TALLE

MAY 27, 1952

Referred to the Committee on Banking and Currency

82D CONGRESS
2D SESSION

H. R. 8010

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1952

Mr. TALLE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Defense Production Act of 1950, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 402 (f) of the Defense Production Act of
4 1950, as amended, is hereby amended by adding at the end
5 thereof the following new sentences: "The ceiling price for
6 any material shall be suspended as long as (1) the material
7 is selling below the ceiling price and has sold below that
8 price for a period of three months; or (2) the material is in
9 adequate or surplus supply to meet current civilian and mili-
10 tary consumption and has been in such adequate or surplus
11 supply for a period of three months. For the purpose of

1 the preceding sentence, a material shall be considered in
2 adequate or surplus supply whenever such material is not
3 being allocated for civilian use or, in the case of an agricul-
4 tural commodity or product processed in whole or substantial
5 part therefrom, is not being rationed at the retail level of
6 consumer goods for household and personal use, under the
7 authority of title I of this Act.”

82d CONGRESS
2d Session

H. R. 8010

A BILL

To amend the Defense Production Act of 1950,
as amended.

By Mr. TALLE

MAY 27, 1952

Referred to the Committee on Banking and Currency

82D CONGRESS
2D SESSION

H. R. 8011

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1952

Mr. TALLE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Defense Production Act of 1950, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 402 (d) of the Defense Production Act of
4 1950, as amended, is hereby amended by adding at the end
5 thereof the following new paragraph:

6 “(5) The authority conferred by title IV of this Act
7 shall be exercised after June 30, 1952, only with respect to
8 those materials and services which the President hereafter
9 finds and determines are in short supply in relation to
10 demand. For the purpose of this paragraph (5) no material
11 shall be found or determined to be in short supply if (1)

1 the material is not being allocated for civilian use under
2 authority of this Act, or (2) the material is selling below
3 its highest established ceiling price and has been selling be-
4 low such ceiling price level for a period of three months,
5 or (3) the material is in adequate supply to meet current
6 civilian and governmental market requirements at ceiling
7 price levels. In the case of an agricultural commodity,
8 including livestock, and any product processed in whole or
9 in substantial part therefrom, no finding or determination
10 of short supply shall be made until and unless the current
11 average price received by producers for the agricultural com-
12 modity involved exceeds the highest of the following: (1)
13 110 per centum of parity; or (2) 110 per centum of the
14 average parity ratio for the commodity during the calendar
15 year 1951; or (3) the highest of the prices specified in
16 paragraph (3) of this subsection (d). In no event shall
17 a ceiling price be maintained or made effective for any
18 commodity or product processed in whole or substantial part
19 from an agricultural commodity, including livestock, until
20 and unless a ceiling has been imposed on the price received
21 by producers for such agricultural commodity in conformity
22 with the provisions of this title. The average prices received

1 by producers and parity ratios herein referred to shall be
2 determined by the Secretary of Agriculture and adjusted by
3 him for grade, location, and seasonal differentials in accord-
4 ance with existing statutes.”

H. R. 8011

A BILL

To amend the Defense Production Act of 1950,
as amended.

By Mr. TALLE

MAY 27, 1952

Referred to the Committee on Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 28, 1952

For actions of May 27, 1952

82nd-2nd, No. 91

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate debated foreign-aid bill. Senate committee reported bill extending Defense Production Act. Senate subcommittee ordered agricultural appropriation bill reported to full committee. House debated road authorization bill. House Rules Committee cleared bill increasing cotton price supports in case of surplus. Rep. Lane submitted resolution to investigate potato shortage.

HOUSE

- ROAD AUTHORIZATIONS.** Began debate on H. R. 7340, to authorize appropriations for the fiscal years 1954 and 1955 for Federal aid in road construction, including forest highways and forest roads and trails (pp. 6137-66).
- COTTON PRICE SUPPORTS.** The Rules Committee reported a resolution for consideration of H. R. 5713, which would make Low Middling seven-eighths-inch cotton the standard grade for purposes of parity and price support on the 1952 crop if anytime during the calendar year 1952 the USDA officially estimates the production of cotton in 1952 at 16,000,000 bales or more (p. 6167).
- IMPORT CONTROL.** Rep. Eberharter spoke against the import-control provision of the Defense Production Act (p. 6134).
- FOOD PRODUCTION.** Rep. Carnahan commended scientific and related developments which have increased food production during the last few years (pp. 6177-8).
- ELECTRIFICATION.** Rep. McCormack inserted President Truman's speech before the Electric Consumers Conference defending the Government's power program (pp. 6136-7).
Rep. Dondero urged investigation of the Electric Consumers Conference (pp. 6178-9). Rep. Bow also criticized the Conference (pp. 6179-80).

SENATE

- FOREIGN AID.** Continued debate on S. 3086, to extend the Mutual Security Program for fiscal year 1953, rejecting by 27 yeas to 35 nays a Walker amendment reducing authorized appropriations by \$1 billion (pp. 6102-27).

Sen. Smith, N. J., inserted a New York Times article by Arthur Krock discussing some of the impulses behind the economy drive on the mutual security bill (pp. 6101-2).

7. DEFENSE PRODUCTION. The Banking and Currency Committee reported with amendments S. 2594, to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended (S. Rept. 1599) (pp. 6103-4).
8. NOMINATION. Received nomination request for Albert A. Carretta as Federal Trade Commissioner (p. 6132).
9. AGRICULTURE APPROPRIATIONS. The Agriculture Subcommittee completed markup of H. R. 7314, agricultural appropriation bill for 1953, and ordered it reported to the full committee with numerous amendments (p. D503).
10. PUERTO RICO. The Interior and Insular Affairs Committee ordered reported without amendments (but did not actually report) S. J. Res. 151, approving the Constitution of Puerto Rico (p. D504).
11. IRRIGATION. The Interior and Insular Affairs Committee ordered reported with amendments (but did not actually report) H. R. 5633, to approve a contract negotiated with the irrigation districts on the Owyhee Federal project, and to authorize its execution (p. D504).
12. TOBACCO. Received from this Department a proposed bill to increase the minimum farm acreage allotments for burley tobacco (p. 6098).
13. FLOOD CONTROL; RECLAMATION. Received this Department's survey report of the Pecos River Watershed, N. Mex. and Tex. (p. 6098).
14. FARM LANDS; TERRITORIES. Received a resolution adopted by the Hawaii Farm Bureau Federation, favoring H. R. 4799, to amend the Hawaiian Organic Act on the acquisition of farm lots (p. 6099).

BILLS INTRODUCED

15. NEWSPRINT. S. Con. Res. 78, by Sen. Case (for himself and Sen. Johnson, Colo.), to establish a Joint Committee on Newsprint; to Rules Committee (p. 6100). Remarks of author (p. 6100.)
16. DEFENSE PRODUCTION. H. R. 8007, H. R. 8008, H. R. 8009, H. R. 8010, H. R. 8011, by Rep. Tallo, "to amend the Defense Production Act"; to Banking and Currency Committee (p. 6181).
17. PERSONNEL. H. R. 8013, by Rep. St. George, to increase the efficiency of the Federal Government by improving the training of Federal civilian officers and employees; to Post Office and Civil Service Committee (p. 6181).
18. POTATO SHORTAGE. H. Res. 659, by Rep. Lane, to authorize an investigation of the shortage of potatoes in the United States; to Rules Committee (p. 6181).
19. ELECTRIFICATION. H. Res. 655, by Rep. Dondoro, to authorize the appointment of a select committee of the House of Representatives to conduct a complete investigation and study of the self-styled Electric Consumers Conference, its officers, representatives, alleged or actual sponsors, members, and so forth, using

Mr. GEORGE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McFARLAND. Mr. President, we are anxious to complete consideration of this bill, as well as of other pending legislation. As I have previously said, we are trying to make a drive this week and next week to see how much can be accomplished, in order to determine whether or not the Congress can adjourn by July 5. I have talked with the distinguished minority leader. In order to accomplish our aim, we must expedite the consideration of legislation.

I ask unanimous consent that beginning tomorrow at 12 o'clock there be a limitation of debate on the pending measure as follows:

One hour on each amendment, to be divided equally, the time to be controlled by the proponent of the amendment and the distinguished Senator from Texas [Mr. CONNALLY] in the event that he is against the amendment, and in the event he favors it, by the distinguished minority leader or any Senator he may designate; that the time for debate on the bill itself to be limited to 1 hour, to be divided equally and controlled, respectively, by the distinguished Senator from Texas [Mr. CONNALLY] and by the distinguished minority leader, the Senator from New Hampshire [Mr. BRIDGES], or anyone designated by him; that all amendments must be germane; and that motions and appeals be also included in the limitation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

The Chair hears none, and the order is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That, beginning at the hour of 12 o'clock noon on Wednesday, May 28, 1952, debate upon the bill (S. 3086) to amend the Mutual Security Act of 1950, and for other purposes, be limited as follows:

(1) One hour on each amendment or motion, including appeals, to be equally divided and controlled by the mover of any such amendment or motion and Mr. CONNALLY in the event he is opposed to such amendment or motion; otherwise by Mr. BRIDGES or someone designated by him: *Provided*, That no amendment or motion that is not germane to the subject matter of said bill shall be received; and

(2) One hour on the question of the final passage of the bill, to be equally divided and controlled by Mr. CONNALLY and Mr. BRIDGES.

DEFENSE PRODUCTION ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. MAYBANK. I should like to ask a question of the distinguished majority leader. I inquire what his plans are with respect to legislation to be considered

after the Senate disposes of the mutual security bill.

Mr. BRIDGES. I was going to ask the same question of the distinguished majority leader. I was wondering whether the plan was to take up the controls bill immediately after the Senate disposes of the mutual security bill.

Mr. McFARLAND. It is planned to take up the defense production bill after the pending bill is disposed of. I understand that no appropriation bills are ready for action. Therefore, following action on the mutual security bill, we shall proceed immediately to the consideration of the defense production bill. It is my hope that we can finish consideration of the mutual security bill in the early afternoon tomorrow, and perhaps have a call of the calendar tomorrow evening.

Mr. MAYBANK. Mr. President, let me say with reference to the control bill, inasmuch as the distinguished majority leader has suggested that it will be taken up after we have concluded consideration of the mutual security bill and after a call of the calendar, that a good many amendments are to be proposed to title 4 and to title 5 as contained in the amendment reported by the committee in the nature of a substitute for the control bill. Title 4 refers to price and wage controls, and title 5 covers labor disputes. I have been discussing the matter with the minority leader, the majority leader, and the distinguished Senator from Illinois [Mr. DIRKSEN], who made a motion in committee to strike out title 4 and title 5.

I believe it would be the part of wisdom, for the benefit of all Senators, if, in considering the committee amendment, we proceed under a unanimous consent agreement to vote first on whether title 4 and title 5 shall be stricken out. If we are to spend a week in considering a great many amendments in order to perfect title 4 and title 5, and then later vote to strike out either or both titles as amended, a great deal of arduous work on the part of Senators will have been wasted after long sessions of the Senate.

I was wondering whether the majority leader and the minority leader have discussed the possibility of entering into a unanimous consent agreement along the line I have suggested. I appreciate the fact that perhaps it cannot be done today. On the other hand, if we do not enter into a unanimous consent agreement I shall have to move to suspend rule XVI of the Senate.

The VICE PRESIDENT. Such an agreement could be entered into at this time, in order to proceed in that way when the bill is taken up by the Senate.

Mr. MAYBANK. In view of the fact that I spoke to the majority leader and the minority leader, since the Senator from Illinois [Mr. DIRKSEN] is in the Chamber, and knowing the situation we will face when the control bill comes before the Senate, I should like to ask the minority leader and the majority leader for their judgment on the suggestion I have made.

Mr. McFARLAND. I have discussed the subject with the distinguished minority leader and with the distinguished

Senator from Illinois, and, so far as I know, there is no objection to such a procedure.

Mr. President, I ask unanimous consent that when the Senate begins the consideration of the control bill (S. 2594) a motion to strike from the committee amendment title 4 or title 5, or to strike both titles, may be made, with the understanding and agreement that if the motion does not prevail, any amendment may thereafter be offered to either title.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Florida will state it.

Mr. HOLLAND. In the event the course of action suggested by the majority leader should be followed, would it preclude later the renewal of a motion to strike a title, provided amendments proposed to such title were agreed to or rejected, which might change the thinking of a Senator with reference to the desirability of retaining the particular title in the bill?

The VICE PRESIDENT. If the agreement suggested by the Senator from Arizona is entered into, the Chair would understand it to mean that a vote would first come on a motion to strike out title 4 and title 5. If the motion were defeated, any amendments would be in order to either title. If the motion prevailed, of course, that would end it, and there would be no title 4 or title 5 in the bill.

Mr. HOLLAND. If I may renew my request for a ruling, I understand perfectly well that what the majority leader intends to do is to have a motion made based upon the question of whether title IV—that is the title which deals with price and wage controls—shall remain in the bill. Assuming that such a motion failed, amendments could be offered to title IV. The purpose of my question is to invite a ruling as to whether or not, after amendments have been offered and acted upon, it would be in order to again make a motion to strike title IV.

The VICE PRESIDENT. The Chair thinks it would be in order, after any amendments were agreed to with respect to either of the titles referred to, to move to strike out the title as amended.

Mr. McFARLAND. Of course the striking out would be by way of an amendment, rather than a motion.

The VICE PRESIDENT. The Chair has not seen the bill. Therefore the Chair does not know what the committee amendments may be. There may be one committee amendment. The Chair does not know about it. If a motion to strike out a title is voted on first and it prevails, that takes the title out of the bill. If the motion does not prevail, the title is open to amendment. In that event a motion could be made later to strike out the title as amended.

Mr. MAYBANK. In my judgment the ruling of the Chair is entirely correct. The reason I brought up the point was that it was our desire to ascertain whether the Senate would retain title IV or title V, or both, with the understanding that afterward, if either title were amended, and, as amended, it was unsatisfactory to any one Senator who

voted to retain it in the bill, he could, so to speak, reverse himself and vote to strike out the title.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

Mr. BRIDGES. Reserving the right to object—and I shall not object—it is my understanding that the unanimous-consent request asked for on the control bill—and of course we are looking somewhat to the future with respect to this agreement—has to do solely with a possible amendment to strike out certain titles of the bill, and, if such an amendment is rejected, to allow amendments to be proposed to the titles without prejudice.

Mr. McFARLAND. It is my understanding that the rule of the Senate provides that if an amendment is offered to strike out a title, and perfecting amendments are offered, it is necessary to vote on the perfecting amendments before it is possible to vote on the amendment to strike out a title. The purpose of the agreement is to get around that rule of the Senate.

Mr. MAYBANK. That is correct.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona? Let the Chair state what he understands the request to be. The unanimous-consent request is that when the control bill, S. 2594, is before the Senate, if a motion is made to strike out title 4 or title 5, such motion shall be first voted upon. If the motion prevails, that title goes out of the bill. If the motion does not prevail, amendments to the title are in order, as if the motion had not been made. Thereafter, if amendments are added to such a title, a motion would then be in order to strike out the title as amended.

Is there objection to the request of the Senator from Arizona? The Chair hears none, and the order is entered.

The Chair would like to congratulate the majority leader and the minority leader and all other Senators for the obviously sincere effort to make some progress. It is very pleasing to the Chair, one of whose duties it is, of course, to try to facilitate the transaction of business by the Senate.

Mr. MAYBANK subsequently said: Mr. President, from the Committee on Banking and Currency, I report favorably, with amendments, the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, and I submit a report (No. 1599) thereon. I ask unanimous consent that minority views may be submitted later in the day by the Senator from Illinois [Mr. DOUGLAS], the Senator from Michigan [Mr. MOODY], and the Senator from Connecticut [Mr. BENTON], and be printed with the majority report.

The VICE PRESIDENT. The report will be received, and the bill will placed on the calendar; and, without objection, the minority views may be filed and printed, as requested by the Senator from South Carolina.

MUTUAL SECURITY ACT OF 1952

The Senate resumed the consideration of the bill (S. 3086) to amend the Mutual Security Act of 1951, and for other purposes.

Mr. DWORSHAK. Mr. President, yesterday I called the attention of the Senate to the No. 1 issue, volume 1 of the Mutual Security News, reflecting the political aspects of the mutual-security program.

I understand that copies of this publicity sheet were mailed to thousands of newspapers throughout the United States, with the accompanying card which I shall read. It is a return postal card:

MUTUAL SECURITY AGENCY,
Washington 25, D. C.:

Please add our name to the list of newspapers to receive Mutual Security News as issued. It is understood that it will be supplied without charge to us.

Newspaper -----
Publisher -----
Town or city -----
State -----

This postal card is evidence that the Mutual Security Agency is planning to spend, for propaganda purposes, thousands of the taxpayers' very important dollars which are involved in the pending authorization bill.

I am sure that Members of the Foreign Relations Committee which has reported the bill—and particularly the distinguished chairman of the committee—are amazed at the effrontery displayed by the officials of the Mutual Security Agency in proposing to undertake an extensive propaganda campaign to "sell" to the taxpayers of the United States the foreign spending program.

Mr. President, I had been engaged in newspaper work for most of my adult life prior to coming to Congress. I know that there may be some legitimate reason for disseminating information—although probably not so widely as in this case—dealing with the foreign spending program, merely from the standpoint of publicity and information which the people should have in regard to this important subject.

I am sure, however, that all other Members of the Senate will agree with me that when such publicity is hand-picked and censored and controlled entirely by the public relations bureau within the Mutual Security Agency, the people of the United States will not get a true, impartial story concerning this program, but can expect only the propaganda which will justify the administration's spending of these billions of dollars abroad.

Mr. President, this morning, after having only partially recovered from the shock I received yesterday when I read a copy of No. 1, volume 1, of Mutual Security News, I was amazed when I read in today's Washington Post—and I assume practically every other Member of this body has read the same story—an article relating to 7-week tour of Europe, to be paid for by the Mutual Security Agency. Inasmuch as it is possible that

some Members of the Senate may not yet have read the article, I shall go into detail regarding it, because I am sure all Senators should have this information.

The article reads as follows:

FARM EDITORS FLY TO EUROPE AS MSA PAYS

A 7-week tour of Europe by air, all expenses paid, is being provided a group of farm editors and farm organization leaders by the Mutual Security Agency, successor to the Economic Cooperation Administration.

The group left New York last night by Pan American plane. Its members will visit six or seven countries, a public relations officer for MSA told the Washington Post last night. They will return about July 10.

Estimates of the cost of the trip vary. Transportation to the places indicated by the schedule released by MSA alone would cost between \$1,000 and \$1,200 for each passenger, Transatlantic Airways report. One MSA official estimated the total cost if made at personal expense would be around \$6,000 or \$6,500.

On the trip are:

Radio editors: Claude Mahoney, farm program director, Columbia Broadcasting System; Samuel Schneider, president, Radio Farm Directors, KVOO, Tulsa, Okla.; C. W. Jackson, farm program director, KCMB, Kansas City, Mo., and Lawrence Haeg, farm program director, WCCO, Minneapolis, Minn.

Magazines: Earl McMunn, editor Ohio Farm, and correspondent, Capper Publications, Topeka, Kans.; Eugene Butler, the Progressive Farmer, Dallas, and Donald S. Watson, the New England Homestead, Springfield, Mass.

Farm organizations: Ted F. Berry, editor, Washington State Grange News, Seattle; R. S. Gilfillan, editor, Farmers Union Herald, St. Paul, Minn.; Gwynn Garnett, American Farm Bureau Federation, Washington, and Kit Haynes, National Council of Farmers Cooperatives, Washington.

Accompanying the party will be C. H. Bernhard, information specialist, MSA, and Eddy van der Veen, MSA photographer.

The group will arrive in Paris today, and will travel about France, Belgium, Luxembourg and the Netherlands until June 10, with several free days in Paris. On June 10 they will be flown to Rome, where they will visit all sections of Italy and all prominent Italian cities until June 15, when they will go by air to Bonn, Germany. After 2 weeks in Germany, they will go by air to Vienna for another 10-day visit, thence back to Paris. They will return about July 10.

Purpose of the trip, according to Thomas D. Durrance, foreign liaison officer at MSA, is to study the betterment in European rural living as the result of Marshall plan aid and the improvement of living standards and farm production.

That is the entire article which appeared in this morning's Washington Post.

Naturally, Mr. President, I was so amazed by the import and the implications of this news article, that I immediately began to make a check, to determine its authenticity. I looked in the New York newspapers and in other Washington newspapers, and I was surprised to find that in no other newspaper could I find an article along the same line, telling about this junket which has been arranged by the Mutual Security Agency at a time when this body, the Senate of the United States, has under consideration an authorization bill call-

mental United States, either directly or via a foreign port, or for any part of the transportation; without amendment (Rept. No. 2000). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 6500. A bill to amend the joint resolution of August 8, 1946, as amended, with respect to appropriations authorized for the conduct of investigations and studies thereunder; without amendment (Rept. No. 2001). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Subcommittee on Monopoly Power. Report pursuant to House Resolution 95, Eighty-second Congress, first session, entitled "Organized Baseball"; without amendment (Rept. No. 2002). Referred to the Committee of the Whole House on the State of the Union.

Mr. PRIEST: Committee of conference. S. 302. An act to amend section 32 (a) (2) of the Trading With the Enemy Act (Rept. No. 2003). Ordered to be printed.

Mr. COLMER: Committee on Rules. House Resolution 658. Resolution for consideration of H. R. 5713, a bill to amend the Agricultural Act of 1949 to provide that Low Middling seven-eighths inch cotton shall be the standard grade for the purposes of determining parity and price support for the 1952 cotton crop; without amendment (Rept. No. 2004). Referred to the House Calendar.

Mr. LANE: Committee on the Judiciary. S. 1203. An act to provide for the appointment of additional circuit and district judges, and for other purposes; with amendment (Rept. No. 2005). Referred to the Committee of the Whole House on the State of the Union.

Mr. STANLEY: Committee on House Administration. House Joint Resolution 449. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution; without amendment (Rept. No. 2007). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BENTSEN: Committee on Interior and Insular Affairs. H. R. 7305. A bill to authorize the sale of certain land in Utah to the Bench Lake Irrigation Co., of Hurricane, Utah; with amendment (Rept. No. 2006). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. KEE:

H. R. 8004. A bill appropriating the sum of \$30,000 to complete the grading and draining of the Mercer County Airport, Mercer County, W. Va.; to the Committee on Appropriations.

By Mr. McMILLAN:

H. R. 8005. A bill to provide for the improvement and expansion of physical facilities of the public school system of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MURRAY:

H. R. 8006. A bill to provide for an adjustment in the compensation of certain employees transferred from the field service of the Post Office Department to the General Services Administration pursuant to Reorganization Plan No. 18 of 1950, and for other

purposes; to the Committee on Post Office and Civil Service.

By Mr. TALLE:

H. R. 8007. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

H. R. 8008. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

H. R. 8009. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

H. R. 8010. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

H. R. 8011. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

By Mr. JACKSON of Washington:

H. R. 8012. A bill to exempt official election pamphlets mailed by the government of a State, Territory, or Puerto Rico, or a political subdivision thereof, from the increased third-class mail rates prescribed by the act of October 30, 1951; to the Committee on Post Office and Civil Service.

By Mrs. ST. GEORGE (by request):

H. R. 8013. A bill to increase the efficiency of the Federal Government by improving the training of Federal civilian officers and employees; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H. R. 8014. A bill to amend section 23 of the act of April 26, 1906, in order to remove permanently the limitation in such section permitting full-blooded Indians to devise real property without regard to the laws of the State of Oklahoma with respect to wills; to the Committee on Interior and Insular Affairs.

By Mr. TRIMBLE:

H. R. 8015. A bill to provide for the issuance of a special postage stamp honoring Tom Shiras and commemorating the dedication of Bull Shoals Dam and Norfork Dam; to the Committee on Post Office and Civil Service.

By Mr. POWELL:

H. Con. Res. 217. Concurrent resolution for consideration of the Tunisian issue; to the Committee on Foreign Affairs.

By Mr. COLMER:

H. Res. 654. Resolution providing for the consideration of the bill (S. 97) to authorize the construction, operation, and maintenance of facilities for generating hydroelectric power at the Cheatham Dam on the Cumberland River in Tennessee; to the Committee on Rules.

By Mr. DONDERO:

H. Res. 655. Resolution to authorize the appointment of a select committee of the House of Representatives to conduct a complete investigation and study of the self-styled Electric Consumers Conference, its officers, representatives, alleged or actual sponsors, members, and so forth, using their resources for un-American and subversive activities or for purposes not in the interest of the United States; to the Committee on Rules.

By Mr. HOFFMAN of Illinois:

H. Res. 656. Resolution creating a select committee to conduct an investigation and study of the confidential work of Charles A. Lindbergh in aid of the national defense of the United States; to the Committee on Rules.

By Mr. VAIL:

H. Res. 657. Resolution creating a select committee to conduct an investigation and study of the confidential work of Charles A. Lindbergh in aid of the national defense of the United States; to the Committee on Rules.

By Mr. LANE:

H. Res. 659. Resolution to authorize an investigation of the shortage of potatoes in the United States; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of South Carolina, memorializing the President and the Congress of the United States, with reference to submission of an interstate civil defense compact entered into and ratified by the States of South Carolina and Georgia, pursuant to section 201 (g) of the Federal Civil Defense Act of 1950 (Public Law 920, 81st Cong.); to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLLING:

H. R. 8016. A bill for the relief of Augustin Mondreal; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. R. 8017. A bill for the relief of Paula Kurz; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 8018. A bill for the relief of George Vourderis; to the Committee on the Judiciary.

By Mr. D'EWARD:

H. R. 8019. A bill authorizing the issuance of a patent in fee to Star Blackhawk; to the Committee on Interior and Insular Affairs.

H. R. 8020. A bill authorizing the issuance of a patent in fee to Esther M. Robinson; to the Committee on Interior and Insular Affairs.

By Mr. HART:

H. R. 8021. A bill to authorize the restoration of Daniel E. Whelan, Jr., lieutenant commander, retired, to the active list of the United States Coast and Geodetic Survey; to the Committee on Merchant Marine and Fisheries.

H. R. 8022. A bill for the relief of Klaus Dieter Strehlocke; to the Committee on the Judiciary.

By Mr. HAYS of Arkansas:

H. R. 8023. A bill for the relief of Cooperative for American Remittances to Europe, Inc.; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 8024. A bill for the relief of Helga Rossmann; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 8025. A bill for the relief of Richard H. Backus; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8026. A bill for the relief of Thomas C. Stretch; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 8027. A bill for the relief of George Mehalatas; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 8028. A bill for the relief of Calogero Tocco; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 8029. A bill for the relief of Tokie Hashiguchi and her son, Koichi Hashiguchi; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 8030. A bill for the relief of Shizue Yamaguchi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

742. By Mr. ELLSWORTH: Petition of citizens of Douglas County, Oreg., urging enact-

~~ment of the Bryson bill, H. R. 2188; to the Committee on Interstate and Foreign Commerce.~~

743. By Mr. HESS: Resolution adopted by the City Council of the City of Cincinnati requesting the Congress of the United States to adopt the legislation necessary to relax

the credit restraints of regulation X in order to stimulate the buying of homes; to the Committee on Banking and Currency.

744. By Mr. SMITH of Wisconsin: Resolution of the Wausau Taxpayers League of Wausau, Wis., urging the Congress of the United States to confine Federal expendi-

tures to the minimums for essential government to complete the adoption of the Hoover Report, to adopt any legislation which would make a balanced budget mandatory, and to create a Joint Committee on the Budget; to the Committee on Rules.

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 28, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. IVES to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 8, after line 11, insert the following new section:

1 SEC. . Section 403 of the Defense Production Act of
2 1950, as amended, is further amended by adding at the end
3 thereof the following new subsection:

4 “(c) It shall be the express duty, obligation, and func-
5 tion of the Economic Stabilization Agency to stabilize and
6 to coordinate the relationship between prices and wages.”

AMENDMENT

Intended to be proposed by Mr. Ives to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

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82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

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AMENDMENT

Intended to be proposed by Mr. IVES to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 6, beginning with line 10, strike out through
2 line 11 on page 8, and insert in lieu thereof the following:
- 3 (b) (1) There is hereby created, in the Economic
4 Stabilization Agency, a Wage Stabilization Board (herein-
5 after in this subsection referred to as the 'Board'), which
6 shall be composed of members representative of the general
7 public, members representative of labor, and members repre-
8 sentative of business and industry. The number of offices
9 on the Board shall be established by Executive order, but
10 the number of members representative of the general public
11 shall at all times exceed the aggregate of the number of

1 members representative of labor and the number of members
2 representative of business and industry. The number of
3 offices on the Board for representatives of labor shall equal
4 the number of offices on the Board for representatives of
5 business and industry.

6 (2) The members representative of the general public
7 shall be appointed by the President, by and with the advice
8 and consent of the Senate. The members representative
9 of labor, and the members representative of business and
10 industry, shall be appointed by the President. The President
11 shall designate a Chairman and Vice Chairman of the Board
12 from among the members representative of the general
13 public.

14 (3) The term of office of the members of the Board
15 shall terminate on March 1, 1953. Any member appointed
16 to fill a vacancy occurring prior to the expiration of the term
17 for which his predecessor was appointed shall be appointed
18 for the remainder of such term.

19 (4) Each member representative of the general public
20 shall receive compensation at the rate of \$15,000 a year,
21 and while a member of the Board shall engage in no other
22 business, vocation, or employment. Each member repre-
23 sentative of labor, and each member representative of busi-
24 ness and industry, shall receive \$50 for each day he is
25 actually engaged in the performance of his duties as a mem-

1 ber of the Board, and in addition he shall be paid his actual
2 and necessary travel and subsistence expenses in accordance
3 with the Travel Expense Act of 1949 while so engaged
4 away from his home or regular place of business. The mem-
5 bers representative of labor, and the members representative
6 of business and industry, shall, in respect of their functions
7 on the Board, be exempt from the operation of sections 281,
8 283, 284, 434, and 1914 of title 18 of the United States
9 Code and section 190 of the Revised Statutes (5 U. S. C.
10 99).

11 (5) The Board shall, under the supervision and direc-
12 tion of the Economic Stabilization Administrator—

13 (A) formulate, and recommend to such Adminis-
14 trator for promulgation, general policies and general
15 regulations relating to the stabilization of wages, sal-
16 aries, and other compensation; and

17 (B) upon the request of (i) any person sub-
18 stantially affected thereby, or (ii) any Federal depart-
19 ment or agency whose functions, as provided by law,
20 may be affected thereby or may have an effect thereon,
21 advise as to the interpretation, or the application to par-
22 ticular circumstances, of policies and regulations promul-
23 gated by such Administrator which relate to the stabiliza-
24 tion of wages, salaries, and other compensation.

25 For the purposes of this Act, stabilization of wages, salaries,

1 and other compensation means prescribing maximum limits
2 thereon. Labor disputes, and labor matters in dispute, which
3 do not involve the interpretation or application of such
4 regulations or policies shall be dealt with, if at all, insofar
5 as the Federal Government is concerned, under the concilia-
6 tion, mediation, emergency, or other provisions of laws
7 heretofore or hereafter enacted by the Congress, and not
8 otherwise: *Provided, however,* That the Board may under-
9 take to mediate and/or arbitrate labor disputes involving
10 wages, salaries, and other compensation, if the Director of
11 the Federal Mediation and Conciliation Service certifies to
12 the Administrator of the Economic Stabilization Agency
13 that all remedies available to the Service have been ex-
14 hausted, and (i) the parties themselves request the Board
15 to mediate and/or arbitrate, or (ii) the President requests
16 the Board to mediate and/or arbitrate the dispute and the
17 parties consent: *Provided further,* That in any effort to
18 mediate and/or arbitrate a labor dispute referred to the
19 Board pursuant to the terms of the foregoing proviso, a
20 panel of the Board, the membership of which is constituted
21 in the same proportion as is the Board itself, may act on
22 behalf of the Board.

23 (6) Paragraph (5) of this subsection shall take effect
24 thirty days after the date on which this subsection is enacted.
25 The Wage Stabilization Board created by Executive Order

1 Numbered 10161, and reconstituted by Executive Order
2 Numbered 10233, as amended by Executive Order Num-
3 bered 10301, is hereby abolished, effective at the close of
4 the twenty-ninth day following the date on which this sub-
5 section is enacted.

82ND CONGRESS
2^D SESSION

S. 2594

AMENDMENT

Intended to be proposed by Mr. Ives to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 28, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 28, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BRICKER to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 3, after line 6, insert the following new section 101 (a) :

1 SEC. 101. (a) Section 402 (b) (1) of the Defense
2 Production Act of 1950, as amended, is amended by strik-
3 ing the period at the end of paragraph (1) of subsection
4 (b) and inserting a colon in lieu thereof and adding the
5 following proviso: "*Provided, however, That, after June*
6 30, 1952, the President shall not maintain any existing ceil-
7 ing price on any material or commodity, nor shall he impose
8 any new ceiling price on any material or commodity,
9 unless and until the President, pursuant to the au-

- 1 thority conferred upon him in title I of this Act, controls
2 the distribution of the material or commodity by an allocation
3 plan or a consumer rationing system or both.”

Calendar No. 1529

82ND CONGRESS
2ND SESSION

S. 2594

AMENDMENT

Intended to be proposed by Mr. BRICKER to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

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82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 28, 1952

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AMENDMENT

Intended to be proposed by Mr. BRICKER to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 6, after line 5, insert the following new section:

1 SEC. 105. (a) Section 402 of the Defense Production
2 Act of 1950, as amended, is amended by inserting the fol-
3 lowing new subsection (m) :

4 “(m) In order to avoid unnecessary reporting and
5 record keeping, the President shall immediately suspend ceil-
6 ing price regulations in the case of any material or service,
7 the general selling price of which material or service has
8 been below the maximum ceiling price fixed by regulation
9 for a period of sixty days. The President may terminate
10 the suspension of controls on any such material or service

1 immediately upon his finding that the general selling price of
2 such material or service exceeds the maximum ceiling price
3 fixed by the suspended ceiling price regulation, and, in such
4 event, the maximum ceiling price for the material or service
5 shall not be lower than that in effect at the time of suspension
6 of the regulation.”

AMENDMENT

Intended to be proposed by Mr. BRICKER to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

May 28, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 28, 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CAPEHART to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

1 On page 8, beginning with line 16, strike out through
2 line 16, on page 9, and insert in lieu thereof the following:

3 “SUSPENSION OF CONTROLS

4 “SEC. 411. (a) Notwithstanding any other provision
5 of this Act, all wage and price controls heretofore imposed
6 under this title shall terminate as of the date of enactment
7 of the Defense Production Act Amendments of 1952, and
8 such controls shall not be reimposed unless (1) the index
9 figure shown by the last published ‘Consumers’ Price Index
10 for Moderate Income Families in Large Cities—All Items’,
11 published by the Bureau of Labor Statistics, Department of

1 Labor, is higher than . . . , or (2) a state of war shall have
2 been declared by the Congress. Wage and price controls
3 reimposed under clause (1) of this subsection, shall be
4 terminated whenever such index figure is . . . or less.

5 “(b) In the event price and wage controls are reim-
6 posed under this section, and subject to the provisions of sub-
7 section (a), it is hereby declared to be the policy of the
8 Congress that the President shall use the price, wage, and
9 other powers conferred by this Act, as amended, to promote
10 the earliest practicable balance between production and the
11 demand therefor of materials and services, and that the
12 general control of wages and prices shall be terminated as
13 rapidly as possible consistent with the policies and purposes
14 set forth in this Act; and that pending such termination, in
15 order to avoid burdensome and unnecessary reporting and
16 record keeping which retard rather than assist in the achieve-
17 ment of the purposes of this Act, price or wage regulations
18 and orders, or both, shall be suspended in the case of any
19 material or service or type of employment where such factors
20 as condition of supply, existence of below ceiling prices, his-
21 torical volatility of prices, wage pressures and wage relation-
22 ships, or relative importance in relation to business costs or
23 living costs will permit, and to the extent that such action
24 will be consistent with the avoidance of a cumulative and
25 dangerous unstabilizing effect. It is further the policy of

1 the Congress that when the President finds that the termina-
2 tion of the suspension and the restoration of ceilings on the
3 sales or charges for such material or service, or the further
4 stabilization of such wages, salaries, and other compensation,
5 or both, is necessary in order to effectuate the purposes of
6 this Act, he shall by regulation or order terminate the
7 suspension.”

8 On page 9, beginning with line 23, strike out through
9 line 3, on page 10, and insert in lieu thereof the following:

10 “(a) Subject to the provisions of section 411, this Act
11 and all authority conferred thereunder shall terminate at the
12 close of June 30, 1953.”

AMENDMENTS

Intended to be proposed by Mr. CAPENHART to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 28, 1952

Ordered to lie on the table and to be printed.

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 28, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SCHOEPPPEL to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

On page 8, strike out all that follows the comma in line 20 down to and including "Act" in line 23 and insert in lieu thereof the following: "and that price controls shall be terminated immediately on any specific material which is in ample supply or which is not being allocated or rationed, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act".

AMENDMENT

Intended to be proposed by Mr. SCHOEPPel to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 28, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 28, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SCHOEPPPEL to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: Page 9, after line 16, insert the following:

1 Notwithstanding any other provision of this section the
2 ceiling price for any material shall be suspended as long as
3 (1) the material is selling below the ceiling price and has
4 sold below that price for a period of three months; or (2)
5 the material is in adequate or surplus supply to meet cur-
6 rent civilian and military consumption and has been in such
7 adequate or surplus supply for a period of three months.
8 For the purpose of this provision, a material shall be con-
9 sidered in adequate or surplus supply whenever such material
10 is not being allocated for civilian use or, in the case of an

1 agricultural commodity or product processed in whole or
2 substantial part therefrom, is not being rationed at the
3 retail level of consumer goods for household and personal
4 use, under the authority of title I of this Act.

5 Renumber succeeding sections.

AMENDMENT

Intended to be proposed by Mr. SCHERER to
the bill (S. 2594) to extend the provisions
of the Defense Production Act of 1950, as
amended, and the Housing and Rent Act
of 1947, as amended.

MAY 28, 1952

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 29, 1952

For actions of May 28, 1952

82nd-2nd, No. 92

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed foreign-aid bill. Senate made defense-production bill its unfinished business and Sen. Maybank inserted summary of bill. Senate committees reported independent offices appropriation bill, measures to appropriate funds for flood control and soil conservation and to make temporary appropriations pending enactment of supplemental appropriation bill, and bill to make agricultural education program available for University of Alaska. Senate committee ordered reported various transportation bills. House passed road authorization bill.

SENATE

1. FOREIGN AID. Passed, 64-10, with amendments H. R. 7005, to extend the Mutual Security Program for the fiscal year 1953. Agreed, 37-34, to a Long amendment reducing the appropriation authorizations by \$200,000,000. Agreed to a Ferguson amendment providing that, when a commodity authorized for procurement outside the U. S. is under domestic allocation or price controls, it shall be furnished to the recipient country in lieu of dollar grants. (pp. 6218-89.)

2. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 7072, the independent offices appropriation bill for 1953 (S. Rept. 1603)(p. 6216). It is understood that the Committee voted to eliminate the rider to limit the taking of annual leave and eliminated the Jensen rider to restrict the filling of vacancies in the agencies covered by the bill, but that the Committee agreed to a Ferguson amendment making a 10% reduction in the budget estimates for personal services in various agencies covered by the bill.

The Committee reported with amendments H. J. Res. 426, making temporary appropriations available pending enactment of the third supplemental appropriation bill, H. R. 6947, which is tied up in conference. That bill includes supplemental items for pay costs in this Department. (S. Rept. 1612.)(p. 6216.)

The Committee reported without amendment H. J. Res. 454, which provides \$20,000,000 for USDA flood rehabilitation (FMA and SCS) and \$35,000,000 for Army flood control (S. Rept. 1602)(p. 6216).

3. EDUCATION. The Agriculture and Forestry Committee reported without amendment H. R. 6922, to amend Sec. 22 (relating to the endowment and support of colleges

of agriculture and the mechanic arts) of the act of June 29, 1935, so as to extend the benefits of such section to certain colleges in Alaska (S. Rept. 1609) (p. 6216).

4. LAND TRANSFERS. The Agriculture and Forestry Committee reported without amendment S. 2603, to return to Oregon a tract of land which had been donated to the U. S. for fish-hatchery use (S. Rept. 1610) (p. 6216).

The Committee also reported without amendment H. R. 5314, to transfer a tract of land which has been used by BPISAE for grape research to the University of California (S. Rept. 1611) (p. 6216).

5. PROPERTY SEIZURE. The Judiciary Committee reported with amendment S. J. Res. 158, to amend the Constitution so as to prohibit the President from seizing private property except as may be prescribed by law (S. Rept. 1606) (p. 6216).

6. DEFENSE PRODUCTION. S. 2594, to extend the Defense Production Act, was made the unfinished business (p. 6289). Sen. Maybank obtained consent to make a correction in the committee report and inserted a summary of the committee bill (p. 6291).

As reported, the bill extends price and wage control authority until Mar. 1, 1953, and extends authority for priorities, allocations, loans and loan guarantees, and import controls until June 30, 1953. However, the import-control provision is amended by substituting the old law (Public Law 590) for the Magnuson amendments (Sec. 104 of the Act). The bill amends the Capehart amendment to make clear that it does not apply to retailers and wholesalers; strikes out the word "hereafter" from the Herlong amendment, thus extending to all retailers and wholesalers their historical mark-up; and sets forth criteria under which price and wage controls should be suspended.

7. TRANSPORTATION. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) various transportation bills, including S. 2357, amending the Interstate Commerce Act regarding the agricultural exemption clause, and S. 2653, to standardize rates on household goods shipped by the U.S. Government for its employees (p. D511).

8. TOBACCO. The Agriculture and Forestry Committee voted to report (but did not actually report) H. R. 3554, to provide that the carryover of Maryland tobacco for any marketing year shall be the quantity of such tobacco on hand in the U. S. on Jan. 1 of such marketing year (p. D510).

9. GRAIN-STORAGE INVESTIGATION. The "Daily Digest" states that the Agriculture and Forestry Committee "postponed for 2 weeks action to conclude hearings on grain shortage investigation, in order that the committee staff and the GAO have further opportunities to complete their investigations" (p. D510).

10. MIGRATORY LABOR. Sen. Humphrey inserted a N. J. Consumers' League resolution commending the report of the President's commission on migratory labor (p. 6215).

11. ROAD AUTHORIZATIONS. As reported (see Digest 90), S. 2437 authorizes appropriations for each of the fiscal years 1954 and 1955 including the following: Forest highways, \$25,000,000; forest development roads and trails, \$22,500,000; Federal-aid highways, \$270,000,000; Federal-aid secondary highways, \$180,000,000; national park roads and trails, \$10,000,000; parkways, \$10,000,000; and Indian reservation roads, \$10,000,000. It also authorizes \$50,000,000 for defense access roads.

HOUSE

12. ROAD AUTHORIZATIONS. Passed as previously amended, by a 191-30 vote, H. R. 7340, to authorize appropriations for the fiscal years 1954 and 1955 for Federal aid in road construction, including forest highways and forest roads and trails (pp. 6184-5).
13. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported without amendment S. 2748, authorizing Canadian vessels to transport iron ore between U. S. ports on the Great Lakes during 1952 (H. Rept. 2008)(p. 6213).
14. PUERTO RICO. Passed with amendments H. J. Res. 430, approving the Puerto Rican constitution (pp. 6185-6206).
15. BUDGETING; EXPENDITURES. Received this Department's report on obligations in excess of amounts permitted by USDA regulations promulgated pursuant to R. S. 3679 as amended by Sec. 1211 of the General Appropriation Act, 1951; to Appropriations Committee (p. 6213).
6. FLOOD CONTROL. Received this Department's survey report on the Pecos River watershed, N. Mex. and Tex.; to Public Works Committee (p. 6213).
17. IMPORT CONTROL. Rep. Eberharter spoke against Sec. 104 of the Defense Production Act, which restricts imports of cheese, etc. (pp. 6183-4).
18. SHOES; LEATHER; PRICE CONTROLS. Various members discussed business conditions in the shoe and leather industries and Rep. Vursell criticized OPS price control on shoes which he claimed was "robbing the consumer of millions of dollars" yearly. Reps. Crawford and McCulloch stated tanneries were closing because of tremendous leather price drops and both recommended that specific language be incorporated into the Defense Production Act precluding price controls on consumer items unless the President "finds and declares" that the supply is less than the demand. (pp. 6207-10).
19. PERSONNEL, VETERANS' BENEFITS. Received an American Federation of State, County, and Municipal Employees (Madison, Wis.) petition endorsing veterans' preference for Korean veterans in competitive examinations (p. 6214).
20. LEGISLATIVE PROGRAM, as announced by the Majority Leader: Thurs., no business; Fri. and Sat., not in session; Mon., consent calendar, Water Pollution Control Act extension, and Korean GI bill; Tues., private calendar, cotton parity standards. Roll-call votes for Mon., Tues., Wed., will go over until Thurs. Program for remainder of week undetermined. (pp. 6207).

BILLS INTRODUCED

21. BUDGETING. H. R. 8035, by Rep. Mitchell, to amend section 206 of the Legislative Reorganization Act of 1946, so as to enable the Comptroller General more effectively to assist the Appropriations Committees in considering the budget; to the Committee on Expenditures in the Executive Departments.
22. PERSONNEL. H. J. Res. 468, by Rep. Wier, providing for a joint study and investigation of the problem of integrating Federal employees into the community of Washington, to be conducted by the Civil Service Commission, the Bureau of the Budget, and the Board of Commissioners of the District of Columbia; to the Committee on the District of Columbia.

23. **PERSONNEL.** S. 3245, by Sen. Johnston, to amend section 1 (b) (2) of the act entitled "An act to increase the basic rates of compensation of certain officers and employees of the Federal Government, and for other purposes," approved October 24, 1951, so as to provide increases in compensation under such act for employees in grade GS-11 or above whose compensation is paid at rates other than the scheduled rates of such grade; to the Committee on Post Office and Civil Service.

ITEMS IN APPENDIX

24. **FARM PROGRAM; COTTON.** Rep. Gathings inserted a local newspaper article urging a movement away from a one crop, cotton economy and towards diversified farming methods in this Arkansas area (p. A3440).
25. **FLOOD CONTROL; SOIL CONSERVATION.** Rep. LeCompte inserted a letter from the Colfax Chamber of Commerce, Iowa, urging construction of two flood-control dams in the Skunk River Watershed, and an allocation of funds for a soil-conservation program (p. A3461).
26. **ANNUAL LEAVE.** Rep. Rooney inserted a Washington Post editorial praising the Senate Appropriations Subcommittee for striking out the leave rider from the independent offices appropriation bill (p. A3466).
27. **VETERANS' BENEFITS.** Extension of remarks by Rep. Yorty in favor of H. R. 7757, granting preference to disabled veterans in making entry on public lands (pp. A3477-78).
28. **SOYBEANS.** Rep. Bender inserted a statement by Adrian Joyce, of the Glidden Co., that "price regulations imposed by OCS make it impossible for processors of soybeans to operate profitably", forcing a number of them to close down (p. A3480).
29. **POTATOES.** Rep. Bender inserted an article discussing the hearing in Federal court on boxed Idaho potato collings (p. A3484).
30. **FOREIGN AID.** Sen. Smathers inserted a Tampa Tribune editorial opposing the House cuts in the Mutual Security bill because "there is a point at which economy ceases to be prudent" (p. A3463). Rep. Yorty inserted a Washington Post editorial (pp. A3473-74), and Sen. Moody a letter from Mrs. Robert Patterson on the same subject (p. 3484).
31. **SOCIAL SECURITY.** Rep. McGregor inserted a letter from the Ohio Public Employees Retirement board opposing H. R. 7800, to increase old-age and survivors insurance benefits, and requesting full public hearings before further action is taken (p. A3438).

BILLS APPROVED BY THE PRESIDENT

32. **LAND TRANSFER.** S. 1403, directing this Department to transfer to the Navy Department a tract of land at Shumaker, Ark., formerly used by the Farm Security Administration. Approved May 26, 1952 (Public Law 362, 82nd Cong.)
33. **SOIL CONSERVATION.** S. 2569, to continue Federal administration of the Agricultural Conservation Program (PMA) for two additional years beyond Dec. 1952. Approved May 26, 1952 (Public Law 365, 82nd Cong.)
34. **FORESTRY.** S. 1517, authorizing the Department to sell without advertisement,

Neely	Saltonstall	Taft
Nixon	Smathers	Thye
O'Connor	Smith, Maine	Underwood
O'Mahoney	Smith, N. J.	Watkins
Pastore	Smith, N. C.	Williams
Robertson	Sparkman	
Russell	Stennis	

NAYS—10

Butler, Nebr.	Dworshak	Welker
Capehart	Johnston, S. C.	Young
Cordon	Malone	
Dirksen	Schoeppel	

NOT VOTING—22

Bricker	Gillette	McClellan
Byrd	Jenner	McMahon
Cain	Kefauver	Murray
Carlson	Kerr	Seaton
Chavez	Knowland	Tobey
Duff	Langer	Wiley
Eaton	Magnuson	
Flanders	McCarran	

So the bill (H. R. 7005) was passed.

The VICE PRESIDENT. Without objection, Senate bill 3086 will be indefinitely postponed.

Mr. CONNALLY. Mr. President, I move that the House bill be printed together with the amendment which has been adopted by the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF DEFENSE PRODUCTION ACT OF 1950 AND THE HOUSING AND RENT ACT OF 1947

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of Senate bill 2594, Calendar 1529, extending the provisions of the Defense Production Act of 1950, and so forth.

The VICE PRESIDENT. The bill will be read by title.

The CHIEF CLERK. A bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2594), which had been reported from the Committee on Banking and Currency with an amendment.

LEGISLATIVE PROGRAM

Mr. McFARLAND. Mr. President, previously I gave notice that the Senate would meet at 10 o'clock tomorrow morning because there would not be a Friday session.

Many Senators have asked me from time to time whether Congress will be able to conclude its work before the national conventions convene. We are endeavoring to make a drive to ascertain whether that will be possible. If we are going to try to do that, now is the time to proceed to do so.

Yesterday I gave notice that today we would take up Senate bill 2968, Calendar 1408, a bill which would amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended. However, the hour now is late, and it is felt that there is not sufficient time to take up that bill today. I now give notice that on any

day when there is available time, that bill will be considered. It will take only a few moments to dispose of it.

Another bill on the program is Senate bill 3019, Calendar No. 1430, a bill which would amend the Career Compensation Act of 1949, as amended, in order to extend the application of the special-inducement pay provided thereby to doctors and dentists, and for other purposes. I give notice now that we shall take up that bill on any day when we have time to do so.

Of course, Senators who are in opposition will be notified so as to give them an opportunity to be present.

Mr. O'MAHONEY. Mr. President, will the Senator from Arizona yield to me?

Mr. McFARLAND. I yield.

Mr. O'MAHONEY. In view of the fact that the Senator from Arizona is making announcements for the guidance of the Senate, I should like to add that a general supposition is abroad in the Senate Chamber that a veto message will be received, probably tomorrow afternoon, of the submerged lands bill. My understanding is that the 10-day period following the submission of the bill to the White House will not expire until Friday; but I assume that in all probability the veto will come, if it does come, on tomorrow afternoon.

That being the case, I wish all Members of the Senate to know that I shall not attempt to have the veto message called up for consideration until after conferences are had with the Senator from Florida [Mr. HOLLAND], so that opportunity will be afforded every Senator who is interested in that measure to be present and to have an opportunity to vote on the question of overriding or sustaining the veto.

I have no reason to believe that the bill can be passed over a veto. Therefore, Mr. President, I should like to say that in the event the veto is sustained, it will be my purpose to seek to have the Committee on Interior and Insular Affairs once more report to the Senate the so-called interim bill which the committee formerly reported, and which I and many other Senators feel will be a settlement of the issue, to the extent that the production of oil may be undertaken.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield, indeed, to the Senator from New Hampshire.

The VICE PRESIDENT. The Senator from Arizona has the floor.

Mr. McFARLAND. Mr. President, I desire to make one more announcement, following which I shall yield the floor, so that Senators may ask questions of the distinguished Senator from Wyoming.

Several days ago I gave notice of our intention to meet at 10 o'clock on Thursday. I requested that no committee meetings be scheduled for that day. I hope no committees will ask permission to sit during the session of the Senate tomorrow, because, if they do, I shall be forced to object. The defense production bill is important, and I hope we may make definite progress with it tomorrow.

Mr. CASE. Mr. President, will the Senator from Wyoming yield for a question?

Mr. O'MAHONEY. I am very glad to yield to the Senator from South Dakota.

Mr. CASE. The Senator from South Dakota is expected to make two addresses in South Dakota on Memorial Day, and another address on Sunday, in connection with the dedication of the Crippled Children's Hospital. I should like to be in the Senate for the vote on the question of the veto.

Mr. O'MAHONEY. I have stated to several Senators who have spoken to me about it that I would make no attempt to have a vote before the 5th of June. I have so stated to the Senator from Florida [Mr. HOLLAND].

Mr. CONNALLY. Does the Senator refer to the vote on the veto?

Mr. O'MAHONEY. Yes; to the vote on the veto.

Mr. CASE. June 5 will give me ample time. I thank the Senator.

PURCHASE BY RFC OF BOLIVIA'S STOCKPILE OF TIN

Mr. MORSE. Mr. President, my attention has just been called to a bit of news from the ticker in regard to the international tin situation, which reads as follows:

WASHINGTON.—The RFC said today it has bought the bulk of Bolivia's stockpile of tin for \$1.21½ a pound, a price the Bolivian producers previously had turned down.

This is the same price the United States is paying other major tin producing nations and the same one the United States was about to offer Bolivia in negotiations that were broken off by the April 9 revolution.

I desire to make a few brief comments regarding this important news item, because it has been my observation that the very good job of economy that is done by congressional committees seldom receives very much attention in the press; but that rather, the press devotes attention to the kind of conflict over economy that often develops on the floor of the House and on the floor of the Senate after committees have done a very good job with their committee work in economizing, on the basis of what a carefully prepared record will show is justified by the evidence.

In regard to the economy represented by the news of the action which has been taken by the RFC on the Bolivian tin matter, I wish to say that when the subcommittee of the Armed Services Committee investigating the preparedness program, headed by the exceedingly able Senator from Texas [Mr. JOHNSON] started its work, one of the first problems with which we dealt was that of profiteering in tin on the part of those, both in this country and in foreign countries, who held a control of the world's tin supply.

It is my recollection that the going price of tin prior to the outbreak of the Korean war was in the neighborhood of 70 cents a pound. It was interesting to note, Mr. President, that immediately after the outbreak of the Korean war the profiteers, both in this country and

in foreign countries, went to work, and again we saw the very sad spectacle of economic forces willing to profiteer at the expense of blood lost on the battlefield. But, under the leadership of the Senator from Texas, our investigating committee took the position that we would not let our country be blackmailed into accepting the kind of profiteering that those who controlled the tin supply of the world were seeking to impose upon us.

Finally, after very careful investigation, the committee came to the conclusion that any price such as was being asked, in the neighborhood of \$2 or \$2.01 a pound, was simply an unconscionable case of an international holdup on the part of the countries asking it. As I recall, those controlling Bolivian tin were insisting upon \$2.01 a pound. But let me make it clear that this kind of hold-up was not limited to Bolivia. It became the position of our committee, and we so advised the RFC after we had submitted our unanimous report on the tin problem, that any price very much in excess of approximately \$1.20 simply could not be justified. And so it is a matter of great gratification to me, and I am sure, to the other members of the Johnson subcommittee, that the RFC today announces that it is negotiating for the purchase of the Bolivian tin for \$1.215 a pound. It is a demonstration, Mr. President, of what can be done if we agree upon a sound principle and then adhere to it. By the action taken by the Johnson subcommittee, and by the splendid cooperation we have received from RFC in regard to this matter, on this little item alone we have saved the American taxpayers in the neighborhood of \$400,000,000.

As a member of that subcommittee, Mr. President, let me say I know something about the pressure which was put not only upon members of the subcommittee, but also on the RFC to yield to the international holdup and blackmail attempt which was made in regard to the tin issue.

Mr. President, I congratulate—and I think congratulations are due—the RFC for the courage and the fearless devotion to what I think is sound principle which they have exhibited in regard to the tin problem. I congratulate the chairman of the subcommittee, the Senator from Texas [Mr. JOHNSON], because, had we not had a chairman with the courage and the fearlessness of the Senator from Texas, there would have been a yielding on this matter, weeks and weeks ago.

It is always good when one is able to report to the American people something favorable in regard to action taken by a committee; and I would say to the public, if they want to know where the real economizing is being done in regard to the budgetary problems confronting the country, they should pay more attention to what is being done in the committees of the Congress. That is where the real economizing is taking place. We do not find in the committees the playing of politics with the economy issue, which is so frequently manifested on the floor of the Senate when a Senator, for political

purposes, offers a so-called economy amendment, although he knows that the evidence before the committee does not support his amendment. Yet he will get headlines in the press, and many people will be led to think that he really is proposing an economy, when, after all, a carefully considered hearing upon the matter has shown that the amendment will not promote economy.

The action I am reporting this afternoon, taken by the Johnson subcommittee and by the RFC, shows that men who are devoted to protecting the national economy on the basis of the evidence presented are the ones who really deserve credit for economizing for the American people.

Mr. MAYBANK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. MAYBANK. I want to commend the distinguished Senator from Oregon for his remarks.

I should like to state at this time that the Senate of the United States requires the Banking and Currency Committee to report bills which it has before it. We are advised by the distinguished majority leader that our committee cannot meet at 10 o'clock in the morning, but I want the public to know that we shall meet at 9:30 o'clock in the morning to report the RFC bill and other proposals which are before the Banking and Currency Committee.

Mr. JOHNSON of Texas. Mr. President, before I suggest that the Senate proceed to the consideration of the Executive Calendar, I desire to express my thanks and deep gratitude to the able Senator from Oregon [Mr. MORSE] for his generous remarks concerning the work of the preparedness subcommittee. No Member of the Senate has made a greater contribution to the committee than has the Senator from Oregon. His attendance, his fine legal mind, his concern with the strength of the armed services, his insistence that proper procedures be followed to protect the rights of the servicemen, of the officers of the Defense Department, of the Congress, and of all the people, have resulted in the many fine contributions which have been made by the committee. One instance is the decision made by the RFC and the Bolivian Government which will result in saving millions of dollars of the taxpayers' money.

Mr. President, the committee has worked without regard to politics. It has left politics at the committee door. Of the almost 40 reports we have filed, each report has been filed with the unanimous approval of the members of the committee.

I am grateful for the cooperation we have received from the executive departments, and particularly from the RFC in regard to the subjects of rubber and tin.

I am particularly grateful to the Members of the minority for the time they have spent, for their willingness to work long and arduous hours, and for the contributions they have made to the servicemen and the taxpayers of the Nation.

Again, Mr. President, I express my profound thanks to the Senator from Oregon.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. SCHOEPPPEL. Mr. President, I should like to say on behalf of the Preparedness Subcommittee and of its chairman, the junior Senator from Texas [Mr. JOHNSON], that I am sure all Members of the Senate, and especially those on the minority side, have appreciated the promptness and the thoroughness with which reports have come from the subcommittee which the distinguished Senator from Texas heads. I know the words of commendation expressed by the Senator from Oregon [Mr. MORSE] reflect the attitude of all Members of the Senate. I think the committee has rendered very fine service in dealing with many matters which are so important in these days.

Mr. JOHNSON of Texas. I thank the acting minority leader.

PAY OF POSTAL EMPLOYEES

Mr. McKELLAR. Mr. President, postal employees have been notified that they will not be paid because there is no money available.

Democrats and Republicans were present today in large numbers in the meeting of the Appropriations Committee, and have considered a House resolution which authorizes the payment of postal employees until the third supplemental appropriations bill is agreed to, or until the 16th of June. I think every member of the committee, and I know every Member of the Senate, wants these employees to be paid. The matter is safeguarded in every way possible.

Mr. FERGUSON. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not true that the distinguished chairman and the committee have been trying to get a conference with the House on the third supplemental appropriation bill?

Mr. McKELLAR. We have tried time and again, but we have been unable to succeed, and it is necessary that the postal employees be paid, and that the money be provided to pay them.

Mr. President, I ask unanimous consent for the present consideration of House Joint Resolution 426.

The VICE PRESIDENT. The Senator from Tennessee asks unanimous consent that, without disturbing the status of the unfinished business, the Senate act on the joint resolution to which he has referred. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 426) making temporary appropriations for the fiscal year 1952, and for other purposes.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with amendments.

The VICE PRESIDENT. The clerk will state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, on page 1, line 6, after the word "to", to strike out "carry out the" and insert "pay salaries of Government employees under existing."

The amendment was agreed to.

The next amendment was, on page 2, line 1, after the numerals "1952", to insert "or as passed by the Senate on April 22, 1952, whichever is lower."

The amendment was agreed to.

The next amendment was, on page 2, line 5, after "(Public Law 187)", to insert a colon and the following additional proviso: "Provided further, That no new positions shall be created and no increase in salaries shall be made in any department, bureau, independent office, or other activity of the Government, between the approval of this joint resolution and July 1, 1952, or until the Third Supplemental Appropriation Act of 1952, H. R. 6947, shall be enacted into law."

The amendment was agreed to.

The next amendment was, on page 2, line 8, after the word "or", to strike out "May 31, 1952" and insert "June 16, 1952."

The amendment was agreed to.

The next amendment was, on page 2, after line 12, to insert a new section, as follows:

SEC. 4. No part of any appropriation provided by this joint resolution, or any funds made available for expenditures by this joint resolution, shall be used for the purpose of acquiring, seizing, or operating any plant, facility, or other property, unless the acquisition, seizure, or operation of such plant, facility, or other property is authorized by act of Congress.

The amendment was agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

DEFENSE PRODUCTION ACT OF 1952

Mr. MAYBANK. Mr. President, there is an error in Report No. 1599 on the Defense Production Act, which I reported to the Senate yesterday. A paragraph was included on page 31 which should not have been in the report. The staff inadvertently failed to strike it out on a last minute check that was made of the galley proof.

Rather than request a star print of the report, in order to save the Government the expense involved in that, I ask unanimous consent that the paragraph on page 31 to which I have referred be deleted from the report, and not be considered part of it. It reads:

Your committee considered, and rejected, a proposal to change the word "locality," in section 1 (b) of the act, to "city, town, village, or other civil subdivision" (similar to the language in the Davis-Bacon Act), which was subsequently modified to read "local labor market area," in order to include workers in a normal commuting area surrounding the place of manufacture, and avoid the artificial boundaries of a city, town, or county. It is the intent of your committee that its action in rejecting this proposal be without prejudice to future deliberations of the courts concerning the meaning of "locality."

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. MAYBANK. Mr. President, as a part of my remarks I ask that there be included a brief summary of the provisions of the Defense Production Act of 1952.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

The bill extends until June 30, 1953, the following titles:

Title I. Priorities and allocations.

Provision is also made in this title for import controls (old Public Law 590).

Title II. Requisition and condemnation.

Title III. Loan guaranties and other loans; purchase and development commitments; subsidy payments; authorization for the lending authority.

Title VI. Consumer and real estate credit controls.

Title VII. Administrative provisions and Small Defense Plants Administration.

The bill extends title IV (price and wage stabilization) and title V (settlement of labor disputes) until March 1, 1953.

Amendments the committee adopted are as follows:

Section 101: Import controls on fats and oils. This substitutes the old Public Law 590 for the Magnuson amendments (Sec. 104 of the act).

Section 102: Amends the Capehart amendment to make it clear that it does not apply to retailers and wholesalers.

Section 103 (a): This exempts professional engineers, architects, and accountants from salary stabilization.

Section 103 (b): This is the Knowland-Frear amendment which exempts marine terminals, docks and warehouse facilities from price control, and exempts certain charges made by common carriers (pay washrooms, toilet facilities, and automobile parking charges).

Section 103 (c): This exempts rates, fees, and charges for materials or services which are supplied by the various levels of government.

Section 104: Robertson amendment which strikes out the word "hereafter" from the Herlong amendment. This has the effect of extending to all retailers and wholesalers their historical mark-up. OPS would be required to revise all regulations applying to wholesalers and retailers that have been issued previous to the enactment of the Herlong amendment.

Section 105: The Bricker amendment which requires OPS to adjust their ceiling prices to State minimum sale prices. So-called fair-trade laws have been excepted from this amendment.

Section 106: The Dirksen amendment which abolishes the present Wage Stabilization Board and creates a new Board consisting of all public members. The Board would have no power to make any determinations with respect to labor-dispute questions. Their power would be restricted to determinations with respect to wages.

Section 107: The Maybank suspension-of-controls amendment. A declaration of policy setting forth the criteria under which price and wage controls should be suspended. It would permit the suspension of price controls without suspending wage controls, and vice versa.

Section 108: This section simply protects against liability those contractors who are unable to carry out a contract because their suppliers are prohibited by the priorities and allocations section of this act from making shipments of critical materials or parts to them.

Section 109: Provisions for the extension of the dates of various titles.

Section 201: Extends the Rent Control Act until June 30, 1953.

Section 202: Robertson amendment. Provides that where an area has been decontrolled, before that area can be recontrolled a 30-day notice and a public hearing is required.

Section 301 (a): The Fulbright amendments to the Walsh-Healey Act. The first amendment would modify the "open-markets" exemption so as to make it conform with what the committee believes was the original intent. It would exempt the purchases of materials "of standard type and construction" as are usually sold in the open market "to purchases generally, regardless of the method of procurement used by the Government."

The second amendment assures persons adversely affected or aggrieved by the administrative actions under the Walsh-Healey Act that they shall have proper procedural and jurisdictional safeguards.

GOVERNMENT OF WEIMAR REPUBLIC—LETTER FROM HENRICH BRUNING

Mr. HUMPHREY. Mr. President, recently I received a letter from Henrich Bruning, former Chancellor of Germany, concerning the use of emergency powers by the government of the Weimar Republic. Senators will remember that the subject was hotly debated by the Senate. Believing this to be of interest to the Members of the Senate, I ask unanimous consent that Mr. Bruning's letter to me, dated May 12, 1952, be inserted in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CAMBRIDGE, MASS., May 12, 1952.

The Honorable HUBERT HUMPHREY,
United States Senate.

MY DEAR SENATOR HUMPHREY: My attention has been drawn to your friendly remarks about myself in the course of your prominent part in the Senate debate on April 21, in which my use of emergency powers as Chancellor in Germany came under discussion. I did not establish a precedent in the use of article 48 of the Weimar constitution. The precedents were established by President Ebert in the revolutionary and inflationary period immediately after 1918. Similar emergency powers were invoked between the two world wars by the governments of almost all European states, including Great Britain, because the problems resulting from the war and the peace treaties, especially from the burden of reparations charges against Germany, could not be solved by normal parliamentary methods.

Emergency decrees under article 48, like British orders-in-council, had to be tabled immediately before Parliament. Parliament might rescind an emergency decree by simple majority as soon as it was promulgated—as happened once in an accidental surprise vote. A parliamentary majority could also alter any part of an emergency decree by its own initiative; the President had either to promulgate the new legislation overriding his decree or to resign.

There was no constitutional precedent in Germany for the government's taking over an industry, nor did it ever happen. It did happen several times that Communist workmen occupied plants and stopped production, against the will of the majority of the employees, and that the government, with the support of the majority workers, expelled the militant Communists.

In connection with your statement that the Weimer Republic failed to take decisive action against the Nazis, I should point out the old German legal tradition that a party could not be banned, or its leaders prosecuted, even on the ground that its program was opposed to the Constitution. Under our legal tradition, the courts could sentence individual leaders of revolutionary parties only on proof of actual conspiracy to overthrow the Constitution in a specific case. This was the attitude not only of the courts but also of parliament. It was possible under the Constitution to dissolve Nazi and Communist paramilitary organizations, like the Red front, the S. A. and S. S., but President Hindenburg developed grave constitutional doubts and made my action in this regard a reason for my dismissal.

After Hitler was appointed Chancellor, he made use of the emergency presidential power until article 48 of the Weimer Constitution only once—to dissolve the Communist Party (on the pretext of the burning of the Reichstag) after the Communists in the first election of 1933 had become the strongest party in the Reichstag after the Nazis. He did this, of course, to procure a two-thirds majority in parliament for an enabling act, such as Stresemann had got in the fall of 1923, at the height of the currency depreciation and in the face of open Communist and Nazi revolts. The enabling act temporarily eliminated the President's powers. This gave Hitler retroactive, legal protection for his dissolution of the Communist Party under the presidential emergency power, and set the precedent for the dissolution of all the other parties. As the leaders of these parties either fled the country or living in hiding, there was no one to bring their cases before the Supreme Court. If President Hindenburg had not been already in failing health, he could have availed himself of constitutional possibilities to invalidate the enabling act—nor would he, of course, have appointed Hitler Chancellor.

It has happened from time to time throughout history that constitutional or

legal safeguards designed to protect the rights of the individual have been perverted under completely changed conditions to the opposite end. But for that to be possible, economic and social conditions must be violently disrupted over a considerable period, to a degree that nobody can expect for the United States in the foreseeable future.

Respectfully yours,

H. BRÜNING.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Albert F. Nufer, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Mr. SCHOEPPLE. Mr. President, for the RECORD, let me say that I understand that there are no objections to any of these nominations.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

RAILROAD RETIREMENT BOARD

Mr. JOHNSON of Texas. Mr. President, I ask that consideration be given

to the confirmation of the nomination of William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board for a term of 5 years. Objection had been made by a Senator earlier in the day, but he consulted with the majority leader and informed him that the objection was removed.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be notified of confirmations made this day.

RECESS

Mr. JOHNSON of Texas. As in legislative session, I move that the Senate take a recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 9 o'clock p. m.) the Senate took a recess until tomorrow, Thursday, May 29, 1952, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28, 1952:

RAILROAD RETIREMENT BOARD

William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board for a term of 5 years from August 29, 1952.

DIPLOMATIC AND FOREIGN SERVICE

Albert F. Nufer, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Mr. McCORMACK. That is correct. Mrs. ROGERS of Massachusetts. But if there is a record vote it will go over until when?

Mr. McCORMACK. If there is a record vote on anything on Monday, Tuesday, or Wednesday, that is, as distinguished from a quorum call, the agreement of the leadership is that they will go over until the following Thursday.

Mrs. ROGERS of Massachusetts. Monday is an inconvenient day, but I think it is extremely important that the GI bill of rights should be taken up under suspension. It is 2 years since the war started in Korea and still nothing has been done for those veterans.

Does the gentleman know if there is any chance of the supplemental appropriation bill coming back from conference?

Mr. McCORMACK. I am unable to answer that. I have no information.

Mrs. ROGERS of Massachusetts. The gentleman knows the Senate has not acted on the money for the automobiles for the disabled veterans, and pay for the widows and orphans. We have passed a continuing resolution, but they have not acted.

Mr. McCORMACK. That is correct, but the gentleman from Massachusetts has no control of that.

PERMISSION TO ADDRESS THE HOUSE

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include copies of four resolutions introduced by her.)

THE KOJE ISLAND RIOTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I call attention to the fact that I introduced today four resolutions calling for pertinent facts and complete information regarding riots in Japan and in the prison camps on Kojé Island, Korea. I am very positive that the War Department of the Army acted and took away the star from General Colson without ascertaining complete facts as to his activities or lack of activities regarding the Kojé prison camp. Additional information should be given to the American public. We should have been told of the continuing riots in Japan since last September.

I think the criticism should be leveled at the people at the top rather than at General Colson.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Illinois [Mr. VURSELL] is recognized for 30 minutes.

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

SHOES SHOULD BE DECONTROLLED

Mr. VURSELL. Mr. Speaker, OPS price control on shoes is robbing the con-

sumer of millions of dollars in bargains a year.

Due to excessive warehouse stocks, big bargains in shoes are in store for the American people but the Office of Price Stabilization will not let the consumers enjoy these bargains. If OPS would quickly suspend controls on shoes, these big windfall bargains would be given to the people of this country. If they delay much longer, the bargains will vanish.

Since January 1, the Office of Price Stabilization has refused to make these bargains available to the people because they say they want to study the situation some more. In the meantime, OPS controls make it difficult and in some instances impossible for the shoe industry to reduce prices when they sincerely desire to do so.

While the top experts and theorists at the Office of Price Stabilization study the situation the public goes on paying higher prices for shoes than is necessary while thousands of OPS employees joyfully ride the gravy train as time marches on.

Prices of shoes can be decontrolled at the manufacturer and retail levels without any danger of prices going up. With the price of leather having gone down 13.8 percent below pre-Korean levels, and with hides from which leather and shoes are made now selling at 44.4 percent below pre-Korean price levels certainly leather and shoes can and should be decontrolled without any fear that the removal of controls will start an increase in the price of shoes. There are millions of hides in storage hanging over and depressing the market for the future which would prevent the possibility of an inflationary rise.

There are thousands upon thousands of pairs of shoes in factory warehouses begging for buyers at substantially reduced prices. But, retailers will not buy them because they will lose money if they do buy them. OPS regulations are so rigged that they rob retailers of their traditional merchandising flexibility which in normal times makes lower-priced bargains available to the people.

Not only are the regulations robbing the American people of bargain prices for distress merchandise in factory warehouses, but they are also preventing wholesale prices to drop further because retailers will lose money if they buy their shoes cheaper.

This is the strangest story I have ever heard. Here we have an agency set up by this Congress to bring prices down and it is doing just the opposite. This story is so strange that I am sure it needs explaining—it certainly begged for explanation when I first heard it.

This is the way this situation comes about:

Ceiling Price Regulation 7 under which retail margins are controlled sets up an inflexible method by which retailers figure their mark-ups. The mark-up OPS permits the retailer to apply to shoes differs with each type of shoe he sells, and each price at which he buys them. This is based on each individual's historic pattern. Once established on his OPS pricing chart, the mark-up cannot

be changed to meet different conditions. It is a strait-jacket into which the retailer has been forced by OPS. Under the method he uses to figure his mark-up, the retailer may have a mark-up of 28 percent on shoes for which he pays \$4, 38 percent on those costing him \$5 and so on.

Today, as a result of depressed conditions in the industry, manufacturers have thousands upon thousands of pairs of shoes of good quality which they are willing to sell at substantially reduced prices in order to get money to buy supplies to make fall shoes.

But, retailers trapped in this statistical, inflexible strait-jacket cannot buy these shoes without running the risk of heavy financial losses. This is an absurd situation because, in normal times, retailers are constantly prowling through the wholesale markets looking for such good buys. Bargain shoes are used to stimulate business, increase traffic in the store and give the retailer a chance to sell other shoes he has in stock.

Mr. Speaker, I can best illustrate what is happening throughout the country by giving an example:

A retailer has 1,000 pairs of shoes in stock for which he paid \$6 a pair and on which he is permitted a markup of 40 percent.

While he is trying to sell these shoes at \$10, he comes across a batch of the same shoes in a manufacturer's warehouse which the manufacturer is willing to sell for \$4 a pair despite the fact that the regular wholesale price was originally \$6. On the pricing chart, the retailer is allowed a markup of 28 percent on shoes he buys for \$4. These shoes, if they sold at regular prices would easily be worth \$10 a pair at retail.

By applying the 28 percent mark-up to the bargain shoes, he finds that he can sell them for \$5.55 a pair. If he brings those bargain shoes into his store, they will be competing with his regular \$10 shoes.

As a result, he will probably sell all the bargain shoes he can get at \$5.55—but, he won't sell enough of the regular \$10 shoes to give him a profit due to the competition from the bargain shoes which are every bit as good as the regularly priced shoes. His only alternative is to mark down the regular \$10 shoes to meet the competition from the bargain shoes and take a heavy loss. The small margin of profit he makes on the bargain shoes will not cover the losses he suffers by marking down the regular \$10 shoes. Only an aspirin and red ink will solve his problem.

Hence, the retailer can escape this dilemma only by refusing to buy the bargain shoes. In the end, the consumer is robbed of a terrific bargain.

Now, if OPS were not meddling in the affairs of this retailer, he would buy the bargain shoes at \$4, take a heavier mark-up of 50 percent giving him a substantial margin. He would then mark down his regular \$10 sellers to meet the competition from the bargain shoes. This would give him a markup of 25 percent on his regular \$10 shoes and a mark-up of 50 percent on the bargains.

The money he loses on the 1,000 pairs of shoes he had in stock and which cost him \$6 a pair is made up by the margin he makes on the bargain shoes and he comes out with black ink on his pen. And, what is most important, the consumer enjoys a terrific bargain saving about \$2 a pair.

Mr. Speaker, another way in which OPS controls are stealing money from the American people's pay checks stems from retailers' resistance to lower prices from manufacturers. This is an even stranger paradox. Again CPR 7 of OPS is the culprit.

The retailers' pricing chart is so set up that if a manufacturer wants to reduce his price by say 25 cents a pair, the reduction will put that particular type of shoe in a different category and call for a lower mark-up. The 25-cent reduction just barely puts the shoe in the next lower category and means that the retailer's profit margin is further squeezed. Hundreds of cases like this have been reported to me.

If OPS were not in the picture, the retailer would take advantage of the 25-cent reduction and apply a mark-up which would give him a profit. As things stand now with OPS meddling, the retailer just refuses to buy the shoes for less money. Again the American people pay the bill—a tribute to OPS bungling.

Besides robbing the American people of these big shoe bargains, OPS is forcing thousands of small retailers to be accountants instead of merchants.

There are about 15,000 shoe stores throughout the country whose annual volume of business is less than \$50,000 a year, according to the latest census report. And, many of these are below the \$25,000 a year level.

It is these people who are being hurt the most by OPS regulations. If the situation in the industry made regulation necessary, one could see the sense in exacting such a toll on the small retailers of this country. But the facts prove otherwise as I shall demonstrate in a moment.

The utter absurdity of continuing controls over this industry is revealed beyond a shadow of a doubt by even a cursory examination of price and production trends in recent months.

Mr. Speaker, according to the Bureau of Labor Statistics of the Department of Labor, prices of hides are down by 44.6 percent as compared with pre-Korean levels. Leather prices are down 13.8 percent from pre-Korean levels, and shoes of all types are up since the Korean outbreak by 10.7 percent. OPS is keeping them up.

Compare these declines with the situation in cotton, wool, and synthetic textiles over which OPS suspended controls this week.

Cotton is up by 8.6 percent and wool is up 3.9 percent and synthetic textiles are up 4.5 percent since before Korea, yet they decontrol these items.

Plain common sense is taking an awful beating in this situation. How can OPS justify the suspension of controls over commodities which are selling above the levels obtaining before Korea, and at

the same time blithely say that they cannot suspend controls over leather which is selling 13.8 percent below the pre-Korean prices?

One cannot escape the obvious conclusion that the bureaucrats are having a tough time relinquishing their control over the economy of this Nation when the facts and the law dictate otherwise.

Controls over hides were recently suspended. But, controls on leather are still in effect despite these glaring facts.

But, OPS says that leather and shoes do not meet the standards set up by them to justify suspension. It seems obvious to any intelligent person who looks at the figures I have just mentioned that this statement is ridiculous when applied to leather. I will now show that it is equally ridiculous when applied to shoes.

Factory prices of shoes are down by from 10 to 15 percent, according to both Government and industry figures. They are trying to go down further.

According to the Census Bureau, the average factory value of shoes last March—the latest figure available—was down 10 percent from the same month last year.

Just the other day, the Navy opened bids on 300,000 pairs of shoes and the lowest bid was \$2.32 a pair below the lowest bid submitted for the same shoes last year when prices were near peak levels. The low bid the other day was \$4.26 a pair as compared with \$6.58 a pair last year.

The 10-percent decline which was reported in March by the Census Bureau does not take into account the cuts made during April and the first part of this month as manufacturers expend every effort to increase sales. It is estimated that these reductions range from 5 to 10 percent.

And, more cuts are on the way on fall shoes. This is an important factor because under the OPS suspension standards a product must not only be selling below ceiling, but there must be no danger that the price may rise. Now, if manufacturers have already announced their intentions to reduce prices on fall shoes which are already coming off the production lines, and they have, it seems to me that this product certainly meets the latter requirement. The cuts proposed for fall shoes range from 5 to 10 percent.

Mr. Speaker, those making the decisions at OPS tell me they are delaying suspension over shoes because they do not believe that prices are down at retail. To the casual observer or to one who does not know the practical side of merchandising shoes, this statement carries a lot of weight.

It carries little weight with those people working for OPS who know the shoe industry—but, unfortunately, these people are not charged with making the decisions. It has been reported to me that the OPS people at the lower or operating level for months have recommended suspension of controls over shoes and leather.

The delay comes from the top echelon where the theorists and economic planners hold full sway.

At present markets are falling. In such a situation, the retailer moves shoes from the higher-priced level to the next lower level and maintains a lower inventory on the higher-priced points.

Manufacturers of branded lines who also have built up a reputation for certain price points are doing the same thing.

As an example of how this works, a large producer in St. Louis last year had a line of shoes covering 50 styles. Twenty of those sold at \$11.95, 20 at \$10.95 and the remainder at \$9.95. Next fall, these 50 styles will be sold at lower prices by making 10 available at \$8.95, 10 at \$9.95, 20 at \$10.95 and 10 at \$11.95.

How much of a price cut does this represent? Even those who made the switch at the factory could not figure it out precisely percentagewise. But, it is a reduction any way one looks at it.

The experts at OPS not fully familiar with merchandising cannot see this, however.

Therefore, they say there is not sufficient indication that prices at retail have come down. The facts as they are known to intelligent merchandisers are different.

Not only have there been outright price cuts at retail which amount to from 10 to 15 percent, but retailers have made price reductions by using one of the oldest merchandising techniques known to shoe retailers.

These people are extremely jealous of the price points with which the consumer identifies them. They have spent years and great amounts of money to be so identified in the consumers' mind. Some retailers specialize in shoe selling at \$8.95, \$9.95, \$10.95, and \$11.95; others for shoes at \$3.99, \$4.99, \$5.99, and \$6.99 and so on.

In an effort to maintain their competitive position, these retailers go to a lot of trouble to keep their price points unchanged, sometimes selling shoes at a loss. This desire to maintain price points holds during rising markets as well as falling markets.

Here are some more facts which dictate the removal of onerous controls over a depressed industry:

Shoe production is running at an annual rate of 490,000,000 pairs, which is slightly under that of last year when the military was buying more heavily.

Rubber products prices have been declining and the General Services Administration will return rubber to the free market as of next June 30.

The National Production Authority has removed all controls over hides, skins, and leather and almost all controls over rubber.

Shoe price movements are not volatile. From June 1950 to April 1951, shoe prices rose only 20.4 percent, as compared with 34.1 percent for raw cotton, 59.2 percent for wool products, and 28.8 percent for cotton products, all items over which controls have been suspended.

Consumer demand for shoes has been relatively constant over a period of many years and the industry has an excess productive capacity of upward of 200,000,000 pairs.

This clearly shows that shoe price rises are caused by rising raw materials prices and not demand. Hence, if controls can be safely suspended on hides, why does not the same hold true for shoes?

Not one shoe manufacturer in the country is getting ceiling or above-ceiling prices for his product. Yet, he is forced to make complicated computations to prove this to OPS every time he makes a new shoe.

Leather production is running at a rate of 7 percent of the peak levels of last year. This heavy demand last year was caused by the fear of shortages which never developed and inflated estimates of military requirements. The current production of leather is down not because of any lack of raw stock but due to a reduced demand.

Hide production is running higher than last year and there are many instances when surpluses of 2,000,000 hides or so hang over the market to depress prices.

Military buying has been reduced by from 75 to 80 percent below the rate of last year.

Months ago NPA removed hides and leather from the critical list of items needed for the Armed Forces.

Imports of goatskins from which is made kid leather are running at a high rate and the price of kid leather is at the lowest point in 12 years.

With these facts before them, how can the OPS planners say that the situation does not yet warrant removal of controls on shoes and leather?

Common sense is under severe attack from the bureaucrats who are anxious to keep their meddlesome finger in the pie of free competitive markets.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. McCULLOCH. Does the gentleman from Illinois know how many people are on the payroll of the agency dealing with shoes and leather?

Mr. VURSELL. Not of this particular agency but I believe there are about 12,600 employees in OPS generally.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. CRAWFORD. If the gentleman will permit, I would like to make a statement to the effect that one of the oldest established tanneries in the country located in my own town has been forced to close its business by reason of this tremendous drop in the price of leather.

I join with the gentleman in his observations to the effect that these two items should be decontrolled. I will go a step further: It seems to me that in consideration of the new Defense Production Act which will soon be up for consideration that we should write into that law specific language that no consumer item should come under price control until the President absolutely finds and declares that the quantities available are less than the demand. In other words, so long as the quantity available is greater than the demand, on what grounds can you contend the item should be price controlled?

Mr. VURSELL. The able gentleman from Michigan is right.

Mr. CRAWFORD. I congratulate the gentleman on his statement.

Mr. VURSELL. I testified before the Committee on Banking and Currency along that very line yesterday.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. I want to say to the gentleman that I am very glad he is making this speech in an endeavor to bring about the decontrol that he seeks. I understand both labor and management in the district I have the honor to represent, one of the great shoe-producing centers of the country, are strongly in favor of the objective he seeks. I hope his remarks will be conducive to that end.

Mr. VURSELL. I thank the very able gentleman from Massachusetts.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the able gentleman from Ohio.

Mr. McCULLOCH. I should like to endorse the remarks made by the gentleman from Michigan [Mr. CRAWFORD]. In the Fourth Congressional District of Ohio we have one of the largest if not the largest tanneries in the State of Ohio. That tannery is confronted with the same condition that the tannery in his district is confronted with. I, too, am of the opinion that the time has come to end controls when the supply is greater than the demand. If there is ever any excuse for controls in America it is only in times when there is a short supply of the essentials of life. I congratulate the gentleman from Illinois for bringing this matter before the House so that everyone will have the benefit of the information he is supplying before we will have to come to a conclusion on another extension of wage and price controls.

Mr. VURSELL. I thank the gentleman. Tanneries have contacted me along the line reporting the same conditions as the able gentleman from Ohio reports.

Mr. VELDE. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to my colleague, the gentleman from Illinois.

Mr. VELDE. I congratulate the gentleman on his fine presentation. I have no large shoe producers in my district but we have quite a few people, about 314,000 who use shoes. If decontrol brings prices down my people will appreciate that. May I ask the gentleman, what is the chief reason the OPS refuses to decontrol shoes at the present time?

Mr. VURSELL. In reply to the able gentleman's question, I would say that the head of one of the biggest OPS divisions with reference to shoes told me last December that they were strongly of the opinion that shoe ceilings should be suspended. I have been in touch with the Washington office and they have told me as long as a month ago they agreed and were preparing to take such action. Now they have backed away

from it on the very flimsy premise that shoes have not been reduced enough at retail; at least, they are not certain about it; and they want to study it for a few weeks more. That is the only reason they gave me. I feel they are wrong in their conclusions.

The facts are that the inflexibility of the control standards of the OPS are preventing the retailers from reducing shoes as much as they would like. This is a very strange story when you come to think that OPS is supposed to stabilize prices and help to keep prices down. In this instance nearly any shoe manufacturer or retailer in the Nation will tell you that OPS regulations make it more difficult to bring the prices of shoes down.

One reputable shoe manufacturer told me that he was reducing his prices and that he had contracted to supply a chain outlet of 300 shoe stores. That after they got the first bill of goods and found that they had to do so much remarking, and that after marking the shoes down they would be in a lower profit rating, they called up and canceled the order. Hundreds of chain stores and independents are caught in the OPS strait-jacket, making it difficult to bring prices of shoes down.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield further?

Mr. VURSELL. I yield.

Mr. McCULLOCH. Might I conclude from what the gentleman from Illinois has said that this is just another example of a Federal bureau being given a grant of power and then refusing to relinquish it after the cause for its use no longer exists?

Mr. VURSELL. Well, I fear you may be right.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. BUSBEY. Does the gentleman from Illinois think that under the present administration there is any possibility of getting rid of controls as long as they continue to ship needed materials out of the United States and create shortages as an excuse to keep coming back to Congress repeatedly to have us continue controls?

Mr. VURSELL. There is much fact in the question the gentleman from Illinois [Mr. BUSBEY] raises. I think the administration's policy of shipping billions of dollars as gifts in agricultural products, as well as manufactured items, to foreign countries are, of course, very inflationary and are responsible very largely for price controls.

Mr. Speaker, when you look at this whole shoe situation, you find it will greatly benefit the consumer, provide steady employment for thousands of shoe workers, and strengthen the entire shoe industry. As the gentleman from Massachusetts said a few minutes ago, it is approved not only by the manufacturer but by the retailer and by the workmen who make the shoes. It would seem to me that with the great supply we have, and with prices trying to come down, and coming down in spite of the

OPS, it is the responsibility of Congress to do something about it. I hope it will be done when the bill comes before the House.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. POAGE] is recognized for 30 minutes.

TIDELANDS LEGISLATION

Mr. POAGE. Mr. Speaker, we are indeed living in a world of change. Not only are we seeing daily changes in the field of science; our Government and our social concepts are changing. Change is necessary if we are to progress, but change has no virtue unless it leads to something better than the old condition. I doubt seriously that any change from our system of constitutional government of limited powers is in the public interest although there are millions of people the world over, some of them within our own land, who contend that the arbitrary methods of government by inherent power is more efficient than constitutional democracy. I know that no change in the principle of honesty in both public and private life can be properly considered as progress. The Government of the United States as well as every citizen thereof should still be expected to abide by its solemn contract.

Last week the President gave us an example of change by delivering a veto message not to Congress which passed the legislation, and to which the Constitution says vetoes shall be directed, but by delivery of this veto message to a political meeting of a group who call themselves Americans for Democratic Action. These people had a perfect right to hold a meeting and the President had a perfect right to attend their meeting, but it seems that he must have gotten the wrong address, or maybe he made the wrong speech at the right address. In any event, he used this gathering to express his opinion of the action of the Congress in again confirming the title of the coastal States to the submerged lands within their borders. I would be happy if the President were to leave his veto in the hands of this extra legal assemblage and allow the will of the overwhelming majority of both Houses of the Congress to stand, but I have received information that he has at long last located the address of the Congress of the United States and is even now sending a carbon copy of the veto to us. This innovation in the method of addressing veto messages might be of relatively little importance, even though it seems to be a studied attempt to express Presidential contempt for the legislative branch of government.

We cannot, however, dismiss as of slight consequence the change in our national attitude toward a governmental contract which this veto evidences. Nor do I believe that this Nation can long expect to retain the confidence and cooperation of any of the leaders of other nations of the world if we repudiate our

international obligations with the complete nonchalance evidenced by the four Justices of the Supreme Court and the President in the Texas tidelands case. To take these lands, which even the majority of the Court admits were the property of the Republic of Texas, simply because the Federal Government now has the physical power to do so is as crude a breach of international honesty as was the German invasion of Belgium in 1914 or the modern-day tactics of Joe Stalin. When Kaiser Wilhelm entered Belgium, he is reported to have said that the treaty between Belgium and his country was only "a scrap of paper." We joined the rest of the world in condemning that act. How can we condemn Kaiser Bill's repudiation of his international agreements and condone an equally flagrant violation by our own country?

Let us look at the obligation of the United States of America.

In 1844 the Republic of Texas was an independent nation, recognized as such not only by the United States, but also by the leading European nations. That republic admittedly owned, as well as held sovereignty over, all the public lands within its boundaries. Those boundaries extended 3 leagues seaward—no one has ever disputed this, and 4 years later, the United States itself insisted on this line, and wrote into the Treaty of Guadalupe-Hidalgo a description of the boundary between the United States and Mexico beginning at a point 3 leagues seaward from the mouth of the Rio Grande River. Since the only claim the United States has ever had to any territory near the mouth of the Rio Grande arises as the successor to the sovereign rights of the Republic of Texas, it can hardly be argued that the Federal Government did not recognize, adopt, and profit from the boundaries claimed by the Republic of Texas.

Now back to 1844. That year the Secretary of State of the Republic of Texas came to Washington to negotiate an annexation treaty. The State Department of this Government worked out such a treaty. Among other things, it provided that all of the public lands of the Republic of Texas should become the public lands of the United States, just as some judges and politicians would like to make them at this time. That treaty also provided that the Federal Government should assume and pay the public debt of the Republic of Texas, just as it had done for each of the Original Colonies, and has since done for every other State which has entered this Union. That treaty was submitted to the United States Senate for ratification, and was rejected in 1844. In the course of debate, it was urged that it would be folly for the United States to pay the debts of the Republic of Texas, and was stated that "all the lands in Texas are not worth \$10,000,000"—the approximate amount of the debts at that time.

Next year, in 1845, the advocates of annexation in the United States succeeded in passing a joint resolution through both the House and Senate which offered Texas annexation on terms

set out in the resolution. Doubtless, in order to get votes in the United States Congress, the proponents of the resolution changed the provisions which had been contained in the treaty of annexation, and provided specifically that the State of Texas should pay all of the debts of the Republic and that the State should retain title to all of the vacant and unappropriated lands within its boundaries. The State did later pay these debts.

The Congress of the Republic of Texas submitted the offer to the people of Texas who in a convention assembled for that purpose accepted the offer on July 4, 1845. On February 16, 1946, the Republic of Texas, in reliance on the honesty and good faith of the United States, turned over to the State of Texas all of its title to the lands in question. It had no misgivings for the United States of America then enjoyed a reputation of keeping its word, a reputation of common honesty in its dealings with other people. Three Presidents of the United States had recently confirmed the title of Texas to these lands, and they had clearly done so with the purpose of influencing Texas to accept annexation.

In 1837 while Texas was still an independent nation, President Andrew Jackson said:

The title of Texas to the territory she claims is identified with her independence.

December 3, 1844, President John Tyler, in his annual message to Congress, while negotiating with the Republic of Texas for annexation, said:

We could not with honor take the lands without assuming the full payment of all encumbrances upon them.

On June 15, 1845, President James K. Polk gave this assurance to the Texas people while negotiating about annexation:

Of course, I would maintain the Texas title to the extent she claims it to be.

For 100 years the United States followed the rule of honesty laid down in the smoke of Mount Sinai.

Again and again, this agreement between Texas and the United States was recognized and confirmed. Many opinions of the courts, both State and Federal, recognized the agreement and the boundaries. Many opinions of executive agencies, including the State Department and the Interior Department, cited and approved this agreement. This three-league boundary was actually surveyed again and agreed upon as the international boundary between the United States and Mexico in 1911. So in both its internal and external relations, the United States stood by this agreement for more than 100 years.

Just 5 years ago, Mr. Justice Tom Clark, then the Attorney General of the United States, on the day he argued the California case, March 13, 1947, handed to the press a written statement:

Texas had been an independent nation, a republic, for 10 years before joining the Union. As a republic it owned all of the lands within its boundaries, including the marginal sea commonly called tidelands. This area similar to that involved in the

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82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 29 (legislative day, MAY 28), 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. FERGUSON to the bill (S. 2594)
to extend the provisions of the Defense Production Act of
1950, as amended, and the Housing and Rent Act of 1947,
as amended, viz:

1 On page 2, between lines 8 and 9, insert a new section
2 as follows:

3 “SEC. 101. Section 101 of the Defense Production Act
4 of 1950, as amended, is amended by adding at the end
5 thereof the following: ‘If the domestic production of any
6 commodity is in excess of the amount necessary to meet
7 allocations for defense, stockpiling, and military assistance
8 to any foreign nation authorized by any Act of Congress,
9 then no restriction or other limitation shall be imposed under
10 this title upon the right of any person to purchase such
11 commodity in any foreign country and to import and use

1 the same in the United States. No restriction or other
2 limitation shall be imposed under this title if the domestic
3 production of any commodity is sufficient to meet all
4 civilian domestic requirements and the requirements for
5 defense, stockpiling, and military assistance to any foreign
6 nation authorized by any Act of Congress.’”

7 Renumber succeeding sections accordingly.

8 On page 5, line 24, strike out “a new subsection (1)”,
9 and insert in lieu thereof “two new subsections”.

10 On page 6, line 5, strike out the quotation marks.

11 On page 6, between lines 5 and 6, insert the following:

12 “(m) No rule, regulation, or order issued under this
13 title shall apply to purchases by any person of any material
14 outside of the United States or its Territories and possessions
15 for importation into the United States for his own use or
16 for fabrication by him into other products for resale.”

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S. 2594

AMENDMENTS

Intended to be proposed by Mr. FERGUSON to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

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Ordered to lie on the table and to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 29 (legislative day, MAY 28), 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. HOLLAND (for himself, and Mr. SMATHERS) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 3, between lines 6 and 7, insert a new section as follows:

1 SEC. 102. Paragraph (3) of subsection (d) of section
2 402 of the Defense Production Act of 1950, as amended,
3 is amended by adding at the end thereof the following: "No
4 ceiling shall be established or maintained under this title for
5 fresh fruits or vegetables.

6 Renumber succeeding sections.

AMENDMENTS

Intended to be proposed by Mr. HOLLAND (for himself and Mr. SMATHERS) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

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82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 29 (legislative day, MAY 28), 1952

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AMENDMENT

Intended to be proposed by Mr. IVES to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

1 On page 6, beginning with line 10, strike out through
2 line 11 on page 8, and insert in lieu thereof the following:

3 (b) (1) There is hereby created, in the Economic
4 Stabilization Agency, a Wage Stabilization Board (herein-
5 after in this subsection referred to as the 'Board'), which
6 shall be composed, in equal numbers, of members repre-
7 sentative of the general public, members representative of
8 labor, and members representative of business and industry.

9 The number of offices on the Board shall be established by
10 Executive order.

1 (2) The members representative of the general public
2 shall be appointed by the President, by and with the advice
3 and consent of the Senate. The members representative
4 of labor, and the members representative of business and
5 industry, shall be appointed by the President. The President
6 shall designate a Chairman and Vice Chairman of the Board
7 from among the members representative of the general
8 public.

9 (3) The term of office of the members of the Board
10 shall terminate on March 1, 1953. Any member appointed
11 to fill a vacancy occurring prior to the expiration of the term
12 for which his predecessor was appointed shall be appointed
13 for the remainder of such term.

14 (4) Each member representative of the general public
15 shall receive compensation at the rate of \$15,000 a year,
16 and while a member of the Board shall engage in no other
17 business, vocation, or employment. Each member repre-
18 sentative of labor, and each member representative of busi-
19 ness and industry shall receive \$50 for each day he is
20 actually engaged in the performance of his duties as a mem-
21 ber of the Board, and in addition he shall be paid his actual
22 and necessary travel and subsistence expenses in accord-
23 ance with the Travel Expense Act of 1949 while so engaged
24 away from his home or regular place of business. The mem-
25 bers representative of labor, and the members representative

1 of business and industry, shall, in respect of their functions
2 on the Board, be exempt from the operation of sections 281,
3 283, 284, 434, and 1914 of title 18 of the United States
4 Code and section 190 of the Revised Statutes (5 U. S. C.
5 99).

6 (5) The Board shall, under the supervision and direc-
7 tion of the Economic Stabilization Administrator—

8 (A) formulate, and recommend to such Adminis-
9 trator for promulgation, general policies and general
10 regulations relating to the stabilization of wages, sal-
11 aries, and other compensation; and

12 (B) upon the request of (i) any person sub-
13 stantially affected thereby, or (ii) any Federal depart-
14 ment or agency whose functions, as provided by law,
15 may be affected thereby or may have an effect thereon,
16 advise as to the interpretation, or the application to par-
17 ticular circumstances, of policies and regulations promul-
18 gated by such Administrator which relate to the stabiliza-
19 tion of wages, salaries, and other compensation.

20 For the purposes of this Act, stabilization of wages, salaries,
21 and other compensation means prescribing maximum limits
22 thereon. Labor disputes, and labor matters in dispute, which
23 do not involve the interpretation or application of such
24 regulations or policies shall be dealt with, if at all, insofar
25 as the Federal Government is concerned, under the concilia-

tion, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise: *Provided, however,* That the Board may undertake to mediate and/or arbitrate labor disputes involving wages, salaries, and other compensation, if the Director of the Federal Mediation and Conciliation Service certifies to the Administrator of the Economic Stabilization Agency that all remedies available to the Service have been exhausted, and (i) the parties themselves request the Board to mediate and/or arbitrate, or (ii) the President requests the Board to mediate and/or arbitrate the dispute and the parties consent: *Provided further,* That in any effort to mediate and/or arbitrate a labor dispute referred to the Board pursuant to the terms of the foregoing proviso, a panel of the Board, the membership of which is constituted in the same proportion as is the Board itself, may act on behalf of the Board.

(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted.

AMENDMENT

Intended to be proposed by Mr. Ives to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 29 (legislative day, MAY 28), 1952

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82^D CONGRESS
2^D SESSION

Calendar No. 1529

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 29 (legislative day, MAY 28), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SALTONSTALL (for himself, Mr. MORSE, Mr. BRIDGES, Mr. TOBEY, Mr. IVES, and Mr. LODGE) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 Page 11, beginning with line 1, strike out through line
2 16 on page 12.

5-29-52—E

AMENDMENT

Intended to be proposed by Mr. SALTONSTALL
(for himself, Mr. MORSE, Mr. BRIDGES, Mr.
TOBEY, Mr. IVES, and Mr. LODGE) to the bill
(S. 2594) to extend the provisions of the De-
fense Production Act of 1950, as amended,
and the Housing and Rent Act of 1947, as
amended.

May 29 (legislative day, May 28), 1952

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Calendar No. 1529

82^d CONGRESS
2^d SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

MAY 29 (legislative day, MAY 28), 1952

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AMENDMENT

Intended to be proposed by Mr. SCHOEPPPEL to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: At the proper place insert the following:

1 That section 402 (d) (3) of the Defense Production
2 Act of 1950, as amended (Act of September 8, 1950, ch.
3 932, title IV, sec. 402, 64 Stat. 803, as amended by the
4 Act of July 31, 1951, ch. 275, title I, 65 Stat. 134), is
5 further amended by striking the proviso at the end of the
6 second sentence and substituting, in lieu thereof, the follow-
7 ing: "*Provided*, That, notwithstanding any other provision of
8 this title, in establishing, maintaining, and adjusting ceilings
9 on products resulting from the processing of agricultural
10 commodities, including livestock and livestock products, or

1 on the distribution thereof, a generally fair and equitable
2 margin shall be allowed for such processing and distributing
3 of such products; and equitable treatment shall be accorded
4 to all such processors and distributors. For the purposes
5 of this paragraph a margin shall not be deemed to be fair and
6 equitable for a processor if it is below the highest margin
7 received by him between January 1, 1950, and June 24,
8 1950, or, in the case of a group of processors, below the
9 highest average margin received by a representative number
10 of the members of the group during such period, adjusted in
11 either case, for increase or decrease in all costs (other than
12 prices paid for the agricultural commodities) occurring sub-
13 sequent to the date on which such margin was received and
14 prior to the effective date of the rule, regulation, or order,
15 establishing such adjusted margin; and a margin shall not
16 be deemed to be fair and equitable for a distributor if it
17 reflects a percentage margin over the price or cost of the
18 processed commodity lower than the percentage margin
19 which he received during the period May 24, 1950, to June
20 24, 1950, or such other nearest representative date deter-
21 mined under section 402 (c), or, for a group of distributors,
22 if it reflects a percentage margin over the price or cost of
23 the processed commodity lower than the average percentage
24 margin received by a representative number of the members

1 of the group during the period May 24, 1950, to June 24,
2 1950, or such other nearest representative date, determined
3 under section 402 (c)."

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S. 2594

AMENDMENT

Intended to be proposed by Mr. SCHOEPPel to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

MAY 29 (legislative day, MAY 28), 1952

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 2, 1952

For actions of May 29, 1952

82nd-2nd, No. 93

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate debated defense production bill. Senate passed appropriation measure for USDA flood rehabilitation. Ready for President. Senate committee reported agricultural appropriation bill.

SENATE

- 1. AGRICULTURAL APPROPRIATION BILL, 1953.** The Appropriations Committee reported with amendments this bill, H. R. 7314 (S. Rept. 1619)(p. 6294).

At the end of this Digest are (1) a table showing the 1952 appropriations, the 1953 budget estimates, the House figures, and the Senate committee figures; and (2) excerpts from the Senate committee report.

Agency budget officers have been furnished a copy of the portions of the bill relating to their agencies. Copies of the bill and report will be distributed directly from the loading platform in the South Building, as soon as received, pursuant to a distribution list that has already been worked out with the Department agencies. In general, copies should be obtained through the agency and bureau budget officers rather than from this office.
- 2. DEFENSE PRODUCTION.** Began debate on S. 2594, to extend and amend the Defense Production Act (pp. 6304-46, 6354-5, 6357-8). Rejected, 18-52, the Dirksen amendment to discontinue price-wage controls (pp. 6306-34). Sen. Aiken charged USDA "connivance" to reduce farm prices, particularly those on soybeans, pork, and potatoes (pp. 6310, 6316, 6320-5).
- 3. EMERGENCY APPROPRIATIONS.** Passed without amendment H. J. Res. 454, which provides \$20,000,000 for USDA flood rehabilitation (FMA and SCS)(p. 6346). This measure will now be sent to the President.

On May 28 the Senate passed with amendments H. J. Res. 426, making appropriations for pay costs, etc., available pending enactment of the third supplemental appropriation bill, which is tied up in conference because of a provision regarding the steel-plants seizure. However, the Senate inserted a provision into H. J. Res. 426, also, dealing with the steel seizure. (pp. 6290-1.) On May

29 the measure was referred to the House Appropriations Committee (p. 6357).

4. **TRANSPORTATION.** The Interstate and Foreign Commerce Committee reported with amendments S. 2357, to amend the agricultural exemption clause of the Interstate Commerce Act (S. Rept. 1615)(p. 6293).
 5. **RECONSTRUCTION FINANCE CORPORATION.** The Banking and Currency Committee reported with amendments S. 515, making various amendments to facilitate and improve RFC operations (S. Rept. 1618)(p. 6294).
 6. **TOBACCO.** The Agriculture and Forestry Committee reported with amendments H. R. 3554, to provide that the carry-over of Maryland tobacco for any marketing year shall be the quantity of such tobacco on hand in the U. S. on Jan. 1 of such marketing year (S. Rept. 1620)(p. 6294).
 7. **ST. LAWRENCE WATERWAY.** Sen. Aiken spoke in favor of this proposed project (pp. 6301-2).
 8. **RECLAMATION.** Sen. Watkins urged additional reclamation work in Utah and raised a question about the amount of money being spent by the U. S. for reclamation in foreign countries (pp. 6302-4).
 9. **NOMINATION.** Confirmed the nomination of Allen V. Astin to be Director of the National Bureau of Standards (p. 6358).
 10. **PRICE SUPPORTS.** It is understood that, on May 30, a subcommittee of the Agriculture and Forestry Committee voted to report to the full Committee S. 2115, to continue the existing method of computing parity prices for basic agricultural commodities for two additional years.
 11. **ADJOURNED** until Mon., June 2 (p. 6358). **LEGISLATIVE PROGRAM**, as announced by the majority leader: Mon., calendar and road authorizations; Tues., independent offices appropriation bill; Mon. or Tues., increase in retirement annuities; Wed., defense production bill (pp. 6344, 6346).
- HOUSE
12. **FOREIGN AID.** Disagreed to a Senate amendment on H. R. 7005, to amend the Mutual Security Act of 1951, and requested a conference, appointing as conferees Reps. Richards, Mansfield, Morgan, Chipperfield, and Vorys (p. 6359).
 13. **VETERANS' BENEFITS.** The Interior and Insular Affairs Committee ordered reported (but did not actually report) H. R. 7757, granting preference to disabled veterans in making homestead entry on public lands (p. D520).
Rep. Springer spoke in favor of his amendment to H. R. 7656, providing educational benefits for Korean veterans (pp. 6367-71).
 14. **PERSONNEL RETIREMENT.** Rep. Murray stated that he was strongly opposed to any legislation at this time which would increase the retirement benefits or annuities of Federal employees since "the retirement fund is not now actuarially sound" (pp. 6360-1).
 15. **FLOOD CONTROL.** Rep. Reed presented a petition of the Fraternal Order of Eagles, Dunkirk, N. Y., urging the creation of a governmental commission to study methods of combating floods (p. 6372).
 16. **ADJOURNED** until Mon., June 2 (p. 6371). **LEGISLATIVE PROGRAM**, Mon., consent calendar, Korean GI bill; Tues., private calendar, cotton parity standards; remainder of week, undetermined (p. D521).

The Legislative Reference Service of the Library of Congress informs me that this figure does not include the total cost since they were unable to secure some figures relating to these items.

Mr. President, I am going to briefly outline the scope to which American taxpayers' dollars have been used to provide reclamation and allied projects in foreign nations.

From July 1, 1945, to June 30, 1951, United States assistance to foreign countries for land reclamation and power projects were as follows: \$146,339,000 under the European recovery program; under counterpart funds, \$1,200,300,000. It should be remembered that these counterpart funds are a direct drain on the American taxpayer. They are not repaid to America; aid to far eastern nations, from July 1950 to June 30, 1951, we donated \$5,692,000. This totals \$1,353,695,000.

These figures do not include loans made by the Export-Import Bank on machinery, nor assistance under the point 4 program. Nor do they include \$111,800,000 in aid to Italy as part of a \$450,000,000 foreign-aid program called agriculture programs except land reclamation, but which includes drainage canals, reclaimed land programs, and similar items. The total expenditure of American taxpayers' dollars in foreign countries for reclamation projects amounts to \$1,893,695,000.

United States assistance for land reclamation and power facilities in foreign countries, July 1, 1945-June 30, 1951

(Data from Legislative Reference Service, Library of Congress)

A. EUROPEAN RECOVERY PROGRAM EXPENDITURES

France.....	\$23,430,000
Italy.....	62,667,000
Turkey.....	15,020,000
Greece.....	22,375,000
Netherlands.....	3,372,000
Iceland.....	5,065,000
Denmark.....	5,070,000
International.....	540,000
Portugal.....	2,100,000
Spain.....	6,700,000

Total..... 146,339,000

**B. COUNTERPART FUNDS (95-PERCENT PORTION)
(ELECTRIC, GAS, AND POWER FACILITIES)**

Austria.....	\$77,500,000
Denmark.....	500,000
France.....	827,800,000
Germany.....	188,900,000
Greece.....	33,900,000
Iceland.....	4,600,000
Netherlands.....	50,600,000
Portugal.....	12,700,000
Turkey.....	3,800,000

Total..... 1,200,300,000

C. FAR EAST AID PROGRAM, JULY 1, 1950-JUNE 30, 1951

Formosa.....	\$4,278,000
Thailand.....	1,414,000

Total..... 5,692,000

D. AGRICULTURE PROGRAMS EXCEPT LAND RECLAMATION, BUT INCLUDING DRAINAGE, CANALS, RECLAIMED LANDS, ETC.

Total..... \$540,000,000

Totals

A. ERP expenditures.....	\$146,339,000
B. Counterpart funds.....	1,200,300,000
C. Far East program.....	7,056,000
D. Agriculture programs.....	540,000,000

Total..... 1,893,695,000

Mr. President, it will be of interest to note an article contained in the Reclamation Era, the official publication of the Bureau of Reclamation for July 1951. It appears on page 136 and is entitled "Reclamation Under the

Marshall plan in Italy." This article states that under the various foreign-aid programs the "United States made available to Italy about \$600,000,000 for the first year of operation (1948-49)." The article then continues, about \$117,000,000 was allocated to agriculture. "Of this amount, \$70,000,000 was allocated for reclamation projects. This program envisaged a total expenditure for reclamation projects of about \$300,000,000 during the period of ECA assistance (until July 1, 1951)."

Notice the item "\$70,000,000" allocated for reclamation projects out of the first appropriation. This is almost exactly the amount needed for the completion of Weber Basin project in Utah. On the one hand, the costs of the Weber project will be repaid by the water users to the United States Treasury. On the other hand, the \$70,000,000 to reclamation projects in Italy is an outright gift from American taxpayers. Notice further that this \$70,000,000 was to have been spent over a short period of time. The \$70,000,000 contemplated in construction of the Weber Basin project would be spent over a 10-year period.

It is also interesting to note that when the Library of Congress first sent the tabulation to my office as a result of my request, no figures were included for Italian reclamation facilities. It was only when I recalled reading the above-mentioned article in the official publication for the Bureau of Reclamation, and called it to the attention of the Legislative Reference Service, that the figures were found. In view of this, is it not likely that there are further items which are hidden under other designations which make it impossible for the Legislative Reference Service to locate them? I believe that this is the case.

The Weber Basin project passed the Senate unanimously and the House with over a two-thirds vote. The President reluctantly signed the bill. As a matter of fact, he directed the Bureau of Reclamation to do additional work on the project before he would permit the Bureau of Reclamation to request funds for construction. This, of course, was in line with his "no new starts" policy. This additional work has now been completed.

The Bureau of Reclamation in cooperation with the Department of Agriculture and the State of Utah has completed the necessary study and the report is now available.

The Bureau of the Budget and the President have no further excuse for delaying the initiating of construction on this project.

I have appeared before the Appropriations Committee of both the House and the Senate for the last 3 years, urging that funds be included for this project. Mr. President, it is imperative from a defense standpoint that funds be made available for immediate construction on this project. No other additional water source is available in that area. By far the largest water user from the project will be Ogden City, the second largest city in the State. Contiguous to this city are four vital defense establishments.

These are Hill Field Air Force Base, Ogden Arsenal, the Clearfield Naval Supply Depot, and Ogden General Depot, which is located entirely within the city limits of Ogden, and dependent entirely on that city's water supply. It is interesting to note that when the Ogden General Depot was first constructed, a well was drilled in an effort to secure an independent water supply. The water from this well developed in excess of 2,000 parts of chloride per 1,000,000 and under public-health standards this is unsafe. The well was therefore abandoned. This same chloride content has been found in other wells which have been drilled in this area.

Let me point out that this general depot has its own fire-fighting equipment, but since it is totally dependent upon the Ogden

city water supply, its safety has a direct ratio to the pressure in the water mains.

I am informed that there is an investment in excess of \$1,000,000,000 in material and buildings in this depot alone. Over \$5,000,000,000 are invested in the buildings and supplies in these four major defense installations. If for no other reason than insurance from fire, from the investment at these defense installations, construction should be initiated on these projects.

However, this is only one phase of this important question. It is interesting to note that Utah, with a population of approximately 600,000 people, has 30,000 civilian Government employees. Approximately two-thirds of these employees are directly employed at these four installations. The latest available figures are:

Utah General Depot.....	3,908
Hill Field.....	10,437
Ogden Arsenal.....	2,650
Clearfield Naval Supply Depot.....	3,281

Note the effect of this population increase by percentage in the area. From 1920 to 1940, the population increase was 17 percent per decade. Since 1940, however, the population increase has been in excess of 50 percent.

The command at the Hill Air Force Base recognizes the importance of water to the depots and to the personnel. The Weber Basin Water Conservancy District, formed to sign the contract for operation, maintenance and repayments, received the following letter from the Ogden air material area, Hill Air Force Base:

"Gentlemen: The proposed Weber Basin development, under the jurisdiction of the United States Bureau of Reclamation, has been discussed with representatives of this command with particular reference to the desirability and necessity of supplementing domestic water supplies for communities in this area. It appears that this project, to provide both supplemental irrigation and domestic water for the Ogden Valley, is both economically feasible and a necessary adjunct to the water supply of the area. The economic well-being of the Ogden Valley is vital to the national defense effort in that the living conditions of employees of this command must necessarily be such as to maintain a highly efficient working force and one which is desirous of remaining domiciled in the immediate area.

"In addition to the city of Ogden, there are some 25 small communities in the valley in which reside a large number of the personnel employed at Hill Air Force Base. All of these communities, including the city of Ogden, are faced with a situation in which the locally available water supplies are progressively deteriorating in quality and rapidly diminishing in quantity per capita. The Weber Basin project will provide ample domestic water supplies of good quality for these communities. While it is anticipated that such supplemental water will not, even under an accelerated construction program, become available until about 1953, it is believed that if the situation is not alleviated by that date, there will then exist difficult problems in connection with the maintenance of the status of the working forces at this base.

"It is obvious that, from the standpoint of the economic and physical well-being of the approximately 8,200 (latest figures show 10,437 civilian employees at this base) employees at this base, the construction of the Weber Basin project is of importance to this command, as further delay in the implementation of this project will have an extremely adverse affect, from the standpoint of employee morale, upon the accomplishment of the mission of the Ogden Air Material Area.

"Yours very truly,

"C. B. Root,
"Colonel, USAF, Commanding."

this act. All orders, determinations, rules, and formal interpretations of general applicability under such sections shall be made on the record after opportunity for a hearing. Review of any such order, determination, rule, or interpretation may be had in the manner provided in section 10 of the Administrative Procedure Act by—

“(1) any person adversely affected or aggrieved thereby;

“(2) any manufacturer of, or regular dealer in, materials, supplies, articles, or equipment purchased, or to be purchased, by the Government from any source; and

“(3) any of the employees of such manufacturer or regular dealer, or any labor organization recognized by such manufacturer or dealer, or duly certified by the National Labor Relations Board, as representing such employees.”

Mr. McFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and the following Senators answered to their names:

Aiken	Hayden	Morse
Anderson	Hendrickson	Mundt
Bennett	Hennings	Neely
Benton	Hill	Nixon
Bridges	Hosy	O'Connor
Butler, Md.	Holland	O'Mahoney
Butler, Nebr.	Hunt	Pastore
Capehart	Ives	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Connally	Kilgore	Smathers
Cordon	Lehman	Smith, N. J.
Dirksen	Long	Smith, N. C.
Douglas	Martin	Sparkman
Duff	Maybank	Stennis
Dworshak	McCarran	Thye
Eastland	McCarthy	Tobey
Ellender	McClellan	Underwood
Ferguson	McFarland	Watkins
Frear	McKellar	Welker
Fulbright	Millikin	Williams
George	Monroney	Young
Gillette	Moody	

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from California [Mr. KNOWLAND] are absent by leave of the Senate.

The Senators from Maine [Mr. BREWSTER and Mrs. SMITH], the Senator from Ohio [Mr. BRICKER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Wisconsin

[Mr. WILEY] are absent by leave of the Senate for the purpose of attending the Conference of the International Council for Christian Leadership at The Hague.

The Senator from Montana [Mr. ECTON], the Senator from Kansas [Mr. CARLSON], the Senator from Missouri [Mr. KEM], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The VICE PRESIDENT. A quorum is present.

Mr. MAYBANK. Mr. President, as I understand the parliamentary situation, under the unanimous-consent agreement before we take up the committee amendment, titles IV and V, the wage-control and price-control titles, will first be voted on, together with any amendments which may be offered to them.

The VICE PRESIDENT. The Chair did not quite understand the agreement in that way. The Chair understood that the agreement was that if an amendment were offered to strike out titles IV and V, such an amendment would be voted on prior to voting on any amendments to those titles.

Mr. MAYBANK. The Chair is correct, as always.

The VICE PRESIDENT. The Chair has examined the bill and the amendment in the nature of a substitute. The latter, as reported, does not contain titles IV or V, except by reference.

Mr. MAYBANK. That is also correct.

The VICE PRESIDENT. Therefore, although the unanimous-consent agreement would apply to those titles, in that connection some Senator would have to offer an amendment relating to them.

Mr. MAYBANK. The Chair is correct.

Mr. DIRKSEN. Mr. President, will the Senator from South Carolina yield to me?

Mr. MAYBANK. I yield.

Mr. DIRKSEN. An amendment of that sort, having the effect of striking out titles IV and V, is now at the desk.

The VICE PRESIDENT. It has not yet been offered, of course; it has simply been printed, and lies at the desk.

Mr. DIRKSEN. That is correct.

The VICE PRESIDENT. No amendment, other than the committee amendment in the nature of a substitute for the bill, is now pending. Therefore, if the Senator from Illinois or if other Senators desire to offer the amendment to which the Senator from Illinois has referred, and let it be the pending question, the Chair will recognize any Senator for that purpose, unless the Senator from South Carolina desires to deliver an address on the bill itself.

Mr. MAYBANK. Mr. President, I prefer to have the Senator from Illinois submit the amendment, and then we can speak on it, because in this case the committee amendment in the nature of a substitute is really the bill itself.

Mr. DIRKSEN. Mr. President, I offer the amendment which now lies at the desk, and I ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, beginning with line 6, it is proposed to strike out through line 16 on page 9.

Page 9, after line 16, insert the caption "General Provisions."

Page 9, line 17, strike out "Sec. 108." and insert in lieu thereof "Sec. 102."

Page 9, line 20, strike out "Sec. 109." and insert in lieu thereof "Sec. 103."

Page 10, line 3, strike out "February 28, 1953" and insert in lieu thereof "June 30, 1952."

The VICE PRESIDENT. The Chair understands that, in effect, this amendment strikes out titles IV and V of the original act, to which the pending bill is an amendment.

Mr. DIRKSEN. That is correct.

The VICE PRESIDENT. If the amendment is agreed to, the purpose contemplated the other day by the unanimous-consent agreement will be accomplished.

Mr. DIRKSEN. That is correct.

Mr. MAYBANK. Mr. President, what the Chair has just said is eminently correct, namely, that the amendment would strike out titles IV and V of the original act.

In other words, if the amendment of the Senator from Illinois is adopted, price controls will be abolished on July 1, and wage controls will be abolished on July 1; and then there will remain in the act only the following: Title I, which is connected with priorities and allocations of strategic materials such as copper, and so forth; title II, I may say that the requisition and condemnation section of the old law, which gave the Government certain condemnation rights in the interest of the national defense, is contained in this bill. Then there is title III. The Interior Department and other agencies are using at this time the loan guaranties and other loan features and the RFC is also using them in connection with tin smelters, and in connection with new deposits of scarce materials. Title VI, relates to consumer and real estate credit controls.

Title VII contains general provisions, and the authority for the Small Defense Plants Administration.

Mr. President, I think every Senator is fully familiar with the control act as it now stands on the statute books. We have heard much about it from the people of the country. Every Senator's mail has been flooded at times with complaints about rulings made by the Administrator, or with complaints about inflation or about trouble in the enforcement of the law.

The Banking and Currency Committee voted, and I again refer to the old act, titles IV and V, rather than to the various sections of this bill, because they are better known to Senators as titles IV and V, to continue titles IV and V until March 31, believing that if Congress should be able to complete its work, as we hope it will, so that we may adjourn for the conventions in July, it would be nothing short of a tragedy if there were no law left on the books.

No one knows what will happen in October, November, and December. No one is able to guess what may happen. No one knows how much longer the situation may continue in Korea, or how much worse it may become, or how far the conflict may spread. But every Sen-

ator knows that the military is going to have more than \$100,000,000,000 in unexpended appropriations, contract authority, and new money, to be spent in the development of the armed services. Everyone knows that the cost of living continues to rise, according to reports by the Bureau of Labor Statistics.

As I have frequently said heretofore, I regret that the law was not put into effect earlier, and that wage and price controls were not made effective by those in charge of the administration of the law. But even if they did act promptly, I do not want to be charged, as a Member of the Senate and as chairman of the Banking and Currency Committee, with having voted to allow the law to expire, and, therefore, to have no law whatever upon the books. That is the issue, Mr. President. It is a question of whether we want to do away with wage and price controls, or whether we wish to extend them until March 31.

There are, of course, several amendments to the old act which have been proposed by the committee.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield to the Senator from Minnesota.

Mr. THYE. Is there a provision in the bill calling for a discontinuance of the administration of controls, in the event prices drop, let us say, below 100 percent, or below parity?

Mr. MAYBANK. Yes; there is a provision on suspending controls. Let me read that to the Senator.

Mr. ROBERTSON. Mr. President, if the Senator will yield to me while he is looking for that—

Mr. MAYBANK. No, I want to read it, so that the Senator from Minnesota may have the answer to his question. I can explain it, but I want to read what we propose to put into the act, in order that there may be no misunderstanding on the part of those in authority who are administering the act, no misunderstanding of what our committee intended to write into the report. I call the attention of the Senator to the following section on page 8 of the pending bill:

SUSPENSION OF CONTROLS

SEC. 411. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply—

This is what the Senator is interested in—

existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action

will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

The purpose of the section is to enable the administrator to decontrol the price of any so-called soft product which has been or is selling below the ceiling prices which were set.

Mr. THYE. There would then be no administration or enforcement of the ceiling price, or in other words, there would be no one going about the Nation, spending the taxpayers' money, checking on the retailer or merchandiser when the index figures showed that a particular product was being sold below the ceiling price. Is that correct?

Mr. MAYBANK. The Senator has correctly stated my thoughts on the matter. We do not want business people to be harassed by being required to keep books and to hire auditors and lawyers when they deal in commodities at prices far below the ceiling. We do not want the money of the taxpayers to be spent for the purpose of employing people to go from place to place to check up on such matters.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Virginia.

Mr. ROBERTSON. I had a hand in formulating this amendment, and I want to say to my distinguished colleague from Minnesota that this is not a mandatory decontrol bill. There is expressed both in the language of the bill and in the report our wish and hope that when a given product is selling below ceiling prices, or is in ample supply, or is inconsequential in the economic situation sought to be stabilized or controlled, the OPS will decontrol that product and thus relieve merchants and others of the burden of reports, records, and whatnot. But no one should be under any delusion that this is a mandatory decontrol provision. It is not.

Mr. THYE. Mr. President, will the Senator from South Carolina yield for another question?

Mr. MAYBANK. I yield.

Mr. THYE. Then if it is not mandatory, what would happen to the staff of investigators now in the field? Are they to stand by and mark time, or will OPS reduce its staff?

Mr. MAYBANK. I may answer that question by saying that that is a matter pertaining to appropriations, and I understand reductions are to be made. I may say also that Mr. Arnall, who is conducting the administration of the law, since Mr. DiSalle resigned, as the Senator knows, has already suspended controls on numerous important items, such as textiles, hides, and tallow.

Mr. THYE. The next question which occurs to my mind is, what about the administration of the Wage and Hour and Public Contracts Division?

Mr. MAYBANK. The amendments proposed by the Senator from Illinois [Mr. DIRKSEN] would knock out the Wage Stabilization Board entirely. The committee has agreed upon amendments to change the set-up of the Wage Stabilization Board; but I was not addressing my-

self to that. In fact, the Senator from Illinois, himself, has an amendment to provide an all-public Board. There are several amendments pending on that subject.

My reason for bringing up the question of the elimination of titles IV and V at this time was merely to ascertain whether the Senate desired to eliminate them entirely, or whether it wanted to revise and perfect the titles by writing a new title. So what I have in mind is not the final bill, because the committee itself has many amendments to propose. But what we are endeavoring to ascertain is whether it is the wish of the Senate to eliminate the titles entirely, rather than amend them.

I may say that some time would be required in order for me to answer the questions which the Senator from Minnesota is asking, and which other Senators may wish to ask, because the amendments to the law are all presently in the form of committee amendments. But we desired under the unanimous-consent agreement to have a vote on the question of striking out the two titles before we considered the committee amendments and their possible amendment.

Mr. THYE. The committee chairman does have in mind that when we are no longer threatened with an inflationary trend in connection with wages, the OPS Administrator and the Wage and Hour Administrator should cease to function in that specific field of activity. Insofar as the Defense Production Act is concerned, the mechanics of controlling inflation, if wisely administered, should cease to operate and function when there is no need for control—

Mr. MAYBANK. Let me say to the Senator from Minnesota that there is no mandatory provision in that regard. We tried to figure out some mandatory way by which controls would be suspended, but we did not arrive at anything in that connection which we could properly recommend.

Mr. ROBERTSON. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. I should like to say to the Senator from Minnesota that all we can be assured of doing is to give information to the agency administering the law. We cannot guarantee to give them understanding, but there will be a "watchdog committee," and whenever we find a situation which clearly calls for decontrol, and it is not acted upon by the OPS Administrator, the "watchdog committee" can call him on the carpet and put him over the jumps. That is about all we can do.

Mr. THYE. If such a watchdog committee had been in existence during the past 6 months when so many prices dropped below ceiling, would the watchdog committee have ordered OPS out of that field?

Mr. MAYBANK. Let me say to the Senator that the watchdog committee had hearings during that time, and the following articles were decontrolled: Cattle hides, kips, calfskins, tallow, lard, animal waste materials, vegetable soap-

stock, crude cottonseed oil, crude soybean oil, crude corn oil, burlap, wool, wool waste, wool tops, wool noils, alpaca.

I will say to the Senator that we are now working on another list in connection with suspending control.

Mr. THYE. Did the watchdog committee make any criticism of OPS in the field of retail businesses?

Mr. MAYBANK. It has made many reports and has criticized some of the actions of OPS. I do not have all the reports before me, but there are approximately 18 reports.

Mr. THYE. Businessmen to whom I have talked have been greatly disturbed because of the constant investigational activities of OPS.

Mr. MAYBANK. I do not deny that. There was hardly any industry witness before the committee who did not oppose the continuation of titles IV and V. So, if the Senator wants to vote with the business people, he can vote to eliminate titles IV and V.

Mr. THYE. What is the committee's recommendation?

Mr. MAYBANK. We have a fear of what may happen when Congress adjourns. But as soon as it is possible to decontrol or to suspend control, it should be done. That is the committee's attitude.

Mr. ROBERTSON. Mr. President, will the Senator from South Carolina yield further?

Mr. MAYBANK. I yield to the distinguished Senator from Virginia.

Mr. ROBERTSON. I should like to say further to my distinguished colleague from Minnesota, that we do not know yet what the wage increase will be for the steel workers. We know there will be an increase. It may be all that they are asking. We also know that when the steel workers receive an increase over and above what the others have previously received, the others are going to ask to be brought up to a level. That, in itself, will increase the cost of production.

We know there will be a deficit of from \$5,000,000,000 to \$6,000,000,000 when we finish this fiscal year. The joint staff on internal-revenue taxation, of the tax committees of the House and Senate, one of our very best agencies in evaluating receipts and disbursements, has estimated that we shall spend, making allowance for all the economies provided, approximately \$80,000,000,000 next year, and the deficit next June will be approximately \$11,800,000,000. So we have in anticipation two inflationary trends. One is increased wages, which means increased cost of production, and the other is a tremendous increase in the currency stream which will be making more dollars available to compete for approximately the same supply of goods, and that will be inflationary.

We are all sympathetic with the manufacturers. We all have friends among them. They want to eliminate title IV. I think all of them would like to have it cut out. But any merchant who does not have as many as 500 customers is eventually going broke, and where there is one man who wants to be relieved of price controls, there are many others

who do not. Inflation has cost the Nation approximately \$20,000,000,000. It is more burdensome than are taxes, because it cannot be escaped.

So we have said that until we know better what the inflationary trend will be, we should have a decontrol provision which has previously been explained, and continue price and wage controls under a different set-up and see what happens between now and late next winter. Let us continue controls until the last of next February. Then if there is no inflation and everything is stabilized, if the threat of Russia has been limited and we cut down on our Military Establishment, no one would rejoice more than would the junior Senator from Virginia if we could abolish the whole program. But we are not willing to take the chance of tremendous inflation when we see strong inflationary factors on the horizon.

Mr. MAYBANK. I know how hard the Senator from Virginia has worked in connection with the subjects covered by this bill; but let me say that by concurrent resolution we can abolish the Act at any time, if there should be a special session, or at any time in January. It runs only until next March. We thought some statute on the subject should be on the books when we leave here for the conventions in July. When military spending reaches its peak in October and November, no one knows what may happen. There should be some stand-by controls. We hope they will be interpreted as stand-by controls. Many businessmen have been pleased with the suspensions which have been put into effect, because controls were no longer necessary. Controls should be taken off when they are not necessary. But I think it would be a great mistake for Congress to adjourn and go to Chicago for the conventions and say that nothing is going to happen.

Mr. THYE. Mr. President, will the Senator from South Carolina yield further?

Mr. MAYBANK. I yield.

Mr. THYE. I should like to say to the able and distinguished chairman of the committee that I recognize the wisdom of his statement. I am a member of the Committee on Appropriations. I came from a meeting which was considering the Armed Services appropriations in order to answer the quorum call. We are faced with a tremendous budget request for military purposes, not only for the Air Force, but for the other branches of the military service.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from South Carolina has the floor; he may hold it.

Mr. MAYBANK. I wish to add just one thought. When I came to the floor this morning, as the Senator knows, there was left with me as the chairman of the Subcommittee on Independent Offices of the Committee on Appropriations a secret document indicating the plans of the Atomic Energy Commission, which are going to the House of Representatives. A bill is to be brought before the House providing for a substan-

tial additional appropriation. I thought the appropriation would be made yesterday in the amount of \$1,300,000,000. If we add that amount for atomic energy, it will increase the over-all expenditures, as the Senator, a member of the committee, well knows.

I merely wished to call attention to that, because the Senator knows how much the appropriation is going to be.

Mr. THYE. Mr. President, I personally have a feeling that we shall have to expand our military expenditures. That will have one effect on the production of civilian goods, and also upon the number employed in defense establishments. Therefore, I concur with the chairman that a defense-production law must be enacted, because inflation would cause a depreciation in the dollar value, and a dollar would buy less defense equipment. That in itself would seriously handicap the very endeavors in which we are engaged, namely, the development of our defense.

Mr. MAYBANK. Mr. President, the Senator from Minnesota is eminently correct, because we would then have to impose more taxes to pay the higher prices for steel, copper, and everything else.

Mr. ROBERTSON. Mr. President, will the Senator yield so that I may answer the Senator from Minnesota?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. The Senator from Minnesota, who is a former governor of his State, and a member of the Committee on Appropriations, knows that what we call money, bank notes, has no value except what the Government can give it. It is nothing but a ticket. It is not wealth; it is a medium of exchange.

If a person in Minnesota producing a tub of butter wants to buy a pair of shoes, he puts a tub of butter in the national warehouse, where someone else has put a pair of shoes which will fit him. Then he gets so many tickets for his butter and he goes to the warehouse and asks for a pair of shoes.

If one butter ticket would buy one pair of shoes, but two tickets are issued for the butter, two tickets will have to be given for the shoes. Especially will that happen when the tickets are increased, on the one hand, and through diversion from peacetime production to defense production on the other we are decreasing the supply of those things which go into the warehouse where we want to exchange products or services for what somebody else has contributed.

It is a very simple economic problem, and demonstrates that money has no intrinsic value. Currency is nothing but a ticket. Wherever two tickets are given where one would do the work, the cost of living is doubled. The problem cannot be figured in any other way.

Mr. THYE. Mr. President, will the Senator from South Carolina yield further?

Mr. MAYBANK. I yield further to the Senator from Minnesota.

Mr. THYE. I wish to make the comment that if the OPS administrators would get out of the field of administrative price regulations whenever there was no inflation threat in connection

with a commodity, a product or a supply of merchandise, there would not be criticism. But when they continue to function when prices are far below the established ceiling, there is a great waste of manpower and one of the worst nuisances a businessman or manufacturer could be faced with. That is what I am trying to discourage so far as the Government is concerned.

Mr. MAYBANK. I thoroughly agree with the Senator from Minnesota. When a price goes well below the ceiling price, and there is no longer an inflationary trend, the control should be suspended. I have said so on the Senate floor many times, as the Senator from Minnesota well knows.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. MAYBANK. I yield.

Mr. THYE. I will support the defense production bill, but I wish to make certain that in the act or in the report there will be provisions which will take the administration of the Defense Production Act out of the field of control when prices go below the established ceiling price or the pre-Korea inflationary trend market level. If we can accomplish that, then I am sure the people in general will give us a vote of thanks for having reenacted an extension of the Defense Production Act.

Mr. ROBERTSON. Mr. President, will the Senator from South Carolina yield to me?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. The Senator from Virginia wishes to remind the distinguished Senator from Minnesota that we have had fine cooperation up to this point with the new OPS Administrator, former Gov. Ellis Arnall. We believe he is an honest man. We think he is sincere. We believe he is trying to carry out the law as we have written it, and as we are explaining our intent today. However, we cannot guarantee that he will not have around him some types of bureaucrats like those the Government had in 1825, in the time of John Randolph, of Roanoke, who said of a bureaucrat:

His mind is like the Susquehanna flats, naturally poor, and made less fertile by cultivation. Never has ability so far below mediocrity been so richly rewarded—not since Caligula's horse was named "Consul."

If the Senator from Minnesota knows when the day will come when we will not have any of that type of officials in Government, we can raise the flag of real freedom.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. MAYBANK. I yield.

Mr. THYE. I would say, with respect to the Defense Production Act and the report, that if a proper law and a proper administrative regulation are written, we are going to get the OPS out of the field whenever they cease to function properly or become a nuisance to society by their very actions.

Mr. CAPEHART. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. I wish to answer the able Senator from Minnesota with respect to the suspension of controls on page 8, section 411. He must understand that that is not mandatory. He must understand that it is merely a statement on the part of Congress, but the administrator is not obligated to follow the direction if he does not care to. No particular formula or yardstick is provided. However, it is indicative of the intent of the committee and the intent of Congress as to what is to be done. There is nothing in the provision to force the administrator to do anything. It is not compulsory; he may do what is mentioned, but he does not need to do it. He is to be the sole judge, depending on existing conditions, as to whether he wants to do it or not.

Mr. MAYBANK. The Senator is correct; it is left to the administrator. We tried to work out a plan by which Congress could take the necessary action, but it would not work.

Mr. CAPEHART. We may have a plan, but the bill has in it nothing more than a pious statement that is it the intention of Congress that certain things should be done. However, there is nothing mandatory about it. The administrator does not need to act. He is to be the sole judge of whether he does or does not. If he does not, Congress cannot do anything about it, under the legislation as proposed at the moment.

Mr. STENNIS. Mr. President, will the Senator from South Carolina yield?

Mr. THYE. The Senator from Minnesota was on his feet only because the Senator from Indiana was explaining to me one provision of the act. My question has been answered.

Mr. STENNIS. I wish to invite the attention of the chairman of the committee to a situation whereby controls on certain items have been lifted. For instance, I was thinking about what happened in the case of cottonseed oil, on which the price was lifted, but in effect the announcement was made that ceilings might be imposed later, and they might be lower ceilings.

Mr. MAYBANK. The Senator is absolutely correct. That situation was corrected by the watchdog committee immediately, and since then, Governor Arnall has made a statement with respect to the suspension of controls on cottonseed oil, that there would be no so-called roll-back when the suspension was removed. In fact, I may say that is another thing the watchdog committee did.

Mr. STENNIS. Mr. President, will the Senator yield further on that very point?

Mr. MAYBANK. We included such a statement in the report. However, I may say to the Senator from Mississippi that Governor Arnall assured me last week, if I am not mistaken, that this would never happen again. We then wrote in the report:

Upon terminating the suspension order price ceilings shall be reimposed at levels no lower than those in effect when the suspension order was issued.

That is on page 16.

Mr. STENNIS. The Senator was reading from the report?

Mr. MAYBANK. Yes.

Mr. STENNIS. Does the sentence the Senator was reading apply to all commodities, or only to one?

Mr. MAYBANK. To any suspension that may be put into effect.

Mr. STENNIS. Does the Senator feel satisfied that that provision will cover conditions which may arise in the future?

Mr. MAYBANK. It will apply to any suspension which may occur in the future. The Senator is familiar with one reason why it took the administrator a little longer to suspend ceilings. Let us consider, for instance, a subject with which the Senator from Mississippi is thoroughly familiar. I refer to cotton and to textiles. In the case of Minnesota, I would refer to soybeans. The reason why the suspension was delayed was that ceilings on textiles could not be suspended without suspending ceilings on the raw materials from which the textiles are made. The ceiling on a certain raw product which is to be canned cannot be suspended merely because the price of the raw product is below the ceiling because the price of the canned product might be above the ceiling.

Mr. STENNIS. I thank the Chairman, and commend him and the committee for their handling of this problem.

Mr. MAYBANK. I appreciate the statement of the Senator from Mississippi. He discussed with me the situation as it related to cotton, and I told him, as chairman of the watchdog committee, that we would hold a meeting. As a result of our conversation a meeting was held. As the Senator knows, the ceiling was set at the suspended price of last February.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. BUTLER of Maryland. Will the Senator from South Carolina explain more in detail the operation and functioning of the watchdog committee? If there is nothing mandatory in the bill—and I understand there is not—how does the committee make its wishes felt, so as to bring about the result cited in the report, with respect to things which have been decontrolled?

Mr. MAYBANK. I will say to my good friend from Maryland that as chairman of the committee I usually receive copies of the complaints which Senators receive. Such complaints come to the committee. For example, the Senator from Indiana [Mr. CAPEHART] received hundreds of complaints with respect to the tallow situation. The staff made a study and found that the price was far below the ceiling price. We called Governor Arnall's attention to the situation and told him that the controls should be removed. He said that he would make an immediate study of the situation. He did so, and removed the controls.

Mr. BUTLER of Maryland. Is that the general experience of the Senator's committee with the Administrator?

Mr. MAYBANK. It has been since Governor Arnall took office. He has been perfectly fair and square with us. He has cooperated with us in every way. Every member of the committee, whether he believes in titles IV and V or not, will agree that Governor Arnall has cooperated.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. AIKEN. Has the Senator from South Carolina any solution for the flagrant violations of the law which the OPS indulges in—for example, as in the case of fixing the price of soybeans by manipulating the ceiling prices of meal and oil? Is there any solution for the deliberate law violations which the OPS has been engaging in?

Mr. MAYBANK. I cannot comment on that subject, because I do not know just what the Senator is referring to. If the Senator would send to the committee any statements or evidence which he has showing that the law has been deliberately violated, the committee would appreciate it. We are to have a hearing on Monday on the subject of aluminum. I shall be only too glad to call the matter to the attention of the staff, and to have Governor Arnall appear before the committee. If the law is being deliberately violated, the committee would like to know about it. As the Senator knows, I would never stand for such a thing as chairman of the committee if I could stop it.

Mr. AIKEN. I do not believe the OPS has advised the Committee on Banking and Currency that it is violating the law.

Mr. MAYBANK. I do not suppose the OPS officials would do so if they were violating the law. The only way we could find out about it would be for someone to tell us.

Mr. AIKEN. I can furnish the proof. The OPS will not furnish the proof.

Mr. MAYBANK. I shall be very happy to receive the proof.

Mr. AIKEN. They violated the law and forced the price of soybeans down 67 cents a bushel below the legal ceiling, through the simple process of fixing a less-than-cost price for the meal, and then fixing ceilings at double the actual market price for the oil. Theoretically, they fixed a ceiling price on the entire soybean crop. Actually they forced the price of soybeans 67 cents below the legal minimum, and they know it, as I shall be glad to prove to the committee through their own memorandum. They engaged in maneuvering.

Mr. MAYBANK. I know something about the situation as it relates to cottonseed. The price of cottonseed went down because there was a big cotton crop. There was a 17,000,000-bale cotton crop. I understand that there was also a big soybean crop. Was there not a big soybean crop?

Mr. AIKEN. The largest soybean-processing plant in America has been closed.

Mr. MAYBANK. Was there not a good crop of soybeans?

Mr. AIKEN. There was a very good crop; but the growers are not permitted to sell the crop for anywhere near the ceiling price.

Mr. MAYBANK. No one is prevented from buying cottonseed or soybeans above the market, provided the price is not above the ceiling price.

Mr. AIKEN. The OPS put the price of the meal down to the point where our dairymen could not get it. It just was not being put on the market. The ceiling on oil was placed at twice the market price. This has been done with the connivance and cooperation of the Department of Agriculture. That was the effect, if not the purpose.

Mr. MAYBANK. If the Department of Agriculture connived at such a thing, I certainly believe that the question should be taken up with the Department of Agriculture through the Committee on Agriculture and Forestry.

Mr. AIKEN. I shall be very happy to place in the RECORD memoranda showing clearly that the Department of Agriculture and the Office of Price Stabilization have worked together to the end that prices to farmers would be forced down and there would be encouragement to raise the prices to the consumers. There can be no question about that. If it were not on the Senator's time, I should be very happy to read the evidence into the RECORD at this point.

Mr. MAYBANK. I appreciate the Senator's statement.

Mr. AIKEN. The evidence is certainly going into the RECORD. It is clear that the Secretary of Agriculture has agreed with Mr. Arnall to do these things.

Mr. MAYBANK. The Senator would not blame the Committee on Banking and Currency for not keeping up with the Department of Agriculture. We have a Committee on Agriculture and Forestry. We shall be glad to go fully into any evidence which the Senator submits. We shall be glad to call Mr. Arnall and Mr. Brannan before the committee, and find out whether they rigged the market, as the Senator says they did, and why. That is in substance what it amounts to.

Mr. AIKEN. Before the Senate takes a recess, for the benefit of other Members of the Senate I shall be happy to place the evidence in the RECORD. I hope the committee will consider it.

Mr. MAYBANK. I can assure the Senator that we will. I am not saying that everything is perfect. I deplore some of the mistakes which have been made.

Mr. AIKEN. They have been before the committee and have said, in effect "We have broken the law in 16 different directions." Memoranda from their own files will prove that they have done so.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MUNDT. I should like to inquire of the chairman of the Banking and Currency Committee a little more fully with respect to the functions of the watchdog committee. I should like to find out whether one of the functions of the watchdog committee is to make

certain that the money appropriated by Congress is used by the Administrator of OPS for the purpose of helping to maintain proper wage and price regulations, or whether it was intended by the committee that a part of the money appropriated by Congress should be used by the officials of OPS to enunciate their own particular and peculiar economic, social, and political philosophies.

Mr. MAYBANK. The Committee on Banking and Currency has never gone into the business of the Appropriations Committee. However, I will say to the Senator that, as a member of the Appropriations Committee, I have been insisting in that committee that any money allotted to the OPS be strictly limited to giving out proper information about their orders and regulations, so that none of it could be used for publicity purposes on the radio or television. That has not been the function of the watchdog committee. The watchdog committee has gone into cases involving prices on textiles and other things. It has gone into the question of aluminum. It is studying the question of whether we should enlarge the three big aluminum companies, or whether we should make some engagement with Canada to buy aluminum. We went into the Chilean copper situation fully in executive session, but we have never gone into the matter of appropriations. I have always felt that that was the business of the Appropriations Committee.

What I have been trying to do on the Appropriations Committee, along with the Senator from Michigan [Mr. Ferguson] and other members of that committee, has been to insist that appropriations be properly spent. The same question arose in connection with the deficiency bill, which contained appropriations for the DPA, the NPA, and other agencies.

Mr. MUNDT. Is the chairman himself a member of the watchdog committee?

Mr. MAYBANK. I am.

Mr. MUNDT. May I ask whether or not it is one of the functions of the watchdog committee to make certain that the employees of OPS are doing the job for which the legislation is designed?

Mr. MAYBANK. That is correct?

Mr. MUNDT. Is not that one of the functions of the watchdog committee?

Mr. MAYBANK. Mr. President, I cannot make any particular audit of complaints. We have had a great many complaints, as the Senator knows.

Mr. MUNDT. My inquiry was whether that was not a proper function of the watchdog committee.

Mr. MAYBANK. There would not be time enough—and I say this with full appreciation of the Senator's thought—to read all the letters that come to the committee containing complaints. No member of the committee would have time enough to read all the letters. They must be passed on to staff members to check on them. Sometimes there are as many as a thousand letters a day.

Mr. MUNDT. My inquiry to the distinguished chairman of the committee is whether a case in point, which I have before me, is something which he feels

should come within the purview of the watchdog committee, or whether he feels this type of activity on the part of OPS officials is what his committee is now asking Congress to support by a continuation of control legislation. I have in my hand an incident mentioned in an editorial from the daily newspaper of the second largest city in South Dakota, the Rapid City Daily Journal. The editorial is entitled "Alien Philosophy Slaps Sturgis Rotarians." Sturgis is a community a short distance from Rapid City, but is in the newspaper territory served by that great daily newspaper.

The editorial states:

So the business and professional men of Sturgis who make up the Rotary Club of that wide-awake community, were thrown into confusion and consternation when an agent of a bureau of the Federal Government, who had come to speak to them, told them that America no longer had a free economy, and that the free enterprise system was dead.

Does the chairman of the committee feel that to be a proper function in which an OPS director should engage?

Mr. MAYBANK. The Senator from South Dakota knows that yesterday I supported the amendment offered by the junior Senator from South Dakota [Mr. CASE]. I supported his amendments on all controls ever since the Senator has been in the Senate. The Senator will testify to that. I did that even when the Senate was meeting in the old Supreme Court Chamber before the Senate resumed its sessions in its own Chamber. I will say to my good friend from South Dakota that I cannot be held responsible for what a crackpot who is working for the Government may say. Unfortunately we have crackpots in the Government. But there are crackpots working in private industry also. There is bound to be a certain number of crackpots everywhere.

Mr. MUNDT. I am not saying that the chairman is responsible. I am inquiring whether he feels such activity to be a proper function of an OPS director.

Mr. MAYBANK. I did not hear the question of the distinguished Senator from South Dakota.

Mr. MUNDT. I am not saying that there is any responsibility on the part of the chairman of the committee. I am inquiring whether he feels that such an activity is a proper function on the part of an OPS director?

Mr. MAYBANK. I feel that any man who makes such a statement, to the effect that our economic system has been destroyed, makes an erroneous and false statement, with which I am in thorough disagreement.

Mr. MUNDT. I am sure of that fact. I, too, am in thorough disagreement with such a socialistic philosophy. I am inquiring whether it is a proper complaint to place before the watchdog committee. I am inquiring whether the Government should keep in its employ and finance the tirades of that kind of person who goes around the country preaching that sort of nonsense, traveling at the expense of the taxpayers of the country.

Mr. MAYBANK. In the declaration of policy, which is contained in the act itself, there appears the following:

It is the objective of this act to provide the President with authority to accomplish these adjustments in the operation of the economy. It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use within the framework, as far as practicable, of the American system of competitive enterprise.

If an employee goes around the country and makes a speech to the effect that that is not what Congress intended to do, I cannot be held responsible.

Mr. MUNDT. No; but we have a watchdog committee.

Mr. MAYBANK. If the Senator from South Dakota will give me the name of the person who made the speech, I will send for Mr. Arnall and ask him about it.

Mr. MUNDT. It is Prof. Arthur R. Shoemaker, director of the district Office of Price Stabilization in South Dakota. I will be glad to supply the editorial to the committee.

Mr. MAYBANK. I will appreciate it. I shall ask Mr. Stevenson, of the committee staff, to check into the matter on Monday.

Mr. MUNDT. I will supply all the material to the watchdog committee. I also have some letters and messages which have been sent to me by some of the most distinguished businessmen in South Dakota protesting against Professor Shoemaker's effrontery.

Mr. MAYBANK. I believe that distinguished businessmen should call these matters to the attention of the Senator. I am glad that they have done so. If anyone says that we are passing laws which destroy the competitive system, he is certainly wrong. I know that the Senator from South Dakota has always supported the private enterprise system, not only in the Senate, but also when he was a Member of the House.

Mr. MUNDT. That is also true of the distinguished chairman of the Committee on Banking and Currency. Mr. President, let the Record be perfectly clear. Mr. Shoemaker is a former professor. I do not believe he said that Congress passed laws which destroy the private enterprise or free competitive system in our country. He was traveling around the State as OPS director, on money appropriated by Congress. He is reported to have said that the American free enterprise system was dead. He said that the OPS was necessary because 200 corporations in America are artificially, greedily, and avariciously jacking up prices and holding them up deliberately out of precise motives of selfishness.

Mr. MAYBANK. That is his statement. A great many charges are made, not only by OPS, but on the floor of the Senate as well. I have not made them.

Mr. MUNDT. I know that. I wanted to know what the official attitude of the committee was. I shall be glad to sup-

ply the material to the committee. I shall supply all the evidence I have in my possession, and I hope the committee will make a report on it.

Mr. MAYBANK. The Senator can appreciate that we get a great many complaints. He can appreciate that such complaints should be taken up by the people with their Senators. I shall be very glad to look at the material.

Mr. President, I have nothing further to say.

Mr. DIRKSEN. Mr. President, for the information of the Senate the amendment which is pending at the present time has the effect of repealing or terminating title IV and title V of the Defense Production Act of 1950, as amended.

Title IV deals with wage-and-price controls. Title V is the so-called labor disputes title. If the amendment is adopted there will be an end of price control, meaning that it will terminate on June 30, 1952. I sincerely hope that the Senate will see fit to approve the amendment in the interest of the country.

I am not unmindful of the fact that in the Committee on Banking and Currency we wrote a stump speech into the bill. It was offered by my very genial colleague the junior Senator from Virginia [Mr. ROBERTSON]. It is a nice aggregation of English language. It is a pious statement of congressional policy. There is not so much as a bicuspid, let alone a molar, in it so far as effective language is concerned. It is merely a statement of policy by Congress that "the President shall use the price, wage, and other powers conferred by this act, as amended, to promote the earliest practicable balance between production and demand therefor." It expresses the reverent hope that perhaps there can be a termination ultimately of these powers. That is precisely as far as it goes.

My friend from Virginia, devoting himself to the old dictum that open confession is good for the soul, has certainly stated the case in language, which has no legal or binding effect whatever.

There is present before the Senate now the question of continuing the powers. I sincerely hope that the powers will be terminated. I may say to my colleagues in the Senate that if some future bone picker ever evaluates the Eighty-first Congress, about the best that he will be able to do in one paragraph is to say that its actions and its decorum have been a bundle of contradictions and anomalies, to say the least.

First of all, in dealing with inflation we spent money riotously, unexceeded by any other Congress in peacetime certainly, and thus fed the fires of inflation. At the same time we passed a burdensome tax bill in the hope of siphoning off some of the spending money. Mr. President, that is like pulling the fire from under a boiler and then putting gasoline on the fire to make it burn better.

We orate very eloquently that production is a hedge against inflation, and then by this kind of measure we put a

road block in the way in order to prevent acceleration of production and make production just as difficult as possible.

Mr. ROBERTSON. Mr. President, will the Senator from Illinois yield at this point?

Mr. DIRKSEN. I yield with the greatest of pleasure.

Mr. ROBERTSON. With all due deference to the majority viewpoint, would it be fair to say it is that in an emergency of this kind, it is felt that producers should be sufficiently patriotic to increase production as they are permitted to do so on the basis of a fair return, without gouging the consuming public for the last dollar that an emergency might enable the producers to obtain in the absence of restraints?

Mr. DIRKSEN. The frustration of the producers of the country does not arise from a lack of confidence on their part in their ability to meet every development in the United States market. That frustration arises from the road blocks which are put in their way.

I trust that no one is so naive as to believe that because of the lovely stump speech which is contained in the bill, there will be a diminution of personnel of this agency. The record shows—I asked the Office of Price Stabilization for it—that they had 11,478 employees on the payroll in January, and that they had 12,500 employees on the payroll in June, or a clear increase of more than 1,000 persons.

Mr. ROBERTSON. Mr. President, will the Senator from Illinois yield at this point?

Mr. DIRKSEN. I yield.

Mr. ROBERTSON. I admit all of the Senator's soft impeachment. However, is it not true that during World War II this agency had on its payroll more than 65,000 persons who were doing the same kind of job the present agency is doing?

Mr. DIRKSEN. As a matter of fact, the agency had more than 65,000 employees on its payroll; and when we consider the number of volunteer workers, the total number goes away up into the hundreds of thousands.

As I remember the last estimate which came from that very able Administrator of price control, Mr. Chester Bowles, he finally asked for \$201,000,000. The OPS has presently been asking for \$71,000,000. Why? Simply to stimulate production in the country. So, Mr. President, I think the time has come for the Senate to come to grips with this matter.

Mr. President, let us not attempt to put the blame on Mr. Truman; let us not attempt to put the blame on anyone else. On the contrary, let us assume the responsibility for the actions we take here. If the epitaph for the free-enterprise system of the United States is to be written, let us write it honestly, and let us put on its tombstone, "The free-enterprise system came to its end by the action of the House of Representatives and the Senate of the United States."

Mr. President, I wish to accept my full share of responsibility. Last year in the committee I was the only one who voted against the bill, and, at this time, I in-

tend to raise my voice in opposition to the pending bill, because I am not going to have the history books record that I became a Member of this body for the purpose of liquidating the free-enterprise system of America.

On such occasions as this, I think the best sort of testimony to be submitted is simply the kind we obtain by examining the record of the testimony which was submitted at the hearings. I was reasonably diligent in my attendance on the committee, and I heard a great deal of regaling testimony in regard to the bill which now is before the Senate.

First of all, let me refer to the canners of the Nation. After all, it is no sin to be in business today, and it is no sin for a man to direct his own business, although today there are in Government some ideological experts who would almost make it appear to be a sin to be a businessman and to make a profit.

I think the Apostle Paul once wrote, "Be not slothful in business." I think that is a very good admonition to bear in mind during the present period.

Let us return to exhibit 1. A representative of the National Canners Association stated to the committee that 83 percent of their products were selling below the ceiling prices. The astonishing thing was that while there was such a large supply of canned goods in inventory, with the result that 83 percent of them were selling below the ceiling prices, the Department of Agriculture—in setting goals on the production of vegetables—has reduced the goal for 1952 by 1,100,000 tons, in order to hold down production. Of all stupidity and nonsense, that takes the cake.

The canners testified that their stocks have increased by 25,000,000 cases, over last year. That was the testimony which was submitted before the committee.

So now the tonnage is reduced, and the the price is forced up, and then a ceiling—almost like a hunk of cement—is maintained, to hold down the prices and more or less to squeeze them between the upper and the nether millstones.

Mr. ROBERTSON. Mr. President, will the Senator from Illinois yield to me at this time?

Mr. DIRKSEN. Mr. President, I ask my friend please to let me proceed to summarize a little of the testimony which was presented to the committee.

Mr. ROBERTSON. Certainly.

Mr. DIRKSEN. I think probably the most stimulating witness I have heard in my public service for a long time was Mr. Cliff D. Carpenter, president of the Institute of American Poultry Industries. Mr. President, at no time since this act went into effect has the price of chickens been up to the ceiling price. However, there is a ceiling price, and those engaged in that industry have to do all the paper work and all the bookkeeping required by the regulations, and have to examine their books and a great variety of regulations, in order to ascertain whether they are in compliance with the ceiling or whether they are in violation of it.

The price of eggs has never been up to the ceiling price, but today the producers

of eggs have to keep books and have to go through all the folderol and all the nonsense that is required by the Government.

The price of turkeys has never been up to the ceiling price.

Mr. President, it is sort of a follow-down process; the prices never reach the ceiling price, so the ceiling price is lowered. In other words, lower ceilings are imposed, and the result is to destroy the entire flexibility of our economic system.

In the case of ducks, it is necessary to point out that three orders on ducks were issued. Those orders cost one large producer \$150,000, but not a single one of the orders would work. I suppose the trouble was that the ducks could not read the regulations. [Laughter.]

So that is the sort of business with which we are confronted today. How in heaven's holy name can anyone run a business under such circumstances?

Let us examine exhibit No. 3, which is for the special benefit of my genial friend, the Senator from Florida [Mr. HOLLAND]. His colleague, Representative HERLONG, came before the committee and told us that the prices of citrus fruits and juices have never been up to the ceiling prices; yet the producers must comply with all the complicated work required under the OPS regulations.

The master of the National Grange came before the committee and said, in effect: "If you are going to have any control, you simply must have rationing." However, he urged that the controls be removed.

Then Mr. John J. Riggle, assistant secretary of the National Council of Farmer Cooperatives, came before the committee. The farmers he represents are very patriotic citizens who are interested in the welfare of the country. Mr. Riggle urged that controls be removed.

Then Mr. Mark W. Pickell, executive secretary of the Corn Belt Livestock Feeders' Association, appeared before the committee. He has spent a lifetime in the cattle-raising business, and he knows that business. He urged that the controls be removed.

Then Mr. Benjamin F. Castle, executive director of the Milk Industry Foundation, appeared before the committee to urge that Congress remove the controls.

Mr. President, one of the most stimulating witnesses, however, was a very humble citizen who operates at the counter of a supermarket, Mr. Stanton W. Davis, of Brockton and New Bedford, Mass. He is an independent; and he brought along some lamb chops and some steaks to demonstrate to the committee how he has to trim the meat at the expense of the housewives in order to comply with the stupidities that are uttered in the form of regulations by the Office of Price Stabilization. Just think of it, Mr. President. When Mr. Davis was before the committee he demonstrated, certainly to the satisfaction of the committee and to my satisfaction, that he is operating under such difficulties that finally the consumers become the real victims of these regulations.

Probably the humblest citizen who appeared before the committee was a cross-roads grocer who operates at Highland Springs, Va. His name is Mr. John J. Dratt. His entire volume of business is only \$120,000 a year. As I recall, he testified that his wife and his brother work in the store, and that they hire a delivery boy to work part time.

The first thing I observed was that he brought two huge volumes into the committee room. They looked like volumes of the Commerce Clearing House, perhaps sufficient in size to set forth the vagaries of the income-tax law, or something of the sort. Those volumes were very thick, and were bound in such a way as to appear to be official documents. In fact, they looked very forbidding. One of the members of the committee said to him, "What are these?" Mr. Dratt replied, "These are the regulations under which I operate." Both the volumes, Mr. President, appeared to be of the size of an unexpurgated edition of the Sears, Roebuck catalog. He said, "I am expected to be familiar with it—over a half million words."

He comes from the great Commonwealth of my esteemed friend, the Senator from Virginia [Mr. ROBERTSON]. I think the Senator was present and heard the testimony of his constituent. I thought it was interesting, indeed, because he was speaking for the small grocers. But he had to familiarize himself with all those regulations. For instance, on pork loins, I think—and I am drawing on memory a little—on pork loins weighing less than 16 pounds there was a regulation of more than 15,000 words to show how the meat had to be cut up and how it had to be sold.

Mr. President, talk about destroying the flexibility of the American system—this is it. So today we have two trains on the track, the train of free enterprise and the train of control. They are headed for a collision. And the effect is not going to be recited in happy words when that collision comes.

What we forget is that the armament program will take perhaps 15 percent of national production. Is that a reason for putting our entire free enterprise system into a straitjacket? Yet that is what we have today.

I have merely recited some of the evidence. Then came a man named Bertam Turner, from Cranston, R. I., who operates a little store. He brought pictures. He works long hours, and hard. He is "in the red." He says, "I am not comparatively in the red, I am really in the red, because of difficulties in operating under the regulations."

The other day a friend of mine from Minnesota sent me a tearful account of a small baker who had locked his door. It had a special appeal to me, because, once upon a time, I was a bench baker in white clothes, impregnated with flour, making tea rolls, doughnuts, pies, and bread. When I hear about my compatriots in that industry, who contrive succulent dainties to tease the palates of the people, it always excites something within me. As I go about the country, Mr. President, ever so often I drop into a bakeshop simply to get that

fragrance into my nostrils again, to see whether the craftsmen are carrying on in accordance with the ancient tradition. Mr. Turner, to whom I have referred, found it necessary to lock his door. He could not make the grade any longer, as the result of OPS.

A Mr. Schreiber—and I want to deal with him, now—had a retail coal business in New Hampshire. He came to complain of the fact that, being a salesman of a competitive fuel, he could not obtain justice from OPS; and he explained the difficulties which resulted. However, I thought the high spot in the testimony was when the American Municipal Association representatives came to testify that the original OPS administrator in St. Louis had actually interdicted the use of parking meters there, because the place where they were put had been used previously for free parking. The city thought it was going to get a little revenue from the parking meters, whereas the parking had been free theretofore. When meters are placed on a former free-parking space, the result is to raise the price. So the OPS administrator officially intruded himself into that picture. Of course, it was subsequently remedied, but it illustrates how nonsensical this business can become.

The Safeway Stores appeared. They operate 2,000 stores. Their volume runs probably over a billion dollars' worth of groceries a year. Among other things, they have been after OPS for a year, trying to get justice, trying to get a survey, trying to get a fair day in court. They could not get it, and so, speaking through some of their merchandizing experts, they pointed out to the committee and listed hundred of commodities which were selling under the ceiling. Nevertheless, they had to cooperate under the regulations and go through all the bookkeeping that is required.

The American Farm Bureau Federation, consisting of a great segment of men who till the soil in America, through its spokesman said to the committee that price controls ought to be permitted to languish. I am intrigued by one statement of Allan B. Kline, the very distinguished president of the American Farm Bureau Federation. He said, "We can out-produce Soviet Union, but we cannot out-control them." That, in my judgment, is just as right as can be.

The handkerchief industry came, to be sure, a small industry. One of their largest producers in New England somewhere went out of business. He simply could not take it. He simply could not do business under these complicated regulations.

It has been said that there has been a suspension of control on certain items. That is quite true. But probably the real reason is that the situation became so disgraceful that something had to be done. That would be notably true, for instance, in the case of kid and calf skins and hides.

Mr. John K. Minnoch, executive director of the National Hide Association, came to testify. He said:

The prices of hides and skins are now so far below the latest ceiling of December 14, 1951—

Which was their second roll-back—that there is no excuse whatsoever for continuing ceilings on hides and skins.

He testified also that whereas a key type of hide was selling at ceiling price of 36 cents in August it had declined to 24 cents by early November, which is 1 cent below pre-Korea price. He then asked, "How far down do hide prices have to go before ceilings would be removed?"

Hides were spoiling on them. Foreign hides were coming into the country. They were experiencing difficulty in selling their heavy hides. It seems that we are in the process of putting the industry out of business.

Mr. President, someone must raise his voice against this insanity. That is what it amounts to; and, of course, it is going to continue if we grant the authority. Oh, Mr. President, let us not be beguiled by the naive and soothing words written into this measure as a beautiful stump speech. I quote from them:

It is hereby declared to be the policy of the Congress—

Oh, how many times we adopt resolutions declaring the sense of the Congress. They are as evanescent and as transient as the fragrance of a rose on a morning breeze—they are gone. That is all the declaration of policy amounts to. It is not going to last; and let us not be beguiled by it.

Other organizations and associations whose business is not to gouge the consumer have given testimony. How are they to continue in business if the philosophy of OPS is to follow? Their business is to produce more, and to follow out the American economic thesis of more goods for more people in more places, in quantities they want, at prices they can afford to pay. When they depart from that thesis they are done, in a competitive arena.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I am glad to yield to the Senator from Michigan.

Mr. FERGUSON. The Senator from Illinois was speaking about the glittering generalities of the policy statement of the committee, generalities which sound very good in reading the bill. But is it not true that those generalities do not reach out to the man who has to operate under the bill and who has to pay the increased payroll resulting from controls, when they are not needed?

Mr. DIRKSEN. That is so correct.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the chairman of our committee.

Mr. MAYBANK. I merely wanted to say in connection with what the Senator from Illinois said about certain businesses being burdened with all the regulations on fresh fruits and vegetables, which sold at prices below the ceiling, that that may have been a fact some time ago—and I, of course, would never question what the distinguished Senator from Illinois says—but recently that has not been the case. One of the staff members called me a while ago and stated that they were never required to keep

books on articles selling below the ceiling prices; so there could be no cost on that account.

Mr. DIRKSEN. That is correct.

Mr. MAYBANK. I am merely stating to the Senator what I was told. I thought it ought to be in the RECORD.

Mr. DIRKSEN. But the fact of the matter is that the authority to issue the regulations is there.

Mr. MAYBANK. The Senator is correct.

Mr. DIRKSEN. And so long as the authority is there, no watchdog committee and no one else is going to bring the thing to a conclusion. The only way to conclude it is to withdraw the authority. Businessmen could then follow out the thesis of our free economy.

Mr. MAYBANK. I understand the purpose of the amendment of the Senator from Illinois, which we agreed to act on first. That is what he wanted done. I merely wanted to state that no books or records are required to be kept in connection with things selling under the ceiling prices, so I am told.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. Before I get too far away from the question raised by the Senator from Michigan, I desire to invite attention to this headline: "Staley closes big soybean plant Saturday. Says OPS has squeezed company's profits."

That is dated May 7, 1952. Staley is the largest soybean processor in the United States. The plant has closed its doors, according to the statement.

Let me refer to some items which have come to my desk relative to the potato shortage. Try to buy potatoes at any store in Washington—they are like gold; it is practically impossible to find them. I was in Detroit not long ago and saw hundreds of trucks backed up at the wholesale market. There were no potatoes. The wholesalers were protesting OPS regulations which made potatoes impossible to get. Today there is a growing, flourishing black market in the field of potatoes.

To satisfy myself I went to a store on Massachusetts Avenue NW., in this city, and said I wanted to get a peck of potatoes. There was not a potato in the store.

Mr. FERGUSON. Did the Senator see the item in this morning's newspaper to the effect that certain restaurants would serve potatoes if anyone would bring them, and would not charge anything for frying or boiling them? That indicates that there is a black market in potatoes.

Mr. DIRKSEN. Yes. Before we get away from potatoes, I want to refer to another item just to nail the matter down. I have in my hand a recent Associated Press dispatch stating that during a drought a few years ago the United States shipped potatoes to Spain. Spain is now sending cheaper potatoes to the United States. The article cites the fact that a ship left for New York with 3,600 long tons of potatoes destined for sale to wholesalers in New York, Washington, Philadelphia, San Juan, and so forth, for less than 1 cent a

pound. The potatoes were grown from seed purchased in the Netherlands. A spokesman in the Office of Price Stabilization had this to say:

The incoming shipment is of no concern to OPS as long as the selling price does not not go above the ceiling price.

It is of no concern so long as the price is maintained. We can starve for want of potatoes, but that is not important. One can get nourishment from looking at a chart on the wall and knowing what is the ceiling price on potatoes.

Mr. FERGUSON. Following up the matter of shipping potatoes from Spain, does the Senator remember that when we were shipping food to Germany and France we had such large surpluses of potatoes that it was said by the Agricultural Department that we could not ship potatoes to Europe, that they would spoil before they got there? Does not this demonstrate that when they come the other way they can be safely landed?

Mr. DIRKSEN. That is true.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. I congratulate my colleague from Illinois on the able speech he is making with reference to the potato situation about which I want to say something, myself, a little later. But I should like to return for a moment to the exchange between the Senator from Illinois and the Senator from South Carolina with reference to citrus fruit, and especially with reference to the appearance made by Representative HERLONG, of Florida, before the Senate Committee on Banking and Currency during the course of the hearings. Both Senators are correct in their statements, but I think I may perhaps clarify the matter by a brief statement.

The testimony given by Representative HERLONG appears at pages 355 to 359 of the record of the hearings. The Senator from South Carolina was correct in saying that as to that part of the citrus fruit which is sold in fresh fruit markets there is no need for complaints as to ceilings or the keeping of records such as would be required on other commodities. But more than two-thirds of the entire citrus crop of my State is processed, going either into cans, frozen, or made into concentrate. The point made by the distinguished Senator from Illinois is entirely correct, and the testimony of Representative HERLONG shows that more than two-thirds of the Florida citrus crop in the past season was subjected to the difficulties of selling at a time when the highest price being received by the growers was 31 percent of parity, and effect upon the growers of my State of the imposition of the ceiling upon the processed fruit which was selling every day in competition with the fresh product everywhere in the Nation was terrific.

I congratulate and compliment the Senator from Illinois for having invited attention to that fact. When more than two-thirds of the crop is going into a processed product which appears on the market at the same time as the fresh fruit appears and which competes daily

for the attention of the housewives, certainly the growers are hurt very badly when that two-thirds is subjected to ceilings at a time when the grower himself is getting less than one-third of the cost of production at his end of the line.

Mr. DIRKSEN. I suppose I should remain in character, like Cato of old, who signed every letter "delenda est Carthago"—Carthage must be destroyed.

I shall be glad to join with my friend in offering an amendment to take care of the situation which he has mentioned.

Mr. HOLLAND. I appreciate the invitation. I expect to offer an amendment, myself, unless it is better to include it in the amendment offered by the Senator from Illinois. The purpose would be to remove fresh fruits and vegetables entirely from ceilings, because the havoc which has been created in my State this year is so enormous that I would be doing less than my duty if I did not offer such an amendment.

Mr. DIRKSEN. I thank the Senator from Florida.

I now yield to the Senator from Utah.

Mr. BENNETT. Mr. President, will the Senator permit me to add another chapter to the potato story? The States of Utah and Idaho adjoin, and at the point where they join there is a very rich agricultural area. The slide-rule boys decided that potatoes grown in Idaho should have a 20-cent higher rate than should potatoes grown in Utah. The farmer had to be very careful where he ran his plow to make sure where he separated the high-ceiling potatoes from the low-ceiling potatoes.

Mr. DIRKSEN. I suppose the theory was that because of the soil content in Utah there would be a few more calories in the soil of Idaho.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HOLLAND. May I add that not only is there confusion on geographical lines, as recited by the Senator from Utah, but in my own State there is a situation brought about by ceiling control whereby potatoes marketed up to the last minute of the last day of April were worth 70 cents more per 100 pounds than potatoes out of the next field which did not arrive at the packing house until a minute after midnight of that day, that is, on the first of May. That is certainly an artificial distinction that cannot be justified by any sort of reasoning.

Mr. DIRKSEN. The OPS astronomers must have taken account of the sun to see whether or not some of its blistering and vigorous rays had not got down to the soil after April 1, even though the potatoes were underground. But certainly because of the obliquity of the ray it was not so sharp, and there must have been a difference.

Mr. HOLLAND. The approach of the Senator from Illinois is comforting, but I am afraid the potato growers of my State will not recognize its healing value.

Mr. DIRKSEN. That is exactly correct, I may say to the Senator from Florida. That is the difficulty. When we evaluate the practical effect of the

control, it becomes a nuisance and harassment upon the business community of the country, which is trying to keep the production engine going.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FREAR. I do not wish to get into this "hot potato" deal, but I should like to ask a question of the Senator from Illinois, whom I respect very highly.

I believe that in his remarks he stated that the Department of Agriculture had demanded of the farmers that they reduce by some large amount the normal acreage of potatoes. However, I wonder if the Senator from Illinois would like to see the farmers overproduce, and sell to whoever buys from them at ridiculously low prices, of which the consumer rarely ever gets the benefit.

Mr. DIRKSEN. When the officials cease rigging the economy of this country—and that goes for the farmers—the economy will go into better balance than if we have to resort to price supports. The operation will probably be not quite so costly.

How long has it been since the Government bought hundreds of millions of dollars worth of potatoes and sprinkled them with colored salt and kerosene, and had the tractors go over them? Now there are no potatoes. Yet a few people are going to be indicted because of violation of the potato ceiling at the time when there is a black market. We could not expect anything but a black market under these circumstances.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FREAR. As I said, I do not wish to become involved in the potato deal, but the Senator has brought out something in which I am interested. As to any agricultural product, whether it be corn, wheat, potatoes, cotton, or anything else, the farmers are entitled to a fair market and a fair proportion of the consumer's dollar. If the Department of Agriculture, or some other agency, for which we appropriate millions of dollars a year, wants to give an advantage to the producers of any commodity, whether there is overproduction or underproduction of any specific commodity, I am sure the Senator from Illinois does not wish to take away from the farmers any benefit they may gain.

Mr. DIRKSEN. Indeed not. The Senator from Illinois recognizes fully that not the most endowed bureaucrat can take account of the weather and God's sunshine so as to be able to tell what the crop is going to be. Why do they not let it alone, and then see where we get and what production we can have? Then, if for any reason it is necessary to use a price-support program in order to have potatoes for America, or to subsidize the growers a little, we can make sure that the growers get a fair return. But how can that be done when we control at both ends and keep the farmers between the millstones?

Mr. FREAR. Do I understand the Senator from Illinois to say that he is in favor of subsidies?

Mr. DIRKSEN. No; not as such; but I recognize that we have a support program and a commodity-credit program today that has been with us for a long time, and I have gone along with it pretty well in other days.

Mr. FREAR. I did not understand that the Senator from Illinois had a proposal to regulate. I perhaps misunderstood the Senator.

Mr. DIRKSEN. The law is on the books, and is clear with respect to virtually all kinds of commodities, whether they come under parity or under a comparable price law. Why should we belabor the whole commodity credit program and the whole price-support program today in connection with this bill, because it has only a corollary effect?

Mr. FREAR. I do not want the Senator to misunderstand my question. I do not want him to think I am going to support such things. Not at all. What I want to get the Senator from Illinois to admit is that the producers, especially producers of food products, should have some advantage arising from overproduction or underproduction. I do not even say we should give them any subsidies at all.

Mr. DIRKSEN. As a matter of fact, I do not subscribe to the word "advantage." I think we should treat them fairly, and make sure that they get a fair income and fair return upon the commodities they produce. That has been the approach of Congress ever since I can remember. The Senator from Illinois takes no exception to it.

Mr. FREAR. I do not believe the farmers desire anything but a fair return.

Mr. DIRKSEN. That is correct. I have found that to be the view of farmers everywhere.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. DWORSHAK. I can realize why the Senator from Utah might have expressed some resentment over the fact that the OPS gave the Idaho potato a little higher price ceiling in Order No. 113, issued last January, but I should like to point out that the record will show that at the time of the rollback the Idaho potato commanded a premium of \$1.40 per sack, and that the OPS arbitrary order rolled back by 30 percent the prevailing prices of Idaho potatoes at that time. So the record shows that the Idaho potato was the greatest victim of that arbitrary action.

I should now like to ask the Senator from Illinois a question.

Mr. DIRKSEN. Before the Senator asks his question, I merely wish to comment that I do not desire to be injected into the civil war between Idaho and Utah potato growers.

Mr. DWORSHAK. I appreciate that. If the Senator from Illinois will yield further, I simply wish to say that at the time negotiations were in progress to place ceilings upon potatoes, those representing the potato industry served notice upon OPS officials that there would be no result except to force potatoes into the black market. Subsequent develop-

ments proved that that forecast was accurate.

I would like to ask the Senator from Illinois if he does not agree that in any roll-back of prices of potatoes by the OPS the consumer would save a great deal of money, if he could purchase potatoes if they were available. But apparently the OPS does not recognize that even if potatoes were given away, and there were none available in the normal markets, the consumer would not gain in any respect.

Mr. DIRKSEN. That is correct. The prospect would become just a mirage, and would certainly furnish no sustaining power for the humble citizen who had his tongue out a mile for a succulent potato. That is the difficulty today.

It has been stated, "If you will just be patient a little while, a new crop will come in." That is like the item in connection with the Japanese Treaty, in which it was said, "Be patient, take a little while, and these people will orient themselves toward Formosa and other places." But perhaps in the next 5 or 10 years 2,000,000 of them could die before orientation bore any fruit.

So we might be without potatoes for a long time, and that is not in the manner of the American economy, for the capacity of the soil, the talent, the genius, the money, the seed, everything is here to produce potatoes, and they will make a mountain higher than the Tower of Babel.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. DIRKSEN. I yield.

Mr. DWORSHAK. I just read in the press reports this morning that consumers are being forced to buy macaroni and other substitutes because potatoes are not available. I wish to say to the Senator from Illinois that potato growers in the State of Idaho are willing to cooperate in every way to furnish an adequate supply of this essential food. But so long as the OPS and the bunglers and meddlers persist in discouraging production of potatoes in my State by obstacles and roadblocks, so long as we operate under such a program, there will not be an adequate supply of potatoes available for the consumer at reasonable prices.

Mr. DIRKSEN. That is correct.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MOODY. I am always interested in the mellifluous presentations of the Senator from Illinois. I wish to ask him if the burden of his presentation is that the shortage of potatoes is due to price control.

Mr. DIRKSEN. Oh, no.

Mr. MOODY. I thank the Senator.

Mr. DIRKSEN. The officials are just confusing the market. If they had sought the most skillful confusers in the country, with doctor of philosophy degrees, they could not have done better.

Mr. MOODY. May I ask the Senator one more question?

Mr. DIRKSEN. Yes.

Mr. MOODY. Does the Senator contend or believe that price supports for farm products are a sound part of our economy?

Mr. DIRKSEN. Oh, I do not want to get into a discussion of price supports now, because that question is not before the Senate.

Mr. MOODY. I should like to point out to the Senator that the reason why there is a shortage of potatoes is that after the Congress had passed a rather complicated series of "yesses" and "noes" on this particular question, finally price supports were lifted. Then, as I think everyone knows, a shortage developed, and price controls were imposed. I am glad to hear that the Senator does not contend that the price controls are responsible for the potato shortage.

Mr. DIRKSEN. No. I merely say that the agency of Government which deals with production and the agency which deals with prices are all a part of the same administration, there is the same responsibility for the confusion, and the Senator can select the agency he desires to blame.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Illinois yield to the Senator from Vermont?

Mr. DIRKSEN. I yield.

Mr. AIKEN. The shortage of potatoes this year, up until the time the new crop was supposed to come on the market, was due to the fact that 20 percent of the 1951 crop rotted in the field in some areas. That is the primary reason why potatoes are short. Now that the new crop is coming on the market, the shortage is due to the OPS ceiling of 100 percent. Potatoes are a gambling crop, and if a farmer has only half a crop, he is licked if he must take a low price fixed by an inconsiderate Government agency. He must get more than what would be a fair price in the event he had a big crop. The grower must put about \$300 an acre into a crop of potatoes before he even starts to raise them. When he gets a short crop, as many growers did in 1951, he is assured by the OPS that he is faced with disaster, because he cannot possibly charge enough to cover the cost of growing the potatoes.

Mr. DIRKSEN. Maine potatoes can be bought in Toronto or Montreal, even though they cannot be bought in Washington.

Mr. AIKEN. There are no price ceilings on potatoes in Canada, and when a grower has only two-thirds of a crop, he must get more money for it if he can.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MAYBANK. I would never be one to defend the potato regulation. The State of South Carolina is a great potato-producing State. We have been side-tracked, as has Florida, and the State of Idaho gets a better price. What the Senator from Vermont says is correct. If a grower has a short crop, he has a loss. Some members of my own family

plant potatoes, so I know something about the subject. If they have a short crop they have a loss. But it is equally true that many times when a grower has a big crop, if he ships the potatoes to commission merchants in New York, all he receives in return is a freight bill, with nothing for the potatoes.

I merely wished to add my testimony to what the Senator from Vermont said about potatoes being a gambling crop. I am glad to hear the Senator from Illinois say that the control bill has nothing to do with the shortage of potatoes.

Mr. DIRKSEN. While my friend the Senator from Vermont [Mr. AIKEN] is present, I wish to refer again to the soybean question. I have just stated to the Senate that the largest soybean plant in the country, operated by A. E. Staley & Co., and located at Decatur, Ill., was forced to close.

Mr. AIKEN. They were deliberately and intentionally forced out of business.

Mr. DIRKSEN. The soybean plant of Swift & Co., at Fostoria, Ohio, also had to close, because of the fact that the squeeze was on as a result of the action of OPS. That plant simply could not make the grade.

I do not know what is being done, but I have a copy of the memorandum to which the Senator from Vermont referred a moment ago—

Mr. AIKEN. They know that they are violating the law.

Mr. DIRKSEN. This memorandum says:

Soybean meal prices were related directly to cottonseed meal prices for the years 1930-49. A coefficient of determination of 0.96 was obtained.

So, I suppose, notwithstanding supply, notwithstanding demand, notwithstanding the number of cattle feeders, notwithstanding the outlet for soybean oil and its market at home and abroad, all one has to do is to put down the number of years and the prices of soybean meal, and obtain a coefficient of determination of 0.96.

All one has to do is to multiply, and there is the magic number, which is expected to keep people in business. Is that the substance of this program?

Mr. AIKEN. They know better than that. They deliberately took such action as would force the price of soybeans far below the legal ceiling, and even below the support level, the purpose being to put the farm price down, and to encourage an increase in price to the consumer of oleomargarine, shortening, and other commodities made from oil. The administration officials deliberately fixed the ceiling on the oil at twice the market price, to encourage raising the price to the consumer. There is no getting away from that. The memorandum which the Senator has before him tells the whole story. The OPS officials admit that they were violating the law. They admit that they were doing it with the full knowledge, consent, and approval of the Secretary of Agriculture.

Mr. DIRKSEN. That is one more effect.

Mr. AIKEN. If the Senator from Illinois does not place the entire memo-

randum in the RECORD, I intend to do so. I shall also place in the RECORD a memorandum from one of the OPS officials, advising the OPS administrators that they were doing something terribly wrong. Yet he was overruled.

Mr. DIRKSEN. I hope my friend will place the statements in the RECORD.

To go to another matter, a very well trained reporter was sent to Chicago to look into the situation with respect to one of the packers, and also with respect to Marshall Field. I have before me an article under the heading "Life with OPS," published in the Wall Street Journal of April 14, 1952. This dispatch is dated April 14, 1952. The first subhead is: "Big meat maker finds 1,000 price rules 'neath a cow critter's hide."

The next subheading is: "With 90 percent of tonnage below ceiling, Armour keeps 300 busy unraveling red tape."

The final subhead is: "Crisis of the sausage ceiling."

This reporter went through the plant of Armour & Co. in Chicago to see what regulations it must conform to. What a piece of madness it finally becomes.

This same reporter, Mr. John S. Cooper, also went through the Marshall Field operation. I have before me an article from the Wall Street Journal of Wednesday, April 9, under the same heading "Life with OPS."

The first subhead is: "Giant retailer flounders (in sextuplicate) in morass of paper work."

The next subhead is: "The case of the booby-trap bride hamstrings four Marshall Field executives."

This is the most fascinating reading one could possibly find. The next subhead is: "CPR-7 and 26,000 forms."

Mr. President, I ask unanimous consent that the two articles to which I have referred be printed in full at this point in the RECORD, as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of April 14, 1952]

LIFE WITH OPS—BIG MEAT MAKER FINDS 1,000 PRICE RULES 'NEATH A COW CRITTER'S HIDE—WITH 90 PERCENT OF TONNAGE BELOW CEILING, ARMOUR KEEPS 300 BUSY UNRAVELING RED TAPE—CRISIS OF THE SAUSAGE CEILING

(By John S. Cooper)

CHICAGO.—The next time you are driving in the country and see a steer grazing in a field, take a good long look.

The critter isn't as simple as he seems. Concealed in his beefy carcass are at least 75 different OPS meat price ceilings. And that is just a beginning.

If he is kosher slaughtered, add another completely different set of ceilings. If his sirloins and sweetbreads are to be eaten in a restaurant, on shipboard, or in an Army mess hall, still other ceiling prices will be required. It will make a difference whether the cuts are tenderized or whether they are wrapped in kraft paper, a banana bag or peach paper, or shipped in a crate rather than a barrel. If the meat is sold in Clearwater, Fla., it will have a different ceiling than in Oscaloosa, Iowa—freight differentials, you know. It even makes a difference whether the retailer is located in the Bronx or Bridgeport.

So far, that steer has more than 1,000 possible wholesale price ceilings under his hide. Now if there are other steers in the field, per-

haps a little fatter or leaner, start multiplying: There are five basic meat grades, each with a different set of ceilings. Add a calf, a hog and some sheep to the livestock in the field, and a count of different price ceilings runs into the realm of Irish sweepstake ticket accounting.

THE LIGHTS BURN LATE

This explains why, for more than a year now, lights have been burning late at Armour & Co., one of the Nation's largest manufacturing enterprises, saleswise.

"About 90 percent of our tonnage is selling well below ceiling prices, but we still have the equivalent of 300 people working full-time just to comply with the technicalities of the OPS regulations," an Armour official says.

Armour President Frederick W. Specht is more outspoken. He says: "Confusion compounding confusion has been imposed on our industry and still is burdening us with a tremendous bookkeeping bill for no reason whatsoever. It not only hasn't done any good, it has actually hurt the public as well as the industry."

In 1 month alone a small army of Armour accountants and clerical workers piled up close to \$200,000 in overtime sorting over old records for the OPS.

Regardless of whether they ever examine the documents, the Federal controllers demand detailed records of nearly everything connected with the packing company.

How much Armour paid for each lot of cattle it buys, the date, the transportation costs from market to the slaughtering plant, date of slaughter, dressed weight of the animals; these and a myriad of other details must be filed with OPS, even though the Government—for reasons perhaps political—has studiously avoided putting ceilings on the farmers' own prices for their animals.

ARMOUR'S FORM-FILING PROBLEM

That's less than half of Armour's form-filing problem. When the company sells the meat, it has to provide even more detailed information. Every invoice, in addition to names, addresses, and dates of sale, also carries an elaborate code—"PM," "W," "CD," "HSH," "P," "ID," "SS," and "PBH," which indicate types of buyers and sellers.

Each code may require a different ceiling price. Failure to put this information on the invoice makes the company subject to various penalties and even criminal prosecution. Other things must be included on the ticket also—down to the number of miles an Armour truck traveled to make delivery.

The OPS-brought paperwork blizzard is serious enough for a small concern. For a giant like Armour it reaches fantastic proportions. Consider the size of Armour. Last year it sold about 4,000,000,000 pounds of meat—roughly 26 pounds for every person in the United States. It bought some 16,000,000 animals raised in nearly every State of the Nation. Its Chicago plant is the largest abattoir in the world, and there are 33 regional slaughtering plants besides.

In addition there are 240 branch houses, which serve as distribution points and also may do some processing like making sausage or slicing bacon. Then there are 60 creameries, tanneries, oil refineries, pharmaceutical plants, and soap works. Every week this mammoth organization generates more than 2,000,000 sales tickets.

PROPAGATION OF BUREAUCRACY

Throw Government regulation into this complicated business mechanism and you really gum up the works. On food sales of \$2,000,000,000 last year, this branch of the business produced earnings of only \$3,540,134, less than a fifth of a penny per dollar of sales. And in the first quarter of this year, earnings were only a fifth of what they were during the first 3 months of 1951.

Government bureaucracy has forced the company itself to become more bureaucratic. Local sales managers must see to it that each of the millions of invoices is checked for compliance with the regulations and is initialed. The accounting department has had to devise 30 new forms to make the company's internal operations conform to the Federal strait-jacket.

On top of the present OPS bookkeeping chores, the huge company still is not unwound from the red tape of the old OPS. Invoices dating back to August 1938 have piled up in the company's storage vaults. Even slaughter orders, usually thrown out after 6 weeks, have to be saved for years now. At the Armour plant in Peoria, among others, the growing mountain of paper has forced the renting of outside storage space.

Armour currently is operating under more than 17 price regulations, plus hundreds of amendments and supplements. "Some have been amended so much there is more patch than kettle," an official comments.

ANALYZING AN ORDER

The issuance of a new OPS order usually results in a regular cabinet meeting of the top officers of the company.

"Our lawyers and accountants get together. Sometimes it takes 2 or 3 days to crystallize our ideas on what the Government is trying to tell us to do. Then instructions have to go out to the sales and production force. Plant superintendents are notified and conferences on OPS meat-cutting requirements are held," A. B. Blunck, official in charge of plant accounting, says.

Sometimes the OPS itself apparently doesn't know what it wants. When the agency issued its first big order, the general ceiling-price regulation, it specified that packers' prices be limited to the prices received on the top 10 percent of sales during the base period of December 19, 1950, to January 25, 1951.

Armour officials frantically phoned the OPS in Washington to find whether the 10 percent applied to the number of sales, or tonnage, or dollar volume; they were told it meant number of sales.

"OOPS"—MISTAKE

Imagine their surprise when an amendment came through a few days later specifying that the 10 percent meant dollar volume. This meant going through 11,000,000 invoiced items all over again, a waste of thousands of hours of tedious clerical labor.

As the present price control agency attempts to improve on its predecessors in World Wars I and II by plugging up loopholes, its orders have grown more and more complicated.

"A combination of the fine print on an insurance policy and Gray's Anatomy for third year medical students" is how one Armour official describes their readability.

"Even in a big company like ours it takes a panel of 'experts' to really understand these orders," another comments.

OVERSEEING COMPLIANCE

A committee of four Armour executives in Chicago—the branch house general manager, the general plant sales manager, and the heads of plant accounting and branch house accounting—oversee attempts to comply with the regulations. Under this committee is a working committee of members of the branch house sales department, the law department and the comptroller's office to see that OPS policies are carried out.

When a new OPS edict is issued, the company sends a special bulletin of instructions to 250 production executives and 1,050 sales managers and others. So far as this volume of simplified Armour versions of OPS price orders is 690 pages thick.

A statistically minded Armour accountant estimates this is equal to four man-years of

continuous reading. "Figuring it took every-one 2 minutes a page to read the bulletins, and that is speedy for this stuff, it means that 1,300 of our people spent 29,900 man-hours or 1,245 days just reading, much less understanding, the material."

RAIL RATE CONFUSION

Whenever the Interstate Commerce Commission approves a change in railroad rates, Armour has to completely rejuggle its schedules of thousands of local price ceilings. Some idea of the problem can be gotten from this: For beef, the transportation differential is based on a theoretical shipment from Omaha or Denver to the place where the meat is sold; on veal actual transportation costs are figured in the ceiling.

Even the local mileage, from Armour's branch house to the eventual purchasers, alters the ceiling by a few cents. Some salesmen have to worry about as many as 15 different ceiling prices on one item in their line. Pity S. E. Watkins, manager of Armour's Denver sales division, which extends from Canada to Mexico. He has 11,000 different ceilings on veal alone.

Some meat items are too complicated for even the OPS to try to regulate by applying dollar-and-cents ceilings. On these the agency permits the packer to set his own ceiling by an intricate formula.

THE SAUSAGE SITUATION

Sausage is a good example of this. Armour makes more than 150 different kinds. But whenever OPS changes the method of computing ceilings, Armour has to notify each one of its more than 100,000 customers of the new ceiling price for each kind.

The sausage regulation, incidentally, was in the process of revision during the entire last 9 months of 1951, while the packers waited uneasily for OPS to make up its mind.

OPS insistence that packers cut meat the OPS way and no other is a source of constant irritation to Armour's production men.

"For years we have provided a beef tenderloin trimmed to the exact specifications of a big national restaurant chain," an Armour production man says. "The meat was trimmed to enable the restaurant chefs to cut it into uniform steaks. Now the OPS tells us we can't sell that type of a cut."

NEW PRODUCTS BALKED

"The door is closed to the development to many new items, too," he adds. "Take our line of frosted meats. They are in an 8-ounce pack, designed to fit into the ice cube compartment of any refrigerator. So far they have been a tremendous success. Luckily we had started with about six items before the OPS freeze went in. But now we'll have to wait for the OPS to end before adding to the line."

Every once in a while, amidst great hue and cry, the OPS sets out after alleged violators of its many regulations.

A suit filed this year in the Federal district court in Chicago is fairly typical. Amid flaring newspaper headlines, the Chicago regional director of OPS charged that 19 packing firms had bilked Chicago housewives of more than \$1,000,000 by leaving a few fractions of an inch too much fat on pork loins and butts.

When the suit finally was filed, only five packers—Swift & Co., Armour & Co., Illinois Meat Co., Miller & Hart Co., and the Tobin Packing Co., were named.

DON QUIXOTE WEPT

Judge Michael L. Igoe speedily threw the case out of court. It developed that instead of dozens of complaining retailers there was only one; and he didn't show up at court. It also developed that the old OPA had brought the same charges 8 years ago.

At that time, Chester Bowles, OPA Administrator, had conceded. "We realize that the

fat on a pork loin or butt is not to be measured with machine-tool precision. We realize also that the mere presence of a few loins or butts which may have something more than one-half inch of fat does not constitute the type of violation which would be the basis for enforcement action."

[From the Wall Street Journal of April 9, 1952]

LIFE WITH OPS—GIANT RETAILER FLOUNDERS (IN SEXTUPPLICATE) IN MORASS OF PAPERWORK—THE CASE OF THE BOOBY-TRAP BRIDE HAMSTRINGS FOUR MARSHALL FIELD EXECUTIVES—CPR-7 AND 26,000 FORMS

(By John S. Cooper)

CHICAGO.—The young bride-to-be was frantic. It was late Friday afternoon and she was to be married Saturday. Her bridal gown had to be altered, the sleeves lengthened and the waist taken in. Would Marshall Field & Co. please help her?

Field's did. The big Chicago department store has spent 100 years building up a reputation for coddling its customers and this was just one more little crisis to meet. A part-time seamstress in the alterations department broke store policy and volunteered to take the dress home with her. It was ready the next morning.

The bride never knew what a mess she had left in her wake. This special favor to a customer was booby-trapped with such a cluster of intricate Government regulations that it took four top store executives most of a morning to solve the riddle.

How much was the store to charge under the Office of Price Stabilization's Ceiling Price Regulation 34 covering special services? And what was the store to pay the seamstress for her time? By the time a company lawyer, the alterations section head, the personnel manager, and the store's price control expert had reached a conclusion the amount of executive salary spent was more than double Field's bill to the bride.

At the onset of the Government's current economic stabilization effort, Marshall Field & Co. set up a Government regulations department with nine people. The personnel department also added three new employees to cope with the complexities of wage and salary stabilization. But this increase in nonproductive salary expense is picayune, say company executives, when compared to the cost of thousands of hours of typing and checking involved in complying with just one Government regulation or to the indirect cost of disruption of established buying and merchandising practices.

Take the OPS' so-called margin order, CPR 7. This was highly touted as enabling the retailer to keep his normal profit margins. It requires the merchant to list what he paid for each item of merchandise in stock on a given date, the invoice number, and the percentage of mark-up and price asked by the store. This then became his ceiling chart for that particular category of merchandise.

CRYSTAL TO KLEENEX

Marshall Field carries about 750,000 different items, from Jacques Fath suits, Palter DeLiso shoes and Steuben crystal to things like Kleenex and bobby pins. Just to catalog them is a mighty chore.

"More than 20,000 hours of work by section managers and assistants were needed for the job," says a harried Field's official. "Twenty-six thousand pages of forms were used and more than 20,000 sheets of carbon paper."

The store's clerical staff was too small to do all the typing required and \$5,000 worth of work at \$1.95 an hour had to be farmed out to private stenographic services. Extra comptometers had to be rented by Field's huge toy department to figure the mark-up

on each toy soldier and teddy bear. Field's attorneys made nine trips to Washington and even the china buyer and the meat buyer had to junket to the Nation's Capital to iron out tricky points in the regulation.

All told, CPR 7 cost Marshall Field & Co. several hundred thousand dollars—\$75,000 in buyers' time alone. True, it resulted in forced price reductions totaling about \$125,000, but a good many of the affected goods were luxury items or Field exclusives with only a remote bearing on the cost of living. The store normally carries an inventory of more than \$20,000,000 worth of goods.

TWO-THOUSAND-PAGE SCHEDULE

The product of all this labor, Marshall Field's CPR-7 price schedule, 2,037 pages thick, is twice the length of *Gone With the Wind* and is done in sextuplicate to satisfy the demands of the price controllers. It covers 230 different categories of merchandise, but contains more than 1,300 separate price lists for these categories. The discrepancy is due to the fact that Field's 400-section store organization doesn't jibe with the OPS break-down of merchandise categories and there is much overlapping. The bedeviled buyer for the men's sportswear section, for example, had to make up 42 different category charts.

The basis for determining ceilings under CPR-7 was not the store's price on one given day, but the price in four different base periods, depending on the type of merchandise. Says a store executive: "We spent days combing through dusty file warehouses looking for invoices necessary to complete the records."

CPR-7 is just one of 131 separate price orders issued by the OPS to date. There are hundreds of amendments and supplements.

Occasionally, though, the retailer gets a break when the price agency puts out one of its "General Overriding Orders" freeing some commodity from controls. Like GOR-5, labeled "consumer durable goods," which exempted such things as artificial or preserved grass and plant stems, shoe horns, pin cushions, incense burners and bird cages. Or GOR-7 freeing imported cocoa, fried worms, frozen hollandaise sauce, wild rice, and smoked turkey soup. Or the one that took Campfire Girl and Boy Scout equipment out from under.

GOVERNMENT REGULATIONS STAFF

But still about 95 percent of the merchandise in Chicago's big State Street store is subject to controls. Keeping tabs on the price legality of all this widely assorted stuff is the Government Regulations Staff, launched by two veterans of old OPA days, Miss Dorothea van Westrenien and Mrs. Carolyn Millard, and now headed by Mrs. Millard. They try to interpret and simplify the painful OPS prose and put out a little newspaper of their own called the Price Control Bulletin which goes to the store's executive mailing list of about 500. The controls staff also is on hand for personal consultation with harassed section managers on their price problems.

The Field's staff members emphasize that their troubles are with the regulations rather than with the people the Government pays to administer them. The big store bends over backwards to comply with every letter of the law, and its relations with OPS personnel have been "as pleasant as possible, considering the regulations they have to work with."

Mrs. Millard remarks: "For weeks last year we worked around the clock and on week ends. One night I went to the symphony to relax. It was no use. Right in the middle of Brahms' third I discovered I was figuring percentage markups in my head."

COULDN'T CATCH UP WITH CALLS

One morning she found 40 blue slips on her desk, indicating interoffice phone calls from frantic section managers. "I would go

home at night still not caught up with all my phone calls," she says.

By now the little group has been through so many crises that they can take with humor some of the insane situations that develop from the Federal controllers' efforts.

The store staff can see the ridiculous side while scrupulously trying to find the basis for a ceiling price for the services of Aurora Brown, who designs linings for bassinets. Or while meticulously cataloguing with OPS such Field services as monogramming baby's diapers, repairing dolls, buying theater tickets and rebinding rare books.

HARD TO SMILE

Some of the red tape is hard to smile at, the Field people admit. "Our price chart on toys was almost finished on the basis of markups in the October 1-December 10, 1950 period that the OPS asked for," Mrs. Millard recalls, when someone in Washington apparently discovered that department stores buy a lot of their Christmas toys earlier in the year, so the base period was changed to July through December. We started checking invoices all over again, a full month's work."

The remembrance of the early stages of the CPR-7 ordeal is gruesome to most retailers. On February 27, 1951, the OPS asked them to file complete price charts on 167 categories of merchandise by March 29. When that proved a physical impossibility for the nation's merchants, the deadline was put off till April 30, and 53 more categories were added, some overlapping those covered before so that stores had to redo many of their original tallies. "A reprieve accompanied by another load of buckshot," Mrs. Millard calls it. Then on April 29 there was another postponement until May 30. It was discovered that May 30 is a Memorial Day holiday in most States. So the OPS issued another clarification, allowing retailers to wait until May 31 to file their charts.

These section price charts now have become the buyers' bibles. They take them to market and try to concentrate their purchases in the particular areas on the chart where adequate markups are allowed.

DESTROYS INCENTIVES

"The present price system completely destroys the normal incentives of a buyer, trying to get a bargain or a good deal on a particular item," one Field section buyer comments.

Take the chart for log grates and andirons. If, for example, Field paid \$6 for a fire screen that retailed for \$8 during the base period, henceforth that 33 percent mark-up is the maximum that can be charged for any hearthside merchandise costing the store \$6. It may have paid \$6.10 for an item retailing for \$9.95. Say the buyer now goes to market looking for new merchandise. What advantage can he gain by working his purchase price for fire screens down from \$6.10 a unit to \$6? All it would mean would be a tighter markup limit.

On one item for which the retail price was \$3.95, Field thought the customer appeal would be greater if it were wrapped in cellophane. The manufacturer said he would do this for 50 cents extra a dozen. But this would raise the cost of the item to a bracket where the retail ceiling is \$3.85, a loss to the store of 10 cents each. No cellophane.

HEADACHES IN CHINA

Field's biggest pricing headaches have been in china and toys, not usually conceded to be important factors in the battle against inflation. Here both CPR-7 and CPR-31 (imports) are in effect and a veritable jungle of price ceilings is the result.

The magnitude of the store's china problem arises from the fact that Field's has the world's largest china department, challenged only by Hudson's in Detroit and Macy's in New York. The store's china chart is the

longest of any of the categories, running close to 100 single-spaced typed pages.

Even finding where to file a required price form is sometimes complicated. Marshall Field sells most of its merchandise from its big downtown store. Yet it operates three suburban branches, which makes it a chain store in the eyes of OPS, and most of its price charts have to be filed in Washington. However, the store has five tearooms and restaurants and more than 30 service establishments like dry cleaning shops, fur storage, and hair dressing. These prices must be filed in Chicago. Prices of imported goods generally are filed in the Chicago district office of OPS, but if the store imports something new to it, that price must be filed in Washington.

A MANUFACTURER, TOO

Marshall Field is a manufacturer as well as a merchant. Tucked away in the big store are candy kitchens, engravers, bakeries, ice-cream plants, gunsmiths, shirt makers, milliners, furriers, and dozens of other production operations which subject it to a wholly different series of price orders from the regular retail rules. The manufacturing side brings Field into contact with yet another Federal agency, the National Production Authority, on procurement of materials. And its frozen-foods department makes it subject to all sorts of grocery price rules.

For years, Field's has been importing linens and laces from Ireland and sending them to Puerto Rico for expert trimming and make-up. OPS rules have now pretty well monkey-wrenched this, the store's officials say.

"It seems that despite all the Government's talk about encouraging foreign trade they are doing everything they can to make it difficult," one of them adds.

In dealing with the NPA, the store's expert on this agency says: "It's a continuous battle to keep informed. For example, our electrical-appliance workshops haven't experienced much difficulty in getting materials to date. The chief difficulty is in learning what forms to fill out and how to go about getting them."

METAL-SAVING PROBLEMS

Not long ago NPA Order M-65 came out, titled "Conservation of Metal in Printing Plates." Field's had to send out several thousand letters to customers who had plates at the story for cards and personal stationery, notifying them that unless they responded their plates would have to be scrapped. This notification process now must be carried through every 3 months, by Government edict.

Over in personnel, things are just about as hectic. Lloyd Richmond, who handles the wage- and salary-stabilization problems of the store's 10,000 employees, has been trying to take a Sunday off for weeks. And without much success.

He remarks: "Our store has 400 sections and the method of compensation in each section is a little different from that of other sections. Some are on hourly rates, some on incentive rates, and some are on straight salary. Then there are many departments working on salary plus commission and some on straight commission with a minimum drawing account."

Employees who are paid on a commission basis are subject to Wage Regulation 20, which finally was issued on February 13, 1952. This ruling is so complicated that Samuel Edes, chairman of the Chicago Regional Wage Stabilization Board, at a recent personnel clinic here, frankly admitted that he had read it several times and still didn't know what it meant.

MISTAKES ARE HAZARDOUS

A mistake in interpretation of a WSB order is ultra-hazardous. Not only can the added wage bill be disallowed as a corporate-

income-tax deduction, but the Government can levy stiff penalties against a company.

For this reason Field's has had to centralize its wage policy making and become more bureaucratic on its own. Says Mr. Richmond: "Formerly, every 6 months division heads could make their own salary review and recommend raises, which were granted, and then submitted to personnel for a postaudit."

Mr. DIRKSEN. Think of the cost which is involved, the time, and the nuisance value. The harassment is without end.

Somehow other countries seem to know better than we do. I notice from a dispatch to the New York Times from Michael L. Hoffman, that over in Holland they have shown that an economy on crutches can throw away those crutches and not only stand but also walk better and with more confidence than before. So the Dutch removed the controls. They receive mutual security aid from us, so they removed the controls. We go without mutual security aid, and we remain under controls.

Canada had no controls to speak of in the first place, and is getting rid of what she had, including some credit controls. The astonishing thing is that if one goes across the line and buys something for a dollar, the clerk will say, "Three more pennies, if you please, because our dollar is more valuable than yours." Canada has no controls. A free system is operating up there—certainly freer than ours. Yet we propose, according to the recommendation of the committee, to keep this country in a strait-jacket.

One could discuss this subject from now until doomsday, but there would be no point in doing so. I shall wind up my part of the discussion by saying that we are burdening a free economy, although probably only 15 percent of our entire national product is involved. Why do we not give our economy a chance? Why do we depend upon incompetent bureaucrats to do the job? With a little adjustment we could find our way into the clear, because there is a flexibility about a free economy which cannot be matched by any other kind of economy. Must we persist in having a potato black market? Probably we shall have other black markets before we are through.

We hear the argument that it is only for a few months. I remind Senators that rent control has been in operation for 10 years. I ask, How much longer? I am not swayed by the assurance that all that is at interest here is to get on an even keel. I am not forgetting that the bill introduced by my friend Representative SPENCE, of Kentucky, which was the core of controls, was introduced on the 15th of February 1949, 16 months before Korea. Is there someone so loyal to a strange new doctrine that he is more interested in placing America in a strait-jacket than he is in production? This is a good time to test it. This is a good time for the Senate to rise to its responsibility by supporting the pending amendment to terminate on June 30, 1952, a harassment of American business which is like a road block in the way of production.

I yield the floor.

The PRESIDING OFFICER (Mr. FREAR in the chair). The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN and other Senators requested the yeas and nays.

The yeas and nays were not ordered.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Illinois.

Mr. DIRKSEN, Mr. CAPEHART, and other Senators asked for the yeas and nays; and the yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered on the amendment of the Senator from Illinois, the clerk will call the roll.

Mr. AIKEN. Mr. President, is the amendment subject to debate?

The PRESIDING OFFICER. It is.

Mr. AIKEN. I should like to discuss the situation, although I shall be rather brief.

Mr. President, I believe that no one in the country has been more disappointed with the administration of the Defense Production Act—which the Congress approved about the first of September 1950, as I recall—than I have been. I think it has been one of the most badly abused and badly manipulated pieces of legislation that this Congress or any other Congress has enacted.

When we recall the days of the late summer of 1950, we realize that at that time Congress felt that there should be some authority to impose price controls and wage controls in the United States. At that time it seemed that there might be a world-wide conflict. So we gave the President the authority he requested, and we also provided authority for the imposition of wage controls and price controls.

Mr. President, wage controls and price controls treat the symptoms of inflation, but they do not cure it. Wage controls and price controls are a means of holding prices and wages within reason, while more effective, long-range methods get into operation.

The President did not see fit to impose either wage controls or price controls in the fall of 1950, when they could really have been effective. I believe that was pointed out only yesterday by Mr. Bernard Baruch, when he appeared before one of our committees. Not only did the President not see fit to impose wage controls and price controls when wages and prices were at a level which would have made such application of controls really effective; but instead of doing that, the administrative authorities took

several steps which had the effect of inducing inflation in the country. They opened up—I am using the brief description of it—approximately \$8,000,000,000 of new credit, which was made available to speculators and processors. Approximately 60 percent of it was borrowed by speculators and processors, who promptly went into the market to buy war materials, and in that connection bid against each other, and thus bid up prices. In particular, the price of cotton soared almost high enough to reach the sky, and the price of wool and the prices of other commodities rose markedly—all as a result of the action of the administrative officials of the Federal Government in making available, for speculative purposes, those large amounts of new money.

That situation was very descriptively pointed out by the senior Senator from Illinois [Mr. DOUGLAS] in an address he made to the Senate on Washington's Birthday, 1951. If anyone wishes to find out how prices happened to shoot skyward in the United States, if he will read the speech made on February 22, 1951, by the senior Senator from Illinois [Mr. DOUGLAS], he will learn at least one reason why prices rose so high.

In the late fall and early winter of 1950-51, high Government officials scared the daylight out of the consumers by repeatedly and continually predicting a scarcity of commodities and high prices, although commodities were not scarce and need not have been at all high priced. In fact, afterward that fact developed. Those Government officials created a buying panic by consumers, with the result that—naturally—prices rose; the consumers bought tremendous amounts of the goods then immediately available in the stores, and prices rose and rose, reaching levels so high that about the first of February 1951, as I recall, the President imposed wage controls and price controls.

At about that time prices levelled off—although not because of the imposition of price controls and wage controls, but because the Government stopped putting paper money on the market—as can be pointed out by the Senator from Illinois and others who are very familiar with that situation. Prices then leveled off, and stayed at fairly reasonable levels for some time.

Mr. CASE. Mr. President, will the Senator from Vermont yield for a question?

Mr. AIKEN. I yield.

Mr. CASE. I was wondering, after hearing the Senator's observation, whether prices rose to the OPS ceilings?

Mr. AIKEN. I shall touch on that point a little later.

Since the time when prices leveled off more or less, in the spring of 1951, the principal function of the OPS has been to impress upon the people of the United States that the existence of the OPS is necessary at this time, and that its future existence is also necessary.

Mr. President, it is safe to say that for the last year and one-half, the prices to consumers have, on the whole, been higher than they would have been if no price controls at all had been applied or

if there had not been any stimulation by Government officials of panic buying by consumers.

I shall not discuss in detail the Wage Stabilization Board. I believe its operations have not been in the interest of the people who work in the small towns and the small plants. I base that observation on reports which have come to me from working people in some of the smaller plants. In one instance, a delegation of laboring people called on me and complained because in one town, where there was a new plant, the employees had a wage ceiling of \$1.10 an hour, but in another town—only 15 miles away—the employees in a plant where similar work was done had a wage ceiling of \$1.85 an hour.

I do not wish to go into that. I am not sufficiently familiar with it. But my personal observation is that the wage-stabilization efforts have been of a perverted variety and have not functioned as they should have. What I wanted to do specifically was to point out what was happening in the agricultural field as a result of OPS manipulations and co-operation with the Department of Agriculture. I want to cite two or three instances to show how their operations have been depressing prices to farmers, causing them to lose money, and putting prices up to consumers.

I should like to talk about hogs and pork for a moment. As the Members of the Senate know, the Secretary of Agriculture is authorized to support pork prices up to 90 percent of parity. The purpose of this, of course, is to insure an adequate supply to the consumer, and to assure the farmer that if he produces an adequate supply he will not run the risk of losing his shirt, so to speak, by so doing. Pork prices for several years have been fairly satisfactory. During the past winter, pork prices began to fall. They continued to fall, finally to as low as 15 cents a pound, I think, or around 15 cents a pound. The Secretary of Agriculture had the full authority all this time to support those prices at 90 percent of parity. He did not do so. The result was that farmers in the great hog-producing areas of the United States, including Minnesota and Iowa and other States in that part of the country, this spring sold their brood sows. They sold a great many of them, hundreds of them, thousands of them, just as it was time for them to farrow their pigs. The price became so low that the farmers could not see any sense in keeping them for the purpose of raising more pork, to be sold at a very low price, so they sold them. After those hundreds and thousands of sows had been sold, the Secretary then came forward with a pork-buying program, which started the price up again.

Mr. President, it is almost a certainty that there will be a shortage of pork next fall. It cannot be otherwise. As the result of failing to support the price of pork last winter, the Government officials have guaranteed a shortage of pork with consequent high prices next fall, immediately before election time.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. Before I yield to the Senator from Minnesota, I should like to emphasize that, by failing to support the price of pork, as authorized by law, Government officials forced the farmers of this country to sell their brood sows, thereby guaranteeing that pork would be scarce and prices high next fall. I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I have been very much interested in the remarks of the senior Senator from Vermont. He has made a very pertinent statement on this question. The price of pork to the producer went down throughout the winter months. In fact, the decline began late last fall, and it continued persistently for several months. There were those of us serving on the Committee on Agriculture and Forestry who in February and also in the month of March called the attention of the Secretary of Agriculture to the fact that the price of pork was far below parity and that the supply of pork to consumers in the calendar year 1953 was threatened because of the reduction in the number of brood sows upon the farms.

The Secretary did not sympathize either with the position of the farmers or with the views expressed by the members of the Senate Committee on Agriculture and Forestry. He did not make pork purchases until the heavy run of fall pigs had ended, in February, March, and April of this year. When the pork was off the farm and in the hands of the processor and the wholesaler, the Secretary then purchased pork, forcing the market up from \$15.35 to \$23 plus, within a few weeks. Who received the benefit? It was not the producer who raised the pork. It was not the consumer who purchased at the retail establishments throughout the country.

I want to support the very able and distinguished Senator from Vermont in his statement, because nothing has been more injurious to the farm-support program and to the producers than the action of the Secretary of Agriculture within the past 5 months, relating to pork prices. The Secretary has authority under the act to make purchases, he has section 32 funds to be used in making purchases, and he should have purchased. The school-lunch program should have had the benefit of that, and the result would have been to stabilize the agricultural economy as it should have been stabilized. I merely wanted to support the very able and distinguished Senator from Vermont in his statement on this question.

Mr. AIKEN. The Senator from Minnesota is entirely correct. He has described the situation accurately. I recall that in early April I received a letter from a hog grower from the Senator's State, reporting the sale of 25 or 30 brood sows that had been just ready to farrow perhaps 200 young porkers, which would have been available for market this fall, had they not gone to market in their mothers this spring.

The Department of Agriculture had full congressional authority to prevent that, yet the Department did not see fit

to support the price of pork until the brood sows had been marketed and the price had begun to rise. The Department then went into the market and bought, causing the price to rise suddenly to 23 cents. It rose from 15 cents a pound to 23 cents a pound. No one knows how much higher it will go. I am expecting to hear any day from the OPS that they are imposing a ceiling, Mr. President, which will simply be the result of the failure of the Department of Agriculture to support the price.

I now desire to say something about potatoes. Much has been said about potatoes. As I pointed out when the Senator from Illinois was speaking, the shortage of old potatoes during the past winter was caused by the fact that approximately 20 percent of them rotted in the field in some areas because of adverse weather conditions. There simply were not quite enough to go around. Yet that shortage could easily have been made up through heavier plantings of early potatoes in Florida and in other early-potato-growing sections, had it not been that Mr. DiSalle saw fit to impose a 100 percent ceiling on potatoes, applicable to early potatoes as well as to the old late potatoes.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. I cannot too strongly support the statement just made by the distinguished Senator from Vermont. I have quite a number of letters from producers of early potatoes in my State, the State of Florida, written in the winter and early spring, stating that they simply were afraid to plant their acreage of potatoes with the ceiling staring them in the face, and that they did not plant. That meant, of course, as the Senator has said, that there were fewer early potatoes.

Mr. AIKEN. The Senator is correct. They could not afford to plant early potatoes, with the certainty that if they had a big acreage they could not obtain a price that would not justify the risk involved, and that, if they marketed those potatoes before they were fully grown, as is done in the early producing sections, they were certain to incur a loss.

The report of the Bureau of Agricultural Economics on the vegetable situation for January, 1952, bears out what we have been saying. I read a short excerpt from the report:

ADEQUATE POTATO STOCK JANUARY 1, 1952

Stocks of 97,000,000 bushels of merchantable potatoes were held on January 1, 1952, by growers and local dealers in or near the areas where produced. While these holdings are 40 percent smaller than the record stocks a year earlier, they are only about 5,225,000 bushels smaller after excluding the 59,000,000 bushels of merchantable potatoes the Government purchased after January 1, 1951. This relatively small net difference could be offset by possible increases in production this year in early States.

That is the significant part of the statement.

Mr. DiSalle slapped a hundred percent ceiling on, which precludes farmers in the early-growing States from planting potatoes.

I was very much shocked and surprised when it was done, because farmers could not possibly take a chance with that 100 percent ceiling, and on January 9, 1952, I wrote a letter to Mr. DiSalle which I should like to read into the RECORD:

JANUARY 9, 1952.

Mr. MICHAEL V. DISALLE,
Director, Office of Price Stabilization,
Washington, D. C.

DEAR MIKE: I read with interest your order establishing ceiling prices on potatoes at 100 percent of parity. You have made a bad mistake in doing this.

Potatoes are high this year because there are not enough to go around. The effect of this order will be to guarantee an even shorter supply for next year. What you are doing in effect is telling the farmers that no matter how much they may lose during periods of low prices, they can never hope to get more than a fair normal as the highest prices.

The Price Control Act in effect during World War II provided for a minimum of 110 percent of parity ceiling on agricultural commodities. This minimum made allowance for fluctuating prices throughout the year so that farmers could hope for a fair average price the year around.

Your action in fixing ceiling at 100 percent of parity guarantees that the potato grower cannot hope for a fair average price. Such action could well lead to a 1952 crop so small as to necessitate rationing.

Instead of rationing we got black markets.

Your action will also guarantee to the consumer that she cannot hope to secure potatoes this coming year for less than what she is paying today.

Sincerely yours,

GEORGE D. AIKEN.

My letter was not very effective. Mike wrote back a very nice reply, but he did not do anything about it, and we have the potato situation as it is today and as it is likely to continue for some time. There may temporarily be some relief, but it is not coming from the earliest-producing sections which could have filled the gap between supply and demand, and, in all probability the potato growers this year will plant less than they did last year. Unless there is an exceptionally good crop, we shall go to another year without anywhere near enough potatoes to go around.

Mr. President, I want to speak briefly with reference to the manipulating of the soybean market by the OPS.

The income from soybeans comes from two processed commodities, oil and meal. The meal is used largely by livestock feeders and by dairymen and poultrymen. The oil goes into the manufacture of oleomargine, shortening, and other commodities which the housewife uses in cooking. I forget when it was that the OPS placed a ceiling of \$74 a ton on meal and a ceiling of 22 cents a pound on oil. The market price on oil went to 9½ cents a pound. The processors could not buy soybeans and sell the oil for 9½ cents a pound and the meal at \$74 a ton. As has been pointed out, the largest processor, the Staley Co., of Illinois, has stopped the processing of soybeans. It just could not go on. But in the early spring there was so much protest that the OPS officials realized they had to take some cognizance of the

situation. So they considered raising the ceiling on soybean meal.

I have here, Mr. President, a copy of a memorandum dated April 14, 1952, addressed: "All Subsequent Signers," signed by Francis C. Jones, Assistant Director, Food and Restaurant Division of the OPS. The title of the memorandum is "Justification for Proposed Action on Soybean Meal."

The proposed action, which subsequently became effective, was raising the price of meal to \$81 a ton, and lowering the ceiling on oil to 16½ cents a pound.

As was pointed out by the Senator from Illinois [Mr. DIRKSEN], they used some antiquated method of arriving at the ceiling price. It was an utterly impracticable method. I shall not go into it here except for one purpose. I have mentioned that the action of OPS was taken with the full knowledge and approval of the Secretary of Agriculture, and I read this paragraph on page 1 of the memorandum of Mr. Francis C. Jones:

The argument has been advanced that since protein meals are in tight supply, we should set these ceilings at a level higher than that indicated by the historical price relationship to corn in order to encourage efficient use of the protein feeds. Until such time as the Secretary of Agriculture may suggest this, I do not believe that we should make such an adjustment.

There are dairy people in the United States, Mr. President, crying for proteins which they cannot get, and the OPS, with the full knowledge and approval of the Department of Agriculture, made it impossible to relieve that situation.

I go to page 2 of the memorandum and read further from it:

It should be noted that the current price of soybean oil (9.5 cents as compared with a proposed ceiling of 16.5 cents) together with the proposed ceiling for soybean meal will reflect only \$2.56 per bushel compared with the legal minimum price of \$3.23. An actual realization of \$2.56 would be also slightly below the current support price announced by the Department of Agriculture for 1951 crop beans. In view of the Secretary of Agriculture's letter to Governor Arnall, these facts do not seem to disturb the Department, at least for the remainder of the crop year. If we were to set our soybean meal ceiling at a point where the combined meal ceiling and actual oil price would reflect the legal minimum price to growers, we would have to increase it to \$109 per ton.

That paragraph shows conclusively that the OPS knew they were violating the law. It shows conclusively that they were deliberately putting a ceiling on soybeans 69 cents a bushel below the legal limit established by law, and it shows conclusively that the Secretary of Agriculture was not in the least disturbed by it. That is why I asked the Senator from South Carolina what, if anything, could be done to prevent the deliberate and flagrant violations of the law by the Office of Price Stabilization.

Mr. MAYBANK. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield. I knew the Senator knew nothing about this situation when I asked him the question.

Mr. MAYBANK. Of course, I have nothing but contempt for anyone who

violates the laws of Congress. My information was that the price went down because there was a big crop. I know the price of cottonseed went down because there was a big cotton crop. I want to assure the Senator again that if the laws are violated the committee will look into it. I know something about cottonseed. The price dropped because of a 16,000,000-bale crop and a small export demand.

The same thing happened in the case of soybeans. As the Senator stated, when a big crop is produced, as, for example, in the case of potatoes, the price goes down. The law of supply and demand begins to operate.

Mr. AIKEN. The Senator is correct, as far as the information given his committee is concerned. However, this memorandum shows conclusively that the price went down because the OPS forced it down by making it impossible to sell meal.

Mr. MAYBANK. The same thing happened in the case of cottonseed. I had to suffer with my own friends at home. I regretted so much that the farmers who raised cotton did not get \$100 or \$80 or \$60 for cottonseed, but the price went down and down because they raised a big crop.

Mr. AIKEN. Well, the price is going down on protein meal, but people in the great dairy producing areas of New York, New Jersey, and New England could not get it, because it was impossible to put it on the market.

Mr. MAYBANK. I do not know about the impossibility of putting it on the market, but I must admit that the dairy people had complaints because they could not buy at low prices. But they also want a high price for milk.

Mr. AIKEN. I know the Senator from South Carolina does not condone what went on.

Mr. MAYBANK. No.

Mr. AIKEN. I know he is probably the last Member of the Senate who would condone this sort of thing.

I should like now to read from the records of the OPS.

Mr. MAYBANK. I appreciate the Senator's statement. I have read from the OPS reports, and some of the things I read from them I could never condone. Nevertheless, the price of cottonseed went down because the farmers made a big crop; and the price of potatoes went down because they made a big crop.

The Senator argues about the price of potatoes going up. Support prices were taken away from potatoes by the Senate and House after we had spent millions and millions of dollars to keep the price up. The potatoes were burned. Then the price went up because potatoes were not planted, for the reason that the Government was not going to buy the surplus.

Mr. AIKEN. I read further from the OPS memorandum by Mr. Jones:

Justification for raising soybean meal ceiling.

The decision as to whether or not we should increase the soybean meal ceiling at this time is a rather close one to make.

This was April 14, 1952.

If we increase the ceiling, no faction will be particularly satisfied. The Secretary of Agriculture will not like it, and the soybean meal crushers will not be satisfied. The only action that would satisfy the crushers would be either decontrol or setting the meal ceiling at the free market level (which, of course, is practically the same thing as decontrol). On the other hand, if we do not increase the ceiling, we will be more vulnerable to attack from the crushers since our ceiling would not be in line with ceilings for other feeds.

We believe that our feed ceilings should bear correct relationships to each other, and and for this reason, recommend that the ceiling price for soybean meal be increased to \$81 per ton bulk, Decatur.

Decatur happens to be the home of the soybean processing plant which was affected by their action.

Our position will be considerably strengthened if this is done.

Mineralized meal and toll charge problems.

In order to evade our \$74 soybean meal ceiling, the crushers have produced mineralized meal and instituted the practice of toll charging. This has resulted in a realized price of about \$90 per ton for soybean meal. The net effect of these practices has not been a wider margin to the processors, but has been a higher price to soybean growers. These evasive devices were evidently started by the expeller type processor in an attempt to stay in business and then adopted by the solvent processors. As the solvent processors came into the mineralized meal and toll charge picture, the expeller's advantage was lessened and his profit margin presumably reverted to its original position. Thus, in the final analysis the only net gain was to the growers in the form of a higher price for beans.

So what bothered the OPS was that not the processors, but the growers got this extra price which was secured through, we might say, a method of legally evading their rules by adding certain minerals, and so forth, to the meal, and selling it for a higher price.

The letter continues:

We propose to tighten our regulations so that the soybean meal ceiling cannot be evaded via mineralized meal and toll charge avenues. This action probably will result in a lowering of the price paid growers for beans to about the support price level. It may be that if the Secretary of Agriculture had known that this supplementary action was to be taken, he would not have recommended against an increase in the price of soybean meal.

That does not jibe at all with the inference given the Committee on Agriculture by the Secretary the other day, that he did not connive with the OPS in any way in holding down the farm price.

I finish the statement:

We believe that the Director should inform the Secretary of these proposed actions.

I do not know whether he did or not.

Mr. President, I ask unanimous consent to have the entire memorandum printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

APRIL 14, 1952.

To all subsequent signers.

From Francis C. Jones, Assistant Director, Food and Restaurant Division.

JUSTIFICATION FOR PROPOSED ACTION ON SOYBEAN MEAL

DERIVATION OF IN-LINE SOYBEAN MEAL CEILING

Since the original justification for an advance in soybean meal ceilings to \$88 per ton bulk, Decatur, was written further analysis has been made of price relationships between the major high-protein feeds and corn. In the original analysis soybean meal was related directly to corn for the years 1948 to 1950. Earlier years were excluded on the grounds that the supply of and demand for soybean meal had changed substantially since pre-World War II years. The analysis presented here is of a somewhat different nature, and, we believe, produces better in-lineness of prices within the high-protein feed category and between high-protein feeds and corn.

Recognizing that there is a much tighter relationship between the prices of the various high-protein feeds than between the price of any one protein feed and corn, we have related the price of cottonseed meal to the price of corn over a long period of years, determined the price ceiling for cottonseed meal based upon the parity price of corn, and the historical relationship indicated by this long-term analysis; and then derived ceilings for the other high-protein feeds from the ceiling for cottonseed meal and the historical price relationship between each individual feed and cottonseed meal. Cottonseed meal was selected as the tie-in commodity to corn rather than soybean meal because it has been produced in considerable volume for a long period of years. By this process of making one tie-in to corn and deriving all other high-protein feed ceilings from the cottonseed meal ceiling, we will arrive at sounder price ceiling relationships between the protein feeds than if we derived each protein ceiling from a direct tie-in to corn.

The cottonseed meal-corn analysis made use of the following factors:

X₁—Cottonseed meal price.

X₂—Corn price.

X₃—Percent oilseed meal supply of corn supply.

X₄—Time.

The analysis included the years 1926-50, excluding the war years of 1942-45. The coefficient of multiple determination was .955. Based on the parity price for corn, the equivalent price for cottonseed meal bagged at Memphis is \$84.50 per ton.

The argument has been advanced that since protein meals are in tight supply, we should set these ceilings at a level higher than that indicated by the historical price relationship to corn in order to encourage efficient use of the protein feeds. Until such time as the Secretary of Agriculture may suggest this, I do not believe that we should make such an adjustment.

Soybean meal prices were related directly to cottonseed meal prices for the years 1930-49. A coefficient of determination of .96 was obtained. There was no indication of an increase in demand for soybean meal relative to cottonseed meal during this period. With cottonseed meal at \$84.50, the in-line price for soybean meal bulk, Decatur, would be \$81 per ton.

The argument has been presented previously that we should start with the historical relationship, and then increase the soybean meal price by a few dollars to take account of potential increases in demand for soybean meal relative to cottonseed meal due to the addition of antibiotics and vitamins to mixed feeds using soybean meal. Such an

adjustment would be purely subjective since we have no past experience to go on.

GROWER PRICE REFLECTION AND FAIR AND EQUITABLE MARGIN TO PROCESSORS

The recommended price ceiling for soybean meal together with the previously recommended revision in the soybean oil ceiling to 16.5 cents per pound will, if realized by crushers, reflect the legal minimum price to growers and a 35 cent per bushel margin to solvent processors. The margin for processors using the expeller process would be only about 8 cents per bushel, obviously resulting in a net loss for this type of processing. We do not believe it makes economic sense to set the oil and meal ceilings at a level that will theoretically reflect an adequate margin for expeller type processors for two reasons. First, the expeller type has been losing out to the solvent type over a long period of years and today represents only about 20-30 percent of total crushing capacity. Second, if this is done, it will only mean that the solvent crusher will bid up the price of beans to the point where he puts a squeeze on the expeller crushers' profit. Thus, the only thing that would be accomplished by the Office of Price Stabilization would be a higher price for oil and/or meal.

It should be noted that the current price of soybean oil (9.5 cents as compared with a proposed ceiling of 16.5 cents) together with the proposed ceiling for soybean meal will reflect only \$2.56 per bushel compared with the legal minimum price of \$3.23. An actual realization of \$2.56 would be also slightly below the current support price announced by the Department of Agriculture for 1951 crop beans. In view of the Secretary of Agriculture's letter to Governor Arnall, these facts do not seem to disturb the Department, at least for the remainder of the crop year. If we were to set our soybean meal ceiling at a point where the combined meal ceiling and actual oil price would reflect the legal minimum price to growers, we would have to increase it to \$109 per ton.

JUSTIFICATION FOR RAISING SOYBEAN MEAL CEILING

The decision as to whether or not we should increase the soybean-meal ceiling at this time is a rather close one to make. If we increase the ceiling, no faction will be particularly satisfied. The Secretary of Agriculture will not like it, and the soybean-meal crushers will not be satisfied. The only action that would satisfy the crushers would be either decontrol or setting the meal ceiling at the free market level (which, of course, is practically the same thing as decontrol). On the other hand, if we do not increase the ceiling, we will be more vulnerable to attack from the crushers since our ceiling would not be in line with ceilings for other feeds.

We believe that our feed ceilings should bear correct relationships to each other, and for this reason, recommend that the ceiling price for soybean meal be increased to \$81 per ton bulk, Decatur. Our position will be considerably strengthened if this is done.

MINERALIZED MEAL AND TOLL CHARGE PROBLEMS

In order to evade our \$74 soybean-meal ceiling, the crushers have produced mineralized meal and instituted the practice of toll charging. This has resulted in a realized price of about \$90 per ton for soybean meal. The net effect of these practices has not been a wider margin to the processors, but has been a higher price to soybean growers. These evasive devices evidently were started by the expeller type processor in an attempt to stay in business and then adopted by the solvent processors. As the solvent processors came into the mineralized meal and toll charge picture, the expeller's advantage was lessened and his profit margin presumably reverted to its original position. Thus, in

the final analysis the only net gain was to the growers in the form of a higher price for beans.

We propose to tighten our regulations so that the soybean-meal ceiling cannot be evaded via mineralized meal and toll charge avenues. This action probably will result in a lowering of the price paid growers for beans to about the support-price level. It may be that if the Secretary of Agriculture had known that this supplementary action was to be taken, he would not have recommended against an increase in the price of soybean meal. We believe that the Director should inform the Secretary of these proposed actions.

Mr. AIKEN. Mr. President, it is said that perhaps the OPS did not know that what it was doing would have a distressing effect upon soybean producers, dairymen, and stock feeders.

I hold in my hand another memorandum, dated April 17, 1952, 3 days after Mr. Jones' memorandum was submitted to his superiors. This memorandum is from J. W. Zipoy, Chief of the Feed Section, Grains, Feeds, Seeds, and Bakery Branch.

Subject: Objection to setting the ceiling of soybean meal at \$81 per ton.

I quote as follows from Mr. Zipoy's memorandum:

I cannot express too strenuously my objections to the change in decision whereby the ceiling price of soybean meal was set at \$81. I am of the opinion that, on the basis of all sound and realistic principles, a ceiling price of less than \$88 per ton is wholly indefensible. The reasons set forth in justification of the \$88 ceiling price in the memorandum originally submitted by Mr. J. W. Klein, remain valid, and are in no way weakened by the arguments set forth in the justification memorandum of Mr. Francis C. Jones. More specifically, I object to the ceiling of \$81 per ton for the following reasons:

1. The ceiling price of soybean meal must be based on factors other than the past historical soybean meal, corn or soybean meal, cottonseed meal price relationships.
2. Adjusting these historical price relationships for the new uses and for the present and future short- and long-run demand for soybean meal should yield a ceiling price of at least \$88 per ton.
3. Setting a ceiling price of less than \$88 per ton will put the entire soybean crushing industry in a loss position.

In other words, Mr. Zipoy said the soybean processing plants would be closed if the OPS went through with their proposed plan.

4. Setting a ceiling price of less than \$88 per ton will result in greatly aggravating the present critical shortage of protein feeds.

They could talk about a big crop, but they could not market it. He told them there was a shortage, which there was, as we folks in the Northeast know.

5. Setting a ceiling price of less than \$88 will create unmanageable enforcement problems.

6. Setting a ceiling price of less than \$88 is very poor policy from the standpoint of public relations with the farmer, with the soybean crushing industry, and with the mixed-feed industry.

7. An increase in soybean oil meal does not necessitate an increase in any other protein feeds.

Those were the reasons set forth by Mr. J. W. Zipoy, protesting against the

manner in which the OPS was manipulating the soybean market.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point Mr. Zipoy's complete memorandum.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

APRIL 17, 1952.

To all subsequent signers.

From J. W. Zipoy, Chief, Feed Section, Grain, Feeds, Seeds, and Bakery Branch.

Subject: Objection to setting the ceiling of soybean meal at \$81 per ton.

I cannot express too strenuously my objections to the change in decision whereby the ceiling price of soybean meal was set at \$81. I am of the opinion that, on the basis of all sound and realistic principles, a ceiling price of less than \$88 per ton is wholly indefensible. The reasons set forth in justification of the \$88 ceiling price in the memorandum originally submitted by Mr. J. W. Klein, remain valid and are in no way weakened by the arguments set forth in the justification memorandum of Mr. Francis C. Jones. More specifically, I object to the ceiling of \$81 per ton for the following reasons:

1. The ceiling price of soybean meal must be based on factors other than the past historical soybean meal, corn or soybean meal, cottonseed-meal price relationships.
2. Adjusting these historical price relationships for the new uses and for the present and future short- and long-run demand for soybean meal should yield a ceiling price of at least \$88 per ton.
3. Setting a ceiling price of less than \$88 per ton will put the entire soybean-crushing industry in a loss position.
4. Setting a ceiling price of less than \$88 per ton will result in greatly aggravating the present critical shortage of protein feeds.
5. Setting a ceiling price of less than \$88 will create unmanageable enforcement problems.
6. Setting a ceiling price of less than \$88 is very poor policy from the standpoint of public relations with the farmer, with the soybean-crushing industry, and with the mixed-feed industry.
7. An increase in soybean-oil meal does not necessitate an increase in any other protein feeds.

A discussion of each of these points follows:

1. The ceiling price of soybean meal must be based on factors other than the past historical soybean meal, corn or soybean meal, cottonseed-meal price relationships. The revolution in recent years in the use to which soybean meal is being put and the unprecedented increased demand for this product makes any historical price relationship between either soybean meal and corn or between soybean meal and cottonseed meal a wholly unreliable basis upon which to set a ceiling price for soybean meal. This revolution in the use and demand for soybean meal is a result of two factors:

The first is an unprecedented increase in poultry numbers. Since soybean meal is a basic ingredient in all poultry feeds, an unprecedented increase in the demand for soybean meal has resulted. This increase is charted in schedule I.

Second, the use of soybean meal in mixed feed has increased tremendously since the discovery that the animal protein factor could be combined with soybean meal to replace animal protein feeds. Today the average ton of poultry ration will contain 360 pounds of soybean meal instead of the 220 pounds that was formerly used. This is an increase of 61 percent in demand that occurred almost entirely in the past 2 years, while under price control. Had there been

no controls, the price would have soared in proportion to the demand increase.

Corn- and cottonseed-meal usage renders an APF combination unfeasible and no demand increase for that reason has occurred in these ingredients. As a result, the historical relationships used to justify a \$81 ceiling price for soybean meal should have no relevance insofar as establishing realistic ceilings is concerned, except to the extent to which the relationship can and must be adjusted to reflect the recent paramount importance of soybean meal in the feed ingredient, feed, grain, and mixed-feed picture. Nothing more clearly illustrates the unreliability of applying historical price relationships than a comparison of present soybean-meal prices and present corn prices. The present selling price of soybean meal is about \$90 per ton, or \$16 above the soybean-meal ceiling price. An explanation of how the soybean-meal ceiling has been pierced to this extent is set forth about \$1.81 per bushel, or 19 cents below ceiling price undamaged. It is to be noted that below-ceiling prices for corn have prevailed through the past season even though the supply of undamaged corn is low as a result of climatic conditions. If historical price relationships, however, were any reliable indicia of relative values and relative demand, soybean meal should now be selling at no higher than its present ceiling price of \$74 per ton. Consequently, we object to the basis upon which a ceiling price of \$81 per ton was arrived at; namely, the basis of a straight historical relationship without any adjustments whatsoever.

2. Adjusting these historical price relationships for the new uses, and for the present and future short- and long-run demand for soybean meal should yield a ceiling price of at least \$88 per ton. An objection has been raised in Mr. Jones' memorandum to the adjustment of historical relationships because such an adjustment could not be based upon the same wealth of data upon which the historical relationship itself is predicated. It is also alleged that any adjustment would be subjective and not based on any past experience. Nothing could be further from the truth. The radical change in the extensive use and the demand for soybean meal is an actual fact which past and present experience clearly establishes. Of course, the absence of the same degree of data that we have for historical relationships is no justification for refusing to adjust that relationship. This is especially so where the alternatives are an application of historical relationships and unrealistic ceilings on the one hand and an adjustment of historical relationships in the establishment of sound ceiling prices based upon the intelligent exercise of judgment on the other hand. This Agency can and must often base its decisions upon incomplete data when realistic decisions cannot be held in abeyance until such data has accumulated or until problems demanding action become historical problems rather than present ones. A downward revision in soybean-oil ceiling prices, for instance, is being put into effect simultaneously with the issuance of the soybean-meal regulation when present conditions indicate that the present ceiling prices for the oil are unrealistic. At the present time, the ceiling price and the selling price for soybean meal is, in effect, \$90 per ton. From all indications, the future short- and long-run demand for soybean meal will increase—not decrease—for reasons already set forth. Accordingly, if a ceiling price for soybean meal is set to reflect the demand and this value, approximately reflected in the \$90 price as well it must, the ceiling price for the product must be set at about that level. A ceiling price of \$88 per ton is, therefore, the lowest level that can soundly be justified.

3. Setting a ceiling price of less than \$88 per ton will put the entire soybean-crushing industry in a loss position. In addition, a ceiling price of less than \$88 is without justification insofar as its effect on the soybean meal crushing industry is concerned. Even assuming a market price of 11 cents per pound for soybean oil, that is a price that is 2 cents per pound over the present probable future price for oil, and using soybean prices which are considerably below ceiling prices, a price for meal of less than \$88 per ton would put the solvent crushers in a loss position. Figures clearly indicating this to be so are set forth in schedule II of this memorandum. Since the solvent crushers are the most efficient operators in the industry, this, of course, means that a ceiling price of less than \$88 per ton will put the entire soybean-crushing industry in a loss position.

4. Setting a ceiling price of less than \$88 per ton will result in greatly aggravating the present critical shortage of protein feeds. It is clear that if a price of less than \$88 per ton is set for soybean meal, the crushers will simply cease operating rather than operate at the heavy losses that they will experience under that lower ceiling. As a result, there will be no soybean production to supplement the already critical shortage of high-protein feedstuffs. Since soybean meal is by far the most important high-protein feedstuff both from the standpoint of tonnage and from its irreplaceability as a high-protein feed ingredient, the result will be the development of a national emergency insofar as animal feeding is concerned rather than simply a critical high-protein feed shortage.

5. Setting a ceiling price of less than \$88 will create unmanageable enforcement problems. Soybean meal crushers are presently evading the \$74-per-ton ceiling either by mineralizing soybean meal and claiming that the product is a mixed feed or by engaging in toll crushing operations. Standards by which legitimate mineralizing and crushing operations can be distinguished from evasions of the soybean meal regulations are difficult, if not impossible, to establish. The only way to stop the spread of this practice is by setting an equitable ceiling price for soybean meal. In absence of a ceiling price of less than \$88 per ton, this agency will have to clamp down on these practices, which will involve difficulties of setting standards and of enforcing them that far outweigh the sense of setting a realistic ceiling in the first place.

6. Setting a ceiling price of less than \$88 is very poor policy from the standpoint of public relations with the farmer, with the soybean-crushing industry, and with the mixed-feed industry. Setting a ceiling price of less than \$88 per ton will seriously damage the regard of this agency held by the farmer, the soybean-crushing industry, and the mixed-feed industry, since a ceiling price of less than \$88 per ton will not permit the soybean-crushing industry to realize a break-even profit position. The industry will, of course, be unable to pay anything near the legal minimum price for soybeans because the soybean-crushing industry is the complete user of soybeans. This agency will create a situation whereby it will be absolutely impossible for farmers to realize parity prices of soybeans under any and all conditions. For this reason and because the result will force the farmer to reduce his intended acreage planting of soybeans, the proposed ceiling price of \$81 will create hostile farmer opposition. The reaction of the soybean-crushing industry to a ceiling price of less than \$88 per ton is evident. Insofar as the mixed-feed industry is concerned, the opposition to a price of less than \$88 per ton will be equally strong and uncompromising. That is, such a ceiling will require them to deal in a soybean meal black market or to experience

the serious inconveniences of dealing with mineralized soybean meal mixtures or of meal crushed for them on a toll basis. Moreover, if soybean meal substantially disappears from the market, they will have to cease the production of the majority of mixed feeds. It is not surprising, therefore, that some of the strongest requests for equitable ceiling prices for soybean meal have come from the feed industry.

7. Adjusting historical relationships in the case of soybean meal will not serve as a precedent for adjusting historical relationships involving other high protein feed ingredients. It has been stated that adjustments should not be made in long run price relationships involving soybean meal because this will serve as a precedent for upward revisions of the ceiling prices of other high protein feed ingredients, in the same manner. I submit, however, that the principles applied in arriving at an \$88 ceiling price for soybean meal can be limited to this product. It is only in the case of soybean meal that there has been such a sharp change in the price relationship to corn or other basic feeding stuffs. Furthermore, the soybean meal crushing industry is the only one which will be put in a loss position if a historical price relationship is used as the exclusive basis for setting ceiling prices. The reasons for modifying the historical price relationships approach in this case do not apply to other high protein feeds.

SCHEDULE I

Increase in poultry numbers in last 3 years showing increased demand for soybean meal:

	Birds
1948-----	355,785,000
1949-----	501,417,000
1950-----	616,185,000

Source: U. S. Department of Agriculture.

SCHEDULE II. MARGINS OF SOLVENT CRUSHERS BASED ON VARIOUS CEILING PRICES FOR SOYBEAN MEAL

The figures in part A of this schedule indicate the gross margins over soybean costs realized by solvent crushers based upon the current price per pound of 9½ cents for soybean oil and upon the price currently being paid of \$2.85 per bushel for soybeans, f. o. b. Decatur. The figures also indicate gross margins based on oil prices of 11 cents per pound, that is 2 cents per pound over present market prices and soybean costs of \$3 and \$2.85 per bushel. It is to be noted that the ceiling for soybeans is \$3.23 per bushel, or considerably above the soybean costs used in this schedule. A breakdown costs, other than soybean costs, is set forth in part B of the schedule. The figures in part A and part B indicate that, at the current prices paid for beans and received for oil, the crusher will not realize more than a break-even position on his operations.

PART A.—Gross margins for solvent operators over soybean costs alone

Oil price	Meal ceiling price	10.6# oil value	47.0# meal value	Gross return	Bean cost	Margin above bean cost
(93487)						
11-----	\$78	\$1.17	\$1.83	\$3.00	\$3.00	\$0.
11-----	80	1.17	1.88	3.05	3.00	+.05
11-----	82	1.17	1.93	3.10	3.00	+.10
11-----	84	1.17	1.97	3.14	3.00	+.14
11-----	86	1.17	2.02	3.19	3.00	+.19
11-----	88	1.17	2.07	3.24	3.00	+.24
0.095-----	78	1.01	1.83	2.84	2.85	+.01
0.095-----	80	1.01	1.88	2.89	2.85	+.03
0.095-----	81	1.01	1.91	2.92	2.85	+.07
0.095-----	82	1.01	1.93	2.94	2.85	+.09
0.095-----	84	1.01	1.97	2.98	2.85	+.13
0.095-----	86	1.01	2.02	3.04	2.85	+.19
0.095-----	88	1.01	2.07	3.08	2.85	+.23

PART B.—Operating costs per ton of soybean meal and per bushel of soybeans

Type of cost:	Cost per ton
Extraction-----	\$4.27
Toasting-----	.85
Grinding-----	.60
Elevator handling-----	1.28
Packing-----	.25
Loading and shipping-----	.30
Freight loss (average \$1.95 rate point less 98.13 percent transit recovery)-----	1.12
Operating costs per ton-----	8.67
Operating costs per bushel of soybeans ¹ -----	.217

¹ Costs per bushel of soybeans obtained by dividing costs per ton of meal by the number of bushels of soybeans (40) required to yield a ton of soybean meal.

	At \$88 for meal	At \$81 for meal
	Cents	Cents
Minimum return above material cost--	+0.230	+0.010
Operating cost-----	.217	.217
Profit margin-----	+.013	-.207

This schedule is based on cost data submitted by the crushing industry, data on oil meal yields and analyses developed by the Grain, Feeds, Seeds, and Bakery Products Branch.

SCHEDULE III

Comparison of estimated amounts of corn, cottonseed meal, and soybean meal used for feed, 1930-51¹

Year	Corn (million bushels)	Cottonseed meal (1,000 tons)	Soybean meal (1,000 tons)
1930-----	1,873	1,940	123
1931-----	2,296	1,942	133
1932-----	2,625	1,938	113
1933-----	2,254	1,869	99
1934-----	1,575	1,700	285
1935-----	1,991	1,824	633
1936-----	1,519	2,099	532
1937-----	2,020	2,333	719
1938-----	2,099	2,013	1,020
1939-----	2,231	1,762	1,276
1940-----	2,258	1,862	1,491
1941-----	2,500	1,821	1,785
1942-----	2,909	2,078	3,074
1943-----	2,866	1,790	3,323
1944-----	2,718	1,952	3,627
1945-----	2,762	1,433	3,655
1946-----	2,701	1,434	3,745
1947-----	2,295	1,953	3,383
1948-----	2,617	2,271	4,156
1949-----	2,969	2,372	4,514
1950-----	2,844	1,825	5,725
1951-----	2,975	2,550	5,400

¹ This shows an increase in the demand and value of cottonseed meal of 31½ against 4,390 percent gain in soybean meal.

Mr. AIKEN. Mr. President, the result of what has been done in fixing ceiling prices on soybean oil and soybean meal at such levels, so as to bring the price of soybeans a little below the support price, has three major effects:

First, it forces prices down to the farmers, and consequently forces income to the farmers down, in this year 1952.

Secondly, by fixing a ceiling on soybean oil at twice what it was actually selling for on the market, every encouragement is given to the manufacturers of oleomargarine, shortening, and other oil products used by the housewife to raise their prices to the consumer.

Lastly, by fixing the selling prices which can be received by the soybean

producer at a little below the support price fixed by the Secretary of Agriculture, they are sure that with that condition prevailing the Government will become the sole owner of the soybean crop.

I wish I did not have to point out these things. They are all a part of a pattern these days, to scare the daylight out of the farmer with the threat of low prices, and scare the consumer with the threat of high prices, so that they will accept all kinds of Government domination and control as a result of their fears. It is a wicked thing to do, but that is what is being done today. I have pointed out a few instances, using the memoranda of Government officials to show just what they are up to.

LETTER FROM THE PRESIDENT REGARDING DEFENSE PRODUCTION ACT

The VICE PRESIDENT. The Chair has received a letter from the President of the United States concerning the pending legislation. He lays it before the Senate and asks the Secretary to read it.

The legislative clerk read the letter, as follows:

THE WHITE HOUSE,
Washington, May 29, 1952.

HON. ALBEN W. BARKLEY,
President of the Senate.

MY DEAR MR. PRESIDENT: I understand that the Senate is beginning debate on S. 2594, amending and extending the Defense Production Act of 1950. I want to call to the attention of the Senate the serious implications of two of the proposed amendments in this bill—one dealing with the Wage Stabilization Board and the other with the Walsh-Healey Act.

The first of these amendments, Section 106 of the bill, would abolish the existing tripartite Wage Stabilization Board—composed of representatives of management, labor, and the public—and substitute a public board in which management and labor representatives are denied membership. The amendment would also strip the Board of its present responsibilities in handling labor disputes.

These changes would have a direct effect upon our ability to maintain essential production under our mobilization program. I cannot emphasize too strongly that the main burden of the defense program lies ahead of us. Because of the high rate of consumer savings and the increase in productive capacity, we have been able to relax some of our controls. But we are by no means at the point where we can afford to jeopardize the mobilization program by failing to provide an adequate system for maintaining a sound wage stabilization program and for handling labor disputes affecting the defense program. And that is just what is involved in this amendment.

We should not lose sight of the fact that in determining the composition of the Wage Stabilization Board we are dealing with far more than a mechanical problem of administration. In giving labor and management an equal

voice, we are encouraging them to share in the responsibility of making our wage stabilization program work. We are placing our faith in the capacity of responsible parties to help work out solutions to their problems in the national interest.

The effectiveness of the tripartite approach has been well demonstrated both in wage stabilization and in the handling of labor disputes. Through this approach we utilize the experience of labor and management and take advantage of the best advice and counsel available.

The fact is that the present tripartite set-up is working well. The representatives of industry and labor have been of great assistance in the development of the wage-stabilization program and up to now have made a unique contribution in seeing to it that the wage stabilization rules have been complied with. The members of the Board have worked together to meet their responsibilities. The public interest has been adequately protected. The record shows that most of the general regulations and policies of the Board have been adopted by unanimous vote. The record also shows that in petitions for approval of wage increases submitted to the Board—which represent 99 percent of the cases coming before the Board—the Board has been unanimous in over 90 percent of its rulings. Of course, some disagreements are to be expected under a tripartite arrangement, but the record shows that the public members, in both wage stabilization and dispute cases, have done a conscientious job in resolving such differences, voting in accordance with their best judgment.

The Congress should bear in mind that the tripartite approach has proven its worth again. We should not arbitrarily tional emergency—and it is proving its worth again. We should not arbitrarily abandon this approach in favor of a system which denies to the Government the experience, the wisdom, and the effective participation of labor and management in the stabilization program.

The proposed amendment not only would change the composition of the Board but would deprive it of its responsibilities for handling labor disputes. This presents a very serious problem.

There is a good reason why the Government must provide machinery for the settlement of labor disputes which threaten the defense program. Under normal circumstances, labor and management are free to bargain collectively to determine wages and working conditions and, when they cannot reach agreement, they are free to resort to strikes and lock-outs. But in a defense economy, the free play of collective bargaining, including the freedom of strike action, must necessarily be restricted. There are some instances where the national security, and indeed the very lives of our troops in Korea, cannot be adequately protected if a defense plant closes down. In these circumstances, the Government must use its mediation and conciliation

powers to the fullest in order to induce the parties to settle their disputes. And, if all else fails, we must, as a last resort in cases where vital defense production is involved, provide some practical alternative for the traditional test of economic strength.

That is why the Government is providing, through the disputes functions of the Wage Stabilization Board, a system which offers the parties every assistance in avoiding work stoppages. In establishing disputes responsibilities in the Board, we have deliberately sought to give as much play as possible to collective bargaining and to mediation and conciliation during this emergency period. For this reason, the Board may make final and binding decisions only in those cases where both parties agree in advance to be bound by the Board's findings. The Board only hears those disputes which the parties themselves submit for recommendation or decision, or which the President certifies to the Board for recommendation. Under this arrangement, we rely primarily on the good sense and patriotism of the parties to reach a settlement on their own after an impartial third party has recommended a fair settlement. We have not reached the point, and I hope we never reach it, of compulsory arbitration, where we substitute Government dictation of wages and working conditions for collective bargaining.

By and large, this system for handling labor disputes is working well. It is now evident that there was no basis for the fear that every labor dispute would be dumped on the Board. Furthermore, strikes have generally been averted. Of the 12 dispute cases certified to the Board by the President, disputes where at least one of the parties wanted to fight it out through resort to work stoppages, the Board has been generally successful, primarily because of its tripartite character, in avoiding a strike. Vital defense production has been maintained. In the 33 dispute cases submitted voluntarily by the parties, there has not been one instance of interrupted production.

The one notable exception in the Board's successful record in getting settlements has been the steel case. The failure to reach a settlement thus far in the steel case is not the fault of the Board, for its recommendations provide a sound and sensible basis for reaching agreement on the issues in dispute. And, in any event, the lack of a settlement in this case could not possibly justify abandoning the machinery that has been successful in so many other cases.

If there had been no forum to hear the disputes which have been before the Board, the defense program would have been damaged by crippling strikes. Further, the Congress should remember that in all the labor disputes now before the Board the parties are continuing production at the request of the Board while their case is being heard. If the Board is deprived of its authority to recommend a fair settlement of those disputes, the major inducement to the parties to refrain from resort to economic pressures and to use the peaceful

alternative provided by the Government as a means of settling their differences will be removed.

If there is no peaceful alternative to strikes, then we will have strikes. I cannot believe that the Congress will close its eyes to this inescapable fact.

Many people seem to feel that the Taft-Hartley Act meets our needs for industrial peace during the mobilization period. That just is not so. The emergency provisions of that act were not designed for a mobilization economy and by their very terms do not apply to labor disputes in single defense plants. In any event, the emergency provisions of the Taft-Hartley Act are inadequate. At best, the Taft-Hartley Act simply delays a strike for 80 days. It makes no positive contribution toward settlement of the dispute but simply gives the parties a respite from the pressures of collective bargaining. The boards of inquiry authorized under the act are expressly forbidden to make any recommendations for settlement. Yet recommendations for settlement by some impartial tribunal are precisely what is needed if the parties are to be given assistance and if the force of public opinion is to be brought into play to encourage a settlement. Thus, it is obvious that the emergency provisions of the Taft-Hartley Act fall far short of meeting the needs of the defense emergency.

I want to make it absolutely clear to the Congress what is at stake here. We cannot meet our production goals and keep our economy stable if we fail to provide a sound and fair system of wage stabilization and disputes settlement. If the Congress prohibits the participation of labor and management in wage stabilization, it will, in effect, be declaring its lack of confidence in the integrity and public-spiritedness of both labor and management. If the Congress will not provide some forum where labor disputes may be heard and considered, it will, in effect, be encouraging strikes and lock-outs.

I also want to call to the Senate's attention the serious effects of the amendment in section 301 dealing with the Walsh-Healey Act. That act provides for the determination of wage and working standards for workers employed on Government procurement contracts. It was passed in 1936 to advance the public interest in sound labor standards and to protect fair-minded businessmen by ruling out unscrupulous dealers and unprincipled manufacturers who were able to submit the lowest bids for Government contracts only because of their exploitation of workers. The act was aimed at preventing the resort to "sweatshop" working conditions and child labor in carrying out Government contracts. As such, the Walsh-Healey Act has been a major force in encouraging sound labor standards in this country.

The amendment in section 301 of this bill, however, would seriously retard the effectiveness of the Walsh-Healey Act. In the first place, it would drastically cut down the present coverage of the act by excluding Government purchases of

materials which are sold in the open market to purchasers generally. I am advised that by restricting the act to contracts for those articles which are specially made for the Government, fully half of all contracts now covered might be exempt. The proportion of contracts excluded would increase in normal times when the Government does not purchase the great quantities of specially made items required for military purposes during a mobilization program. As a result, the purchasing power of the Federal Government would once again be instrumental in depressing labor standards to the detriment of businessmen who wish to adhere to advanced working standards in their plants and factories.

Second, the amendment would place very serious procedural obstacles in the way of effective administration of the Walsh-Healey Act. The net effect of these new procedural requirements is to distort the original intent of the Administrative Procedure Act. That act already provides adequate protection to private parties affected by Walsh-Healey interpretations and rulings, and the Secretary of Labor not only has scrupulously abided by its spirit but has gone beyond its specific requirements in assuring full hearings to interested parties. In short, these procedural changes would pave the way for harassing litigation by those who want to make the Walsh-Healey Act ineffective.

It should be noted that this amendment is, in effect, a "rider." Although proposed in a bill dealing with temporary, emergency authority, it would incorporate revisions in permanent legislation. The Walsh-Healey Act has served as a landmark for sound labor standards in this country and has served us well in protecting those standards, particularly during World War II. I, therefore, urge the Senate not to take any action which would arbitrarily destroy an essential safeguard of the decent working conditions which we have carefully built up in this country over the past 16 years.

These two amendments deserve the most critical analysis of the Senate. They have serious and far-reaching consequences. This is no time to lose sight of the urgent requirements of our mobilization program or of the enduring need to protect sound labor standards in our country.

Sincerely yours,

HARRY S. TRUMAN.

Mr. LEHMAN. Mr. President, we are now debating the Defense Production Act. It is quite possible that defects and weaknesses exist in the act. It may very well be, too, that the administration of the act has not been perfect, and that improvements can be made. There is no doubt that during the days that lie ahead the Senate will be considering amendments to the act, some of which it may wish to adopt in its wisdom, which may improve the operation and the purposes of the act. But we have before us now an amendment proposed by the distinguished junior Sena-

tor from Illinois [Mr. DIRKSEN] which to all intent and purposes would take the very guts out of the Defense Production Act and make it completely ineffective.

I shall take up very little time of the Senate. However, I believe there are certain conditions, which I believe should be pointed out to my colleagues and to the American people, and which should be given very careful consideration before any amendment, which would weaken the operation and the effectiveness of the Defense Production Act, is adopted.

Mr. President, there can be no doubt in the mind of anyone that we are confronted today with greatly unsettled world conditions. They are conditions which unhappily do not show any indication of improvement within the very near future. There is undoubtedly an ever-present threat of a widening of the area of armed and diplomatic conflict. Everything points to and underlines and emphasizes that threat, which I believe must be recognized and acknowledged by every Member of the Senate.

Furthermore, Mr. President, we are now engaged in an ever increasing effort in defense mobilization. It is an effort which will lead to greatly enlarged defense production during the months which lie immediately ahead. That will of course lead to an attendant and corresponding increase in Government spending. On the other hand, we are patiently confronted with a lessened availability of civilian goods by reason of the increased production in military matériel and by our stepped up defense mobilization effort.

Mr. President, today there is no doubt that consumption in our country is at its very highest. Every statistic clearly demonstrates that fact. There is also no doubt that the savings of the people of this country, in savings banks, in home savings associations, and in similar organizations as well as in insurance policies, are at an absolute record high; and they are increasing week by week. There is no doubt that wages as well as corporation earnings are at a new record high at the present time. I am happy that such savings, high consumption, high wages, and high corporation earnings exist. They denote a prosperity and a well being for which we may well be grateful.

But all these things which I have enumerated and many others point clearly, in my opinion, to the great likelihood of further inflation which, if uncontrolled, may be disastrous.

We are planning now to complete the labors of the Senate within the next 4 to 8 weeks. It is hoped that we may find it possible to adjourn at that time. Personally I have very grave doubts about whether that will be the case, because we have so much work to do and we should complete it before we adjourn. However, that is the plan. Certainly an effort will be made to consummate that plan.

Mr. President, I believe it would be the height of recklessness for us to fail to safeguard and strengthen the only means

at our command to control wages and prices and rents and to protect the many other things which go into making up the daily lives and well-being of the people of the United States. I believe we cannot possibly afford to take the risk of sabotaging the only effective machinery now at our command.

Much criticism has been raised on the floor of the Senate regarding the slowness with which the provisions of the act were put into effect by the administration. It may well be that some of that criticism is justified. Of course, those who were charged with the administration of the act were under the obligation and necessity of building a great organization to do the work effectively, and they had to build up that organization from the very ground floor. Yet now it is proposed that we disband the organization, and that we face a future of uncertainty, without having any weapons with which to control inflation if it comes—and in my opinion it will come unless safeguards are provided. If the safeguards were not provided, the result would be that when inflation came, we again would be confronted with the necessity of building up the organization from the very ground; but at that time the task would be an almost impossible one.

Obviously, Mr. President, it is always more difficult to control inflation after it has begun, instead of in advance.

So it seems inconceivable to me, that at the present time this body would—regardless of what would happen—take a step to make substantially impossible any effective controls which would keep our economy on at least a reasonably stable level and would prevent runaway inflation. Let me say that I have seen the effects of runaway inflation in a number of parts of the world. I hope and pray we will never see it here.

Last of all—but, Mr. President, to my mind it is by no means the least in importance—the Congress must take steps to protect the interests of the consumers, who otherwise would be mulcted and forced to pay unreasonable prices based on a demand greater than the supply—in fact, a demand so great that people with their great buying power would be persuaded to pay exorbitant prices in order to be able to satisfy their needs or their desires.

So, Mr. President, I very much hope that the amendment of the junior Senator from Illinois will be rejected. In my opinion its adoption would be disastrous.

Mr. MORSE. Mr. President, I propose to be very brief in my comments today on the pending bill and the pending amendment.

Little need be said in opposition to the pending amendment, after listening to the message the President of the United States has sent to the Senate in opposition to the amendment.

Probably it would be good politics to attack that message; in fact, I am inclined to believe that in an election year it probably would be good politics to attack the bill which now is before the Senate. But, in this instance I shall

continue, as I always have tried to do in the past, to direct my attention to what I regard as the basic principles involved in any given legislative proposal, and to consider the relationship of those principles to the welfare of my country. On the basis of that political philosophy, I wish to say that I shall vote against the pending amendment and then I shall vote for a continuation of the price-and-wage-stabilization program. I believe such a program is necessary for the maintenance of both economic stability in our country and the protection of our national security.

I shall vote for amendments to the bill if, on the basis of the argument and the evidence advanced, I can be convinced they will strengthen the bill and will help alleviate certain abuses which I am satisfied have developed in the administration of the stabilization law which has been on the statute books. I shall not, however, vote for amendments which would have the effect of emasculating wage control and price control. Neither shall I vote against the bill, for in my judgment if the act were repealed, the result would be to leave the consumers of the Nation the easy victims of the tremendously powerful and inordinately greedy forces that, I am confident—and I am willing to take judicial notice of the facts—would proceed to exploit the people of the United States. Such an exploitation of the consumers of the country would be the inevitable result of the abnormal economic conditions in which we live because of the defense effort.

Mr. President, I cannot vote against the bill, because in my opinion to do so would be to vote to victimize the American people in the operation of the law of supply and demand, at a time when the uncontrolled operation of that law would work great havoc on the economic welfare of the citizens of the United States. The uncontrolled operation of that law at this time would accrue to the great profits benefit of certain powerful, selfish forces that always seem to lack the social consciousness which would prompt them to place the public good above their materialistic interests.

So, Mr. President, in the present instance we are confronted, once again, with the duty of having the Government exercise the minimum controls necessary to protect the public interest.

It is my desire to vote only for a Defense Production Act which will provide the minimum controls necessary to protect the interests of the public from the forces which would take advantage of them if the Government did not step in any say, "Thou shalt not."

Mr. President, at this time Congress cannot be justified in leaving the American people subject to the ravages of the uncontrolled operation of the law of supply and demand. I make that statement because I believe it is obvious and elementary that the economy of the United States at the present time cannot be described by the word "normal," nor can it be described by any phrase which would seem to indicate that free competition is operating today in the United States.

The only time I think it is safe, from the standpoint of the consumer, to let the law of supply and demand operate unchecked in any way by minimum Government control is when a competitive system is actually working without intervention by the Government in the Nation's economy. But now, Mr. President, we have the Government exercising a tremendous influence in directing the productive forces of the country, in determining in large measure in many segments of the national economy what shall and what shall not be produced. The defense program has disrupted our normal economy. A large segment of our economy is in a very real sense being directed by Government needs and demands. With part of the economy operating as a defense economy and the rest as a civilian economy there are bound to develop great distortions and dislocations in the economy. It simply does not make sense to argue that it would be safe to let the competitive system, upon which the law of supply and demand really rests, operate unfettered by governmental intervention in these times.

One would think it would not be necessary to point out that when we have a divided economy, as our present economy is, into a defense production economy and a civilian economy, it would be dangerous to let the law of supply and demand operate. If in such circumstances, it were allowed to operate we simply could not escape the horrible danger, the cruel danger so far as the consumers are concerned, of inflation. We already have far too much inflation because we have not controlled the economy enough. I simply do not know of any economic textbook containing a chapter on the causes and effects of inflation which does not point out that when our economy is divided in such a manner that large quantities of the materials and goods are directed by the Government into non-productive purposes, so far as the economy as a whole is concerned, the threat of inflation is inevitable.

I happen to be one who believes that just a little bit of inflation in its economic effects acts somewhat like a drug in the case of a drug addict. Those who enjoy the stimulation of the first injection of inflation are usually those who want to repeal any economic drug act which would seek to keep from them the stimulation of further injections of such false values as accompanying inflation.

I have called for—it has not arrived on the floor yet; I wish I had it before me, the impressive testimony of one of the greatest living Americans, one of our true elder statesmen, Bernard Baruch, as he testified before our subcommittee of the Armed Services Committee yesterday. I am perfectly willing to rest my case upon the question of inflation control as presented by the brilliant testimony yesterday of Bernard Baruch.

In recent speeches I have used the figure \$14,000,000,000 as having been lost down the inflation drain as a result of our failure to put effective inflation controls into operation at the outbreak, or even before the outbreak of the Korean war. That was the figure I had most

frequently read in the statements of economic experts in regard to what had happened to our economy since the outbreak of the Korean war, so far as inflation was concerned. But yesterday Bernard Baruch said he thought the figure was at least \$20,000,000,000; and he, personally, as I think his testimony will show, said that the loss may have been as much as \$24,000,000,000.

A great many people have much to answer for, Mr. President, in connection with that tremendous loss of values. The executive branch of the Government has a great deal to answer for, because, even on the basis of the defense production law which Congress passed, and which set forth what I believe to be the most inadequate system of controls, I think the administration could have done a much better job than has been done in checking inflation. But, as I said to Mr. Baruch yesterday, I have no intention, so far as I am concerned, of relieving the Congress of all responsibility, because, when we come to analyze the law which we passed and look into the record of the amendments to that law which were proposed when it was pending, but which were defeated, I think it perfectly clear that the Congress has not done its job, either. There were a few of us—not very many, but a few—who took the position when this subject matter was first before the Congress of the United States that, if we were really serious in our desire to check inflation, we should have adopted the Baruch plan as it was submitted to us at that time.

As we all know, the Baruch plan stood for a complete freeze of wages and of prices, and for putting into effect credit controls and monetary controls. Had we followed the advice of this great elder statesman, in my judgment we would have saved for the American people most of the approximately \$20,000,000,000 which Bernard Baruch now testifies we have lost down the inflation drain because we did not adopt an inflation control law.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from South Carolina.

Mr. MAYBANK. I appreciate what the Senator from Oregon has said, and I should like to have his comment on the statement that the Banking and Currency Committee did the best it could do to pass a stronger bill than was recommended to us in the fall of 1950.

Mr. MORSE. If the Senator had only waited a moment—

Mr. MAYBANK. I beg the Senator's pardon.

Mr. MORSE. I am glad the Senator raised the question, but I was just about to describe the situation as we found it at the time the law was passed.

Mr. MAYBANK. I asked Mr. Baruch to come before the committee, in June or July, I think it was, to give us his advice, and we asked for the advice of others who had been through World War I, World War II, and other situations connected with inflationary spirals and programs. As a result of Mr. Baruch's testi-

mony and that of other witnesses we reported a bill which was passed.

I beg the Senator's pardon for making the statement, because he said he was about to reach that point.

Mr. MORSE. I was about to say that in our fight for a stronger control law we had the support of the Senator from South Carolina and of some other members of the Banking and Currency Committee. I think they came forward with the strongest bill they believed they had any chance of getting a majority vote for in the Senate of the United States. That was the parliamentary situation which confronted the Banking and Currency Committee, Mr. President. But, so far as I was concerned, I felt then and I feel now that we should have adopted the Baruch plan in toto. That would have brought to the conscience of the people the understanding that, as Mr. Baruch pointed out yesterday, we are in great peril. If we are not, then I am in favor of letting the law of supply and demand operate. If we are not in peril I am in favor of cutting into the defense mobilization budget by billions of dollars. If we are not in peril then the sooner we get back to as nearly normal an economy as is possible, the better.

So far as I am concerned, the kernel of the argument rests on this question of fact: America is either in peril or she is not. If we are in peril, Mr. President—and one cannot listen to such a great adviser as Bernard Baruch without becoming convinced that we are in great peril—we should not adopt the pending amendment. Rather we should strengthen the bill which is pending before the Senate so as to provide more effective inflation control, because if the peril materializes as expected, if the Defense Establishment is right when it says that 1954, in all probability, will be the target date if a war with Russia is to break out, then the people of the United States had better mobilize more rapidly, sacrifice more greatly, and submit more enthusiastically to restrictions upon their economy in the interest of protecting the security of the Nation.

In connection with this part of my argument, Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, the testimony of Mr. Baruch as he gave it before the Armed Services Committee yesterday. With that insertion I rest my case on the economic issue of whether we should continue controls.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

ONLY STRENGTH WILL WIN THE PEACE—TESTIMONY OF BERNARD M. BARUCH BEFORE THE PREPAREDNESS INVESTIGATING SUBCOMMITTEE OF THE SENATE COMMITTEE ON ARMED SERVICES AT WASHINGTON, D. C., WEDNESDAY, MAY 28, 1952, AT 10 A. M.

Mr. Chairman and gentlemen of the committee, it is an honor to appear before you. As your chairman stated in his letter inviting me here, I have had no part in administering the defense program but if my thoughts can be of assistance to you, I am happy to offer them.

There are two enormously important questions before this committee:

1. Is it safe to be slowing our defense effort or should we actually be pressing to do more to make peace secure?

2. Is the defense effort which has been undertaken being carried out wastefully or efficiently, with necessary consideration of the soundness of our economy?

My own answers to these two questions can be summarized as follows: I do not think that the huge sums which have been appropriated for defense are being expended as economically and effectively as they should be. Later I will make some specific recommendations for correcting this situation. However, any budget cuts that are made must not reduce our fighting strength—in men or in weapons. Far from slowing down, our security requires that we step up our defenses both in speed and scale—if the peace is to be won.

PLAYING POLITICS WITH DEFENSE

Ours is a fearful dilemma. Because we are not in all-out war, with the whole globe aflame, it is tempting to nibble at the defense budget, to lift controls, to shirk even the relatively mild denials which rearming requires. The wastefulness of the mobilization and the unfairness which which the burdens of the cold war are being distributed increase the pressures for doing less. This being a Presidential election year adds the further lures of playing politics with our national security and of distracting ourselves with domestic quarrels even while a foreign foe relentlessly plots our destruction.

As a result, hardly a week passes without fresh evidence of let-down. Yet who can say now whether a new offensive is not brewing in Korea or along some other front? Tension over Germany mounts, yet the erection of NATO's defenses, scarce begun, is being dragged partly because of our own slow deliveries, partly because of a slackening up by our allies.

Moreover what is done—or not done—today will determine how ready or unready we are 2, 3, and even 5 years from now.

CUTTING THE BUDGET

In taking what seems the easy course at present we could be building up a horrible retribution for the future.

Nor is the decision before us being made any easier by confusing statements which picture us winning the cold war one month and in mortal peril the next.

When the budget now before Congress was submitted early this year, it called for stretching out aircraft production, among other defense items, so that 143 air wings would not be achieved until late 1955 or 1956, instead of mid-1954. When this decision was announced, I protested to our defense heads. Slowing our preparations, I warned, would invite our allies to slow their efforts. Where in the world, I asked, had the risks of aggression been sufficiently reduced to justify such a let-up?

CEILING ON SPENDING

Then the House of Representatives imposed a limit on defense expenditures for next year, reducing the budget even further than the Executive already had cut it. This action has brought dire warnings from our highest military leaders. Gen. Omar Bradley, the Chairman of the Joint Chiefs of Staff, has testified that it is the considered judgment of the Joint Chiefs that 1954 will be the year of maximum peril. By then, he has warned, the Soviet atomic stockpile may be large enough so our superiority in atomic weapons will no longer serve as a sufficient deterrent against possible aggression.

Other military leaders have testified that Russia is producing considerably more jet airplanes than we are. Even after we match their output, the Soviets still will enjoy the advantages of reserves built up over the last years.

THAT "CALCULATED RISK"

How are we to reconcile these recent warnings from our highest military leaders with the earlier decision to postpone air readiness? The heads of the defense agencies, testifying before Congress early this year, called the stretch-out "a calculated risk." But was the risk really calculated? By whom? By the Joint Chiefs? If we were acting on the basis of their expressed judgment, the new budget should have called for intensifying, not relaxing, our production effort.

Is it any wonder that the American people are confused when their highest military authority states that we will be lucky if we have more than the next 2 years for preparedness and yet no program for achieving readiness within that time is even advanced?

Is it surprising that Members of Congress should conclude that if building our Air Force can be delayed a year or two why cannot the whole defense program be relaxed proportionately?

GIVE PUBLIC THE FACTS

May I repeat that I am opposed to the ceiling on defense expenditures, even as I opposed the earlier reduction ordered by the Executive. But I can understand why Congress and the public would be puzzled by the contradiction between the dire estimates of danger given us and the inadequate program put forth to meet that danger.

Are we in peril or not? Your committee will be performing an invaluable public service if you reveal to the American people exactly what is the basis of this so-called "calculated risk" to which we are being asked to expose ourselves and all that we hold dear.

HAVE WE A PLAN?

What does this phrase "calculated risk" mean?

Clearly, it is intended to give the impression of a group of planners, carefully listing all the dangers which threaten, including evaluations of the enemy's preparations and of what our many foreign commitments may lead to. Against that, the planners presumably weigh what would have to be done militarily to counter these risks and what such action would cost in terms of available resources. After full consideration, a balance is struck between the risks we are willing to take and the costs of surmounting these risks.

If that is what is meant by "a calculated risk," then it follows that the defense program should change with the risks. When perils abroad rise, our defense efforts should be speeded. If our rearming is slowed, it should reflect a reduction in danger.

But that is not how things have operated. In the past, we have cut down our defenses even though the risks abroad remained unchanged at best. We have also failed to quicken our defenses despite the most obvious increase in the danger of aggression.

YEAR WAS LOST

For example, when the North Atlantic Defense Treaty first was signed, General Bradley testified that 3 to 5 years would be required to build a minimum defense force in Western Europe, at the rate of rearming then planned. Not many weeks later came the announcement from the White House of an atomic explosion in the Soviet Union. One would have thought that our defense schedules would have been accelerated promptly since, as was asked at the time, "If 5 years was considered a safe timetable before this explosion, how can it be a safe timetable today?"

Actually, little was done to speed our rearming or the defenses of our Western European allies until the invasion of South Korea. A whole year was lost—a year for which we have paid dearly.

If we actually were operating on the basis of a calculated risk, why wasn't the defense program quickened when our calculations changed, as they must have, with the explosion of an atomic bomb in the Soviet Union?

WAS KOREA CALCULATED?

Similarly, what were the calculations behind the slowing of our defense timetable which was decided upon early this year? Was it assumed that we would have a Korean truce by this time? If so, what if we must now increase our forces in Korea? Was the mounting tension over Germany foreseen? Was trouble expected on any other front? Was it realized that our allies would also stretch out their defense schedules slowing the whole defense timetable that much more? Were all these things part of that calculated risk?

It is important that your committee give the public the answer to those questions, so the American people will know whether the tempo of rearming is really being changed on the basis of a fully thought through master plan of defense or by the sort of wishful thinking that could believe "peace was never nearer" only a few weeks before the outbreak in Korea.

Is our military program really part of what has been called total diplomacy and which necessitates an over-all global strategy in which military, diplomatic, political, economic, and spiritual factors are parts of one whole, embracing all the many fronts in the struggle for peace? Or are we still operating by piecemeal patchwork, waiting for the next crisis to hit us? Is anybody trying to formulate such a global strategy?

SOUND GERMAN POLICY

We simply cannot make peace unless we are militarily stronger. Take the issue of Germany. In pressing for her inclusion in the North Atlantic Treaty Organization we inevitably quickened all the tensions over Germany. How much further advanced will this struggle for the key to Europe be 3 years from now? Will we be ready militarily?

If Germany remains divided as at present, we must expect an effort to rejoin the partitioned halves sooner or later, perhaps by force. If Germany is "unified" by some four-power agreement, such a Germany would shiver in constant peril of subversion from within, of subversion likely to be reinforced by the use of Soviet satellite troops from Eastern Europe in the manner of Korea.

To negotiate safely over Germany, we must be certain that an adequate military force is in being (not on paper) in France, the Low Countries, and Britain, which is capable of being thrust into action without delay, to forestall any Soviet coup.

AVOID SOVIET TRAP

To slow the rearming of Western Europe and at the same time begin negotiations over Germany is to put not one foot but both feet into a Soviet trap.

May I emphasize this because it is so awfully important. Any "solution" sought in Germany will prove worthless unless Western Europe is adequately armed. You simply cannot have a sound German policy until the present disparity in military strength between Soviet Russia and ourselves and our allies is bridged.

The existence of this arms disparity should never be lost sight of. Whatever the assurances from those in high places, let us never be deceived. It can never truly be said that "we are winning the cold war" until this disparity is overcome. We may be able to show gains here and there, important in themselves, but no decisive victory in the cold war is possible as long as the Soviets hold as terrifying an edge in military readiness over the west as they do today. As long as this disparity exists there is no basis for peace in the world.

WEAPONS NOT FACTORIES

This disparity is one of actual weapons on hand. It can be filled only by the actual production of our own weapons. It cannot be filled by getting ready to produce or by merely expanding productive capacity.

I am entirely in favor of enlarging our basic capacity in steel, aluminum, copper, electric power, and other segments of the economy. New processes for using low-grade ores should be encouraged along with chemical developments which make us less dependent upon strategic imports from abroad. But additional plant capacity is not what is most critically needed for our defense.

Compare our astonishing productive power demonstrated during the last war—and considerably expanded since—with the productive capacity of the Soviets who suffered such terrible devastation in the war, and whose economy never could provide more than the barest subsistence for its hard-tolling people.

MYTH OF SHORT NOTICE

No; the disparity which menaces us and all the other freedom-loving peoples of the world is not in productive capacity but in the airplanes, ammunition, tanks, and other weapons available for immediate retaliation against aggression or fomented civil war. In increasing our plant capacity we strengthen ourselves where we already are strong. We do not strengthen ourselves where we are most vulnerable.

Nor should we be lulled by assurances that this new productive capacity will be available for arms production on short notice. How many months does short notice mean? Even after these stand-by plants are erected, I doubt that they can be brought to full production within a year and probably longer.

The whole defense program should be reviewed to determine whether too heavy an emphasis has not been placed on building new facilities and too little on turning out weapons.

OBSCOLESCENCE A MYTH

All sorts of reasons are raised against putting weapons into production. Some have merit. Others should be weighed most carefully against factors which often are overlooked.

Consider the much talked-of matter of obsolescence. Obviously, we must strive constantly to improve our weapons. But no aggressor was ever stopped by blueprints. What is obsolete must also be judged by what the enemy has and by the value of even older weapons in dire emergency.

DANGER OF SABOTAGE

Who would have thought that our over-age destroyers and stocks of Lee-Enfield rifles could have proven so important to Britain? What would we be doing today without our mothball fleet, air reserves, and ammunition stocks left over from the last war?

If all-out war does come, much of our plant capacity might be destroyed in an atomic blitz. The dangers of sabotage in such a conflict will be greater than during the last war. Reserves of weapons would be priceless insurance against both these risks.

SOVIET VULNERABILITY

Then, take a good, long look at Soviet Russia's border. No nation has ever had so extended a frontier. Were Russia to plunge the world into all-out war, she would be open to counter invasion at innumerable points, that is if the peoples along her frontier could be armed quickly. The stocks of weapons we have on hand could be deployed around the globe so as to pin down and immobilize a sizable portion of Russia's own armed strength, if she decided to go to war.

Even during the current stage of undeclared war, the existence of this stockpile of weapons would be an enormous boon to

the free peoples of the world. Such weapons would enable us to render swift and possibly effective assistance to any nation threatened by aggression in the future. We could take instant advantage of any opportunity that might arise for arming some ally. We would be prepared if events forced an abrupt increase in our Armed Forces, since men can be recruited more rapidly than munitions.

TO TAKE THE INITIATIVE

The struggle for peace is a global one. It cannot be fought successfully if most of our available military strength is required to conduct a holding action on one front. To forestall persistent Soviet aggression, we must be capable of opening other fronts where we can choose the conditions of struggle—where we can take the initiative. The existence of a sizable stock of weapons and ammunition would give us that potential.

Without these weapons we will always be lagging 2 to 3 years behind the need. With these weapons, we would be able to act anywhere in a few months, even weeks. These reserves of weapons would lift our foreign policy from the mire of military weakness and give it a new mobility which would help stabilize the whole world.

In Korea today our position is set by our military power. We are no stronger or weaker diplomatically than the forces we can put into Korea.

RACE FOR SURVIVAL

Tragically unpleasant as it is, we have been forced into an arms race—with our very survival at stake. Do the reports from Russia tell of a let-up in arming? Far from it. Only last February the United Nations Economic Commission for Europe stated that the Soviet Union is making a greater military effort today than in 1940, when the Second World War was already under way. Other reports, some based on official Soviet announcements, have told of tractor factories being shifted to making tanks and of other conversions from civilian to military production.

If true, these reports are warnings we dare not ignore. To convert a factory from tractors to tanks is no easy decision for the Soviet leaders since tractors are a desperate necessity in Russia. That applies with almost equal validity for all of Russia's resources. The Soviets have virtually no "fat" in their economy. When the Kremlin orders resources into armaments it pays a harsh price in terms of living standards, in terms of repairing the devastation of the last war, even in terms of future military strength. Every ton of steel put into armaments is a ton less steel that might go into expanding Russia's basic steel capacity, or building new railroads or drilling new oil wells.

KREMLIN'S CALCULATIONS

We can be sure that these decisions were not taken without exacting calculations of the prospects of war. The reports of Soviet industrial mobilization do not yet show that the Kremlin is on the verge of precipitating an all-out war. But they do make clear that the Soviets are intensifying—not easing—their war preparations.

I make no pretense at predicting what the Soviets are likely to do. I do know this, that it entails the cruelest exactions from the Russian people for the Soviets to keep as many men under arms and to produce as many airplanes, tanks, and other weapons as they are reported to have. Eventually most of these weapons will be obsolete. But will the Soviet leaders allow those weapons to rust and spoil—considering the cruel price paid for them—or will those weapons be used before they become obsolete?

WE CAN LOSE ALL

And if a nation, whose people have so little, can devote so much of its resources to arms production, how much less can we afford to do—we who have so much to lose.

How long can we continue to put comforts above survival, to postpone for another year and still another year the small and temporary denials which arms production requires, to lull ourselves with the illusion that we are getting ready to be strong instead of producing the weapons which alone can make us militarily strong? Is it not better to be sure and safe—than sorry?

You gentlemen may not be prepared to accept my own appraisal of the risks ahead. In any case I urge you to cut through the befogging confusion by giving the American people the facts they need to form their own judgment on whether we should be relaxing or intensifying our defensive efforts.

Specifically I recommend—

1. That this committee tell the American people exactly what has happened to the huge sums appropriated for defense, what our actual production of munitions is—not dollar values but actual production figures—and whether we have been getting our money's worth. On what prices are the budget estimates based?

2. That you lay bare the basis of our so-called calculated risk so the public can judge whether we are being needlessly exposed to unwarranted danger.

3. That Congress adopt a defense budget which fits the risks we face. Cut the budget where you can with safety—not where it will imperil our security.

4. That you consider whether the risks ahead do not justify ordering the expansion of our Air Force to 143 wings without any stretch-out.

5. That you consider whether these risks do not justify stepping up other munitions schedules sufficiently to provide a sizable reserve of weapons, considerably in excess of our own troop requirements.

6. That Congress undertake a detailed study of the whole program of plant expansion to determine how much of it represents a real contribution to security and whether it is worth the price in taxes and other resources as against the added security which a greater output of weapons would furnish.

GET PRODUCTION TARGETS

7. That Congress insist that the defense agencies reduce the arms program to specific production targets—both in quantities and time—and that all mobilization controls be adjusted to insure these goals being met.

8. That the President be granted every necessary power to carry through this program, including price and priority controls.

9. But, at the same time, that Congress strengthen its committees dealing with defense by equipping them with an adequate staff, vigorously led, and capable of regaining control over the budget for Congress.

10. That your committee obtain from the military a single, unified strategy, covering the whole Defense Establishment, and which is part of an over-all global strategy which integrates our own defense efforts with what our allies can do.

WHAT ECONOMY CAN STAND

In making these recommendations I appreciate that both in this country and among our allies the prevailing mood appears to incline toward doing less. Nor would I want to leave the impression that I do not appreciate the justifiable concern of those who are worried over how long we can continue to spend such huge sums on defense without wrecking our economy.

Once the gap between our own defenses and Soviet military strength is overcome, we should be able to relax somewhat, provided always that we continue to pace ourselves in relation to what the Soviets are doing and the risks of war. But to let up now is unsound strategically and economically. Before peace can become possible, this gap in

military readiness will have to be overcome. The longer we stretch things out, the more costly it will prove in the end.

GETTING OUR MONEY'S WORTH

Since the outbreak in Korea more than \$100,000,000,000 has been appropriated for defense—an enormous sum. Why has it produced proportionately so little in the way of actual weapons?

What blame are we to lay to the failure to use the available powers to prevent inflation? As you know, as soon as the military began placing contracts, prices were allowed to run away from them. This made more difficult a task difficult at best. No industry has ever been called upon to spend such immense sums so quickly and, at the same time, to be denied the necessary controls.

The armed services do need a driving production authority of their own—of the caliber of the late William Knudsen—to see that orders are properly placed and followed up—vigorously, constantly. The services also need a clear-cut point of decision to determine when designs are to be frozen and weapons put into production. Changes in design are costly both in time and dollars. Some clearly designated person must decide when to stop improving and start producing.

CONTROL OF BUDGET LOST

The Secretary of Defense has been struggling manfully and making progress with these and other problems. You can help him best not by imposing some dollar limit on defense expenditures but by making your own thorough study of what is wrong. To regain control of the military budget—which you must do—Congress must become as well informed on these matters as the executive agencies. As was recommended by the Hoover Commission, you need a greatly expanded permanent staff, vigorously directed, and which can work with the Defense Department through every step of the budgetary process. Go beyond the mere requests for money to how the appropriations are actually being spent, and even into such basic problems of military organization as to why so large an overhead is required in relation to the forces actually fighting. Other nations get more fighting power for the same resources than we do. Why?

You might take a whole year or more for such a study. We will be at the business of defense for a long time, I fear, and no matter how long it takes, if you do the job at least once in full intensity, the knowledge acquired will yield astounding savings and improvements in efficiency.

LIBERTIES ABOVE MONEY

The surgeon puts his knife to the diseased spot. In cutting the military budget you must be equally judicious in applying the scalpel so that it helps—not hurts—our security. If we spend a little too much money, we can recover. If we lose our freedom, we can never recover it.

One discipline you might impose is to require the military to justify their budget requests according to a scale of priorities—which items are of most vital importance, which next in importance and so on down the list. These priorities, in turn, should reflect a truly unified military plan in which the missions entrusted each service are parts of one integrated whole. We cannot get our money's worth in defense if appropriations are parceled out among the services by some balanced percentage allocation.

BAD MOBILIZATION

No one could be more concerned over the necessity of maintaining a healthy economy, even while arming. However, the main threat to our economy since Korea has not lain in the size of the defense program. The inflationary havoc we have suffered has been mainly the result of the failure to mobilize properly.

Because we were undertaking only a "partial" mobilization in the military sense, those in responsibility reasoned that "partial," piecemeal controls were all that were needed. Although there was little or no slack in our economy, the mobilizing authorities seemed to think that several million men could be drawn into the Army and unknown but large amounts of matériel taken from the regular market without serious disturbance. They ignored the clear lesson of both world wars that a full set of mobilization controls must be imposed over the whole economy at the very outset of the emergency.

Congress actually passed the necessary legislation for such an across-the-economy program. But these powers were not used for months during which living costs soared, all savings were cheapened, and the real purchasing power of every defense dollar was slashed by one-fifth.

TWENTY BILLIONS WASTED

This needless inflation already has cost us \$12 billions in higher costs of defense and is likely to exact another \$10 billions in needless tribute over the next fiscal year. These sums are far in excess of what it would cost to continue with the original aircraft production program. These sums are far in excess of the economies which might be realized under the limitations proposed by the House of Representatives.

In other words, had a proper mobilization been undertaken at the outset, we could press ahead today with a greater defense effort at less cost than the weaker effort now proposed. Under the program which was adopted, we have gotten neither adequate security, nor a healthy economy.

NO POLITICS AS USUAL

We still can step up our defense program and avoid further inflation by reducing all unnecessary and postponable expenditures—Senators BYRD and DOUGLAS and others in Congress have been waging a courageous fight on this score—by, I repeat, cutting out all unnecessary and postponable expenditures, by imposing the necessary controls and accepting the temporary denials and disciplines which would be entailed. Of course, we cannot rearm to the extent that our security requires, if we persist in profits as usual, social reforms as usual, and politics as usual.

We have the highest living standards in the world and, like you, I would like to see them enlarged. Increased living standards no longer mean bread alone, but better housing, better clothing, hygiene, medical care, education, transportation, and amusement. But all these things become mere ashes in our mouths if we lack the means with which to defend them. While we struggle to survive, actual needs not postponable wants must have first call.

FIRST THINGS FIRST

Our economy can do all that our security requires—and more—provided there is the will to do so and the courage of administration to channel our resources from less essential to more essential activities and to share the costs of the struggle equitably.

Today the main burdens of the cold war are being borne by the few whose loved ones are at the fighting fronts and by those who do not have a pressure group to represent them in the race of selfishness that is tearing the Nation apart.

Our problem is to find a substitute for the disciplines which war brings. If we are to be able to avoid war, we must be able to discipline ourselves so we can mobilize our strength in time to prevent the shooting and bombing from starting.

DISCIPLINE OF URGENCY

Because self-discipline is the test of national survival, it will not suffice to say merely

that we should follow a middle course between arming for all-out war and doing nothing. How are we to adjust this middle course to changing conditions? Are we to do it at random and by wishful thinking? Or are we to do it by facing up to our best calculations of the risks which threaten, drawing up a worked-out plan to surmount these risks and organizing ourselves to see it through?

Without a sense of disciplined urgency, the whole mobilization may fall to pieces. Bear in mind that the synchronizing force of any mobilization is the priority power—the decision as to what must come first, second, third, and so on. To determine what production should be held back so more essential production can be speeded one must know what quantities of weapons are needed by when. We must set ourselves to attain these production goals with the same urgency as if we were at war.

If it makes little difference whether planes are produced next year or the year after, why deprive some civilian industry of scarce materials? Why stop research on a new weapon to get it into production? Why hurry to make deliveries to our allies?

When you live under the shadow of war, as we do today, all actions must be valued in terms of time. It is time which our young men fighting in Korea have been buying for us. If their sacrifices are not to prove in vain, we must know exactly what we propose to do with that time. We must organize ourselves so that first things come first through our entire economy, through everything we do. That is our responsibility to our men in Korea, in Europe, and other fronts.

THIS IS THE ISSUE

In conclusion, may I state what I consider to be the real and crucial issue before this committee, before the whole Congress, before all of the people? Our highest military authorities have stated, unequivocally, that from now through 1954 will be the period of maximum peril for this Nation. Yet we deliberately are doing less than we can do to achieve readiness by that date.

Nowhere have I seen any justifiable reason offered for such recklessness, particularly since it would cost so little in temporary denials to make our safety secure. I believe it is the responsibility of this committee—and it is a very grave responsibility—to give the American people the facts of our defense situation, without fear or favor, without regard to politics or wishful thinking or to cover up past mistakes—give the people the facts they need to know so they can demand a defense program which will mobilize our strength in time to prevent further aggression.

We must strengthen ourselves militarily if we are to succeed in our objective of preventing a third world war and building and keeping a lasting peace.

WAGE STABILIZATION

Mr. MORSE. Mr. President, I shall now proceed to the second part of my argument which will be even briefer than the first part.

There is very little I can add to the argument which the President has advanced in his letter advocating the continuation of the Wage Stabilization Board in the form of a tripartite board. From my experience as a member of the War Labor Board during World War II I seriously question whether a no-strike-no-lockout agreement would have survived during the war if there had not been brought into the adjudicating process of disputes coming before the Board the judgment, experience, and the cooperation of representatives of

industry and of labor as well as of the public.

It is true, Mr. President, that a tripartite board is not a court, but I wish to testify today that the War Labor Board found itself to be a quasi-judicial tribunal, and in most instances—yes, Mr. President, in an overwhelming majority of instances—on the major issues the Board was unanimous in its decisions. Of course, the unanimity of decisions was frequently reached by the give-and-take process, by the methods of approach which must characterize any board that has had assigned to it the function of settling a labor dispute in the midst of an emergency.

But, Mr. President, if it be true, as I believe it to be, that in this emergency, in this period of defense mobilization, no group of workers, no labor union, has any moral right to call a strike in a defense plant, and, likewise, no employer has any moral right to call a lockout in a defense plant, then we must provide American labor and employers with a procedure for the quick settlement of labor disputes that arise in defense plants, because time is always of the essence in the settlement of a labor dispute. When we take away from the parties their economic weapons, we cannot justify saying, "Denied your economic weapons, you must now wait until the long delaying process of procedures on the statute books, such as the Taft-Hartley law, have time to operate as they would operate in normal times and under normal conditions."

So I say, Mr. President, we must provide a procedure for the quick settlement of labor disputes in defense plants, in view of the fact that we have the right to insist that labor and management appreciate the fact that in a time of crisis and emergency they have no moral right to resort to economic action.

Some may say, "Oh, but they do not always live up to their moral obligation." How well I know it.

Yet one of the remarkable things about the operation of the tripartite system, as we found in World War II, and as we have found to a surprising degree during this defense mobilization period, is that when representatives of the parties to a labor dispute, sitting on a board that has been granted jurisdiction over the dispute, bring to bear upon the parties their judgment as to what ought to be done in the settlement of the dispute, in most instances a quicker and fairer settlement of the dispute is reached than if there is a system whereby only the so-called public representatives sit back, adjudge the case, and then issue orders as to what the parties shall do. A board composed only of public members makes fine theory. A plausible case can be made out for that kind of set-up, Mr. President, but I respectfully submit that in many, many cases that kind of system will not prove to be successful, if its success is to be judged from the standpoint of whether uninterrupted production in the interest of prosecution of the defense effort is continued.

For the foregoing reasons I submit, Mr. President, that in my opinion the Pres-

ident is right, in the message he has sent to us, in urging the continuation of a tripartite board, because I believe such a board puts management and labor on the spot and puts them in such a position that when any labor group or any management group takes a defiant attitude toward the Board that has been set up to handle labor disputes during the emergency, the labor members of the Board and the employer members of the Board can exercise tremendous pressure upon such a recalcitrant labor or management group, and get them to comply with what the Board has decided is a fair and equitable solution of the dispute.

Mr. President, we were very proud of the fact that during World War II, although on some occasions there were dissents on our Board—in the decisions, labor sometimes would dissent or management would dissent—but there was never a case in all the history of the Labor Board, in which the Board was not unanimous in insisting that the decision be carried out by the parties to the dispute. Some of the strongest decisions for enforcement were written by employer members of the Board against employer parties to a dispute, because of the attitude assumed by some employer who would try to defy the decision of the Board.

In a few instances, such as in the Toledo, Peoria & Western Railroad case, where seizure was resorted to, the strongest enforcement decision was written by an employer member of the board. In many of the labor cases, where some hot-headed union leaders of local unions for a few hours thought they were bigger than the Government, and pulled a "quickie" strike in defiance of the War Labor Board, it was the labor members of the War Labor Board who went into action on those local unions and made very clear to them that they had better either go back to work or they could be certain that the public members of the board would follow what we always said would be our position, namely, recommend the exercise of whatever force of Government was needed under those circumstances to break such a union. So, I believe the President of the United States is right in his message when he points out the advantage of maintaining a tripartite board. In the settlement of many disputes there will be differences of opinion as to whether a decision was right or was wrong.

Let me state what I think our approach in Congress ought to be with regard to the Wage Stabilization Board. Our approach should not be one of destroying the structure of the board or the authority of the board. Our approach should be to lay down a few legislative blueprints in regard to principles of public policy which the board should be required, by congressional mandate, to follow. I think that is the statesmanship job to be done.

For example, I believe we should have in legislative form the requirement that as a matter of public policy, the Wage Stabilization Board cannot grant a union shop as a part of a decision in a Wage

Stabilization Board opinion. The Senate knows my views on that question. In our hearings in connection with the steelworkers' case, I went into that quite at some length. Briefly, I wish to say I have always held to the position that it is unsound public policy for the Government, in a labor dispute, to order a union shop upon any employer by way of governmental mandate.

I happen to think that is a nonarbitrable issue. I happen to think it is an issue that can be settled only by collective-bargaining negotiations between the parties. During the period of this emergency, both parties ought to be told, by way of legislation, that, as a matter of public policy, if they cannot settle the issue between themselves, then the issue is to be postponed until the emergency is over, and that in a defense plant, the production of which is essential to the prosecution of the defense effort, the right to strike over that issue is "out" for the period of the emergency.

There are some other legislative blueprints by way of public policy which I think we could lay down, but, Mr. President, that is a far different thing from taking the position that we should abolish the board and leave nothing in this period of defense mobilization for the settlement of labor disputes in defense plants but the Taft-Hartley law. In my judgment the Taft-Hartley law is not worth the paper it is written on for the handling of a dispute in a defense plant during an emergency period if we are to attempt to get labor and management to recognize their moral obligation not to resort to economic force during the period of the emergency.

I am still waiting for the American press, as a press, Mr. President, to clarify what I submit has been its gross misinformation to the American people in regard to the provisions of the Taft-Hartley law, in relation for example, to the pending steel controversy. I am still waiting for the press to do the educational job I think it owes the American people in regard to the operations of the Taft-Hartley law in an emergency dispute. The press should point out that that law does not contain a sentence which will stop a strike at the hour of crisis when a strike is threatened.

The operation of the procedures of the Taft-Hartley law require many days, and during those days of functioning prior to the time the Attorney General is ready to go into court and ask for an injunction, there is nothing in that law which would prevent the strike from occurring. That is exactly what would have happened in the steel case.

So I say that we have a job to do in the Congress with regard to legislating on the subject of emergency disputes; but that job is not to repeal the section of the law which establishes the only tribunal available today for the expeditious handling of labor disputes in defense plants, namely, the Wage Stabilization Board.

I am still accepting all reasonable amendments and revisions to the bill which I introduced the day after the President seized the steel mills, because I am as convinced now as I was then

that it happens to be the legislative duty of this Congress to place on the statute books a law which will provide a procedure and remedy for the immediate handling of a threatened work stoppage in a defense plant. That is why in my bill there is a certain section which, so far as I know, is opposed by every labor organization in the country. That makes no difference to me, because they happen to be wrong in their opposition; and whenever labor is wrong, I am as willing to oppose the position of labor as I am to oppose the position of an employer who may be wrong on some issue. Thus, as I say, I have in my bill a provision which authorizes the President of the United States to proceed to ask his Attorney General to go into a Federal Court and obtain an injunction at the very time he is convinced that there is going to be a strike, if it is not enjoined. It is also provided that such injunction shall stand for the period of time required for the Government, through the Board of Inquiry which is provided for in my bill, to ascertain what the facts are and make recommendations to the President, and for the period of time required for the President, in turn, to present to the Congress his proposals for the handling of such disputes, subject to the checking right of the Congress to approve or disapprove. That is my notion, and always has been my notion, of what the check-and-balance system of the Constitution means. It has always coincided with my view that the Congress has the legislative power under article II of the Constitution to check a President in the exercise of any power he may claim for the settling of disputes.

That is the legislative approach which I believe Congress ought to make. Until we do it, I think we shall have failed in our legislative responsibility. I recommend that approach as preferable to the approach which is made in the pending amendment, because I think the pending amendment, if adopted, would leave us with no effective machinery for the handling of labor disputes in defense plants. All we could fall back upon then would be the Taft-Hartley law, and if that is the only remedy we can offer the parties to labor disputes in defense plants, while at the same time we insist that they live up to their moral obligation not to strike or not to lock out, then I say, for whatever it may be worth, that on the basis of my experience in this field, we shall have a great amount of industrial trouble, rather than industrial peace. But we can have industrial peace if we provide for the legislative blueprint for which I have been pleading during these many weeks in the Senate.

In the President's message—not encompassed in the pending amendment—there is reference also to the Fulbright amendments, dealing with the Walsh-Healey Act. I shall reserve comment on that subject until the time when the Fulbright amendments are brought up on the floor.

I now close by saying that I rest my case for the continuation of controls on

Bernard Baruch's testimony of yesterday, and I rest my case for the continuation of a tripartite Wage Stabilization Board on the basis of the experience which I have had in many cases under the operation of a tripartite War Labor Board during World War II.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. On this question the yeas and nays have been ordered.

Mr. PASTORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. AIKEN. Mr. President, I have spoken once. I feel that I am entitled to speak a second time. I do not know when I have been called upon to vote on a measure on which it has been more difficult for me to reach a decision than on the amendment offered by the Senator from Illinois. I have pointed out some of the unconscionable abuses that have occurred under the price control provisions. Prices are being rigged to the disadvantage of farmers and consumers, and the free market in this country is being disrupted. That situation will continue, I am afraid.

Yet I agree with Senators who say it is not safe to leave the country without some controls on the statute books which can be used in case of necessity. I also realize, if the provisions for price and wage controls are voted out of the bill, that in this election year of 1952 we can expect almost anything to happen. It would be a very easy matter for those who would be resentful at our action to create an inflationary condition which would be far greater than we have experienced so far.

As I say, Mr. President, it is one of the most difficult decisions that I have had to make. I think for the safety of the country it is necessary to keep controls on the books for a few months more, or at least until we can get a new administration that we can trust to apply fairly the provisions that we write.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], and the Senator from Min-

nesota [Mr. HUMPHREY] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

I announce further that if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from California [Mr. KNOWLAND] are absent by leave of the Senate.

The Senators from Maine [Mr. BREWSTER and Mrs. SMITH], the Senator from Ohio [Mr. BRICKER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate for the purpose of attending the Conference of the International Council for Christian Leadership at The Hague.

The Senator from Montana [Mr. ECTON], the Senator from Kansas [Mr. CARLSON], the Senator from Missouri [Mr. KEM], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Pennsylvania [Mr. DUFF] is detained on official business.

If present and voting the Senator from Maine [Mr. BREWSTER] would vote "nay."

On this vote the Senator from Ohio [Mr. BRICKER] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting the Senator from Ohio would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote the Senator from Washington [Mr. CAIN] is paired with the Senator from Pennsylvania [Mr. DUFF]. If present and voting, the Senator from Washington would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 18, nays 52, as follows:

YEAS—18

Bennett	Dirksen	Millikin
Bridges	Dworshak	Mundt
Butler, Nebr.	Ellender	Schoeppel
Capehart	Ferguson	Welker
Case	Gillette	Williams
Cordon	McCarthy	Young

NAYS—53

Alken	Hunt	Nixon
Anderson	Ives	O'Connor
Benton	Johnson, Colo.	O'Mahoney
Butler, Md.	Johnson, Tex.	Pastore
Chavez	Johnston, S. C.	Robertson
Clements	Kilgore	Russell
Connally	Lehman	Saltonstall
Douglas	Long	Smathers
Eastland	Martin	Smith, N. J.
Frear	Maybank	Smith, N. C.
Fulbright	McCarran	Sparkman
George	McClellan	Stennis
Hayden	McFarland	Thye
Hendrickson	McKellar	Tobey
Hennings	Monroney	Underwood
Hill	Moody	Watkins
Hoey	Morse	
Holland	Neely	

NOT VOTING—26

Brewster	Hickenlooper	Magnuson
Bricker	Humphrey	Malone
Byrd	Jenner	McMahon
Cain	Kefauver	Murray
Carlson	Kerr	Seaton
Duff	Knowland	Smith, Maine
Eaton	Langer	Taft
Flanders	Lodge	Wiley
Green		

So Mr. DIRKSEN's amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 7005) to amend the Mutual Security Act of 1951, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RICHARDS, Mr. MANSFIELD, Mr. MORGAN, Mr. CHIPERFIELD, and Mr. VORYS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 6291. An act to amend section 218 (f) of the Social Security Act with respect to effective dates of agreements entered into with States before January 1, 1954;

H. R. 7340. An act to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; and

H. J. Res. 430. Joint resolution approving the constitution of the Commonwealth of Puerto Rico which was adopted by the people of Puerto Rico on March 3, 1952.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 302) to amend section 32 (a) (2) of the Trading With the Enemy Act, and it was signed by the Vice President.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred or placed on calendar, as indicated:

H. R. 6291. An act to amend section 218 (f) of the Social Security Act with respect to effective dates of agreements entered into

with States before January 1, 1954; to the Committee on Finance.

H. R. 7340. An act to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; ordered to be placed on the calendar.

H. J. Res. 430. Joint resolution approving the constitution of the Commonwealth of Puerto Rico which was adopted by the people of Puerto Rico on March 3, 1952; to the Committee on Interior and Insular Affairs.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 29, 1952, he presented to the President of the United States the enrolled bill (S. 302) to amend section 32 (a) (2) of the Trading With the Enemy Act.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Hawks, one of his secretaries.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. CAPEHART obtained the floor.

Mr. ROBERTSON. Mr. President, will the Senator from Indiana yield for a unanimous-consent request?

Mr. CAPEHART. I yield for that purpose, provided I do not lose the floor.

The VICE PRESIDENT. Without objection, the Senator may yield for that purpose.

Mr. ROBERTSON. I ask unanimous consent that the debate on the pending amendment and all other amendments to the bill be limited to 15 minutes to a side, to be controlled by the author of the amendment and the chairman of the committee, respectively. If such an agreement can be made we can finish this bill before a recess is taken this evening. Otherwise, there is no assurance as to when we can finish it. A great many Senators plan to go away late this evening for Memorial Day addresses and what not, and they will not be here Monday. We know that we shall not have a quorum Monday for the transaction of business.

The Senator from Virginia plans to be here tomorrow, and he was anxious to work tomorrow. He will be here Monday. But nearly 30 Senators are away today, not knowing perhaps that this important measure might be voted on. We have had present as many as 33 Senators. In all my legislative experience I have never seen such absenteeism as afflicts our legislative program at the present time. Unless we impose some limitation on debate, we shall be here when the snows falls, or if not, we shall leave unfinished many measures which ought to be acted upon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. IVES. Mr. President, reserving the right to object—and I expect to object—it seems to me altogether out of order to try to complete the work on this vitally important piece of legislation today. The distinguished Senator from Virginia has already pointed out that there are a great many absentees.

Mr. MAYBANK. Mr. President, if the Senator will yield, I should like to say that the Senator from Virginia spoke to me about this matter. I did not understand him to suggest that the bill would be completed today, but that the time for debate on each amendment would be limited to 15 minutes.

Mr. IVES. That may be, but, Mr. President, I still do not think that at this particular time we should place a limitation on debate. I believe we ought to let the debate take its course this afternoon, to be continued later on. Possibly we could enter into a unanimous-consent agreement in connection with the matter next week. I object.

The VICE PRESIDENT. The Senator from New York objects.

Mr. CAPEHART. Mr. President, the Senate has just voted to continue price and wage controls in the pending bill. I have been one of the strongest advocates of price and wage controls up to this time. In fact, I offered an amendment to the original 1950 Production Act, to freeze all prices and all wages as of midnight, on the night the Nation went to war in Korea. I have always said, and I still say and believe, and always will, that we ought to have a permanent law on the statute books providing in effect that, at any time America goes to war, all prices and wages would automatically be frozen. From that point controls should be continued as long as necessary, and then be eliminated.

Mr. President, I hold in my hand an amendment, which was ordered to be printed and lie on the table. It now lies on the desk of each Senator. It is designated by the letter "H." I invite the attention of Senators to the amendment which is on the desks.

Mr. President, I see both sides of this question.

The VICE PRESIDENT. The attention of the Chair is called to the fact that the Senator from Indiana has not offered his amendment. It has been printed and lies on the table. Is the Senator offering the amendment?

Mr. CAPEHART. I am not offering it at the moment. I may do so at the conclusion of my remarks. I may say, in case there is any doubt about it, that my purpose at this time is merely to make a brief statement by way of an explanation of the amendment.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from South Carolina for the purpose of propounding a parliamentary inquiry?

Mr. CAPEHART. I yield, provided I do not lose the floor.

Mr. MAYBANK. Mr. President, I appreciate the fact that the Senator is preparing to speak, and I shall listen with interest to what he may have to say. I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. MAYBANK. The Senate has voted upon the so-called Dirksen amendment. As I understand, we now return to a parliamentary situation in which committee amendments, under the Senate rules, take precedence over all other amendments, and we proceed in the regular way. Am I correct?

The VICE PRESIDENT. There is but one committee amendment to the bill, and that is in the form of a complete substitute. All amendments would be to the substitute, not to the text of the bill. The parliamentary situation with respect to all amendments is the same as though nothing had been done, but that is what has happened.

Mr. MAYBANK. I understand that nothing has been done, except for the vote on the Dirksen amendment.

The VICE PRESIDENT. The amendments which will now be offered to the text of the substitute will be offered and will have the same parliamentary status as though the Senate had not voted on the other amendment.

Mr. MAYBANK. I thank the Chair.

Mr. CAPEHART. Mr. President, I hold in my hand this amendment lettered "H," which was printed and which lies on the table, as well as upon the desk of each Senator. I can see both sides of the controversy as to whether we should or should not completely eliminate price and wage controls. Or, Mr. President, to put it the other way around, whether we ought to have a law on the statute books to take care of the control of prices and wages, if and when necessary.

The amendment which I shall propose should I satisfy those who favor the dropping of price and wage controls at the moment, those who are in doubt about it, and those who are as sincerely interested as I am in seeing to it that the people of the Nation are not subjected to the perils and hardships of runaway inflation. The amendment proposes to keep the price and wage-controls law on the statute books, to keep the organization for the purpose of imposing price and wage controls; but to suspend all price and wage controls unless the consumers' index should rise three points.

The Consumers' Index at the moment stands at 188. That, by the way, is the index now used in the escalator clauses of our labor contracts, it is the index which was prepared by the Labor Department, and it is the index which has been used in the writing of other legislation. Under my amendment all price and wage controls would be suspended forever unless the Consumers' Index should rise to 191, or 3 points above what it is now, or unless there was a declaration of war by the Congress.

My honest opinion is that if we were to retain the law on the statute books, but suspend wage and price controls at the moment and provide that if the consumer index should rise three points the law would have full force and effect, we could eliminate controls for the time being at least, and bring about a reduction in prices in America. My opinion is that if we do not do that, there will be an increase of prices even under the existing law, or under the law as it may be amended, because the tendency at the moment in America is reflected by these facts: The Government has set ceiling prices. Most articles are selling below ceiling prices. Those which are not selling below ceiling prices are, in my opinion, selling at ceiling prices, simply because the position is taken that since the Government has set ceiling prices they may be assumed to be a fair price, and to represent the price the seller ought to receive. So I am sincere and honest in saying that I believe, if we want to see a reduction in prices in America we should remove price and wage controls, get rid of the reporting, get rid of the expense, and get rid of all the trouble to which American business is subjected.

We could then say to the consuming public in America, "We now have a law, under which, if anyone starts to chisel, if prices start to run away, or if they start to rise and do rise more than 3 points on the consumers' index, then price and wage controls will automatically be resumed." When we shall have done that, we shall have satisfied the consuming public. The public is entitled to that protection.

If we remove price and wage controls I think we shall get a reduction rather than an increase in prices. If we retain controls, particularly with the bill as it is written—and I do not know how to write a better one; I am not criticizing it—it is inherent in any price or wage control law that there must be some flexibility. I think the answer to the whole problem is to suspend price and wage controls. I think Congress should do it, and then say to the OPS Administrator, "Maintain your staff, because the bill expires in February of next year"—if it is passed as it is now written.

There can be no question that durable goods are selling at very much below ceiling. There can be no question that there is an oversupply of durable goods in America. Anyone who is at all familiar with business knows that to be true. The President and our Military Establishment have extended war production from what they intended originally to be a 2-year period to a 4- or a 5-year period. The result will be that they will take more than 15 percent of the normal productive facilities of America. Who knows but what we may have to maintain that 15 percent for 10 or 15 years? I do not know and I do not think anyone else knows. Are we going to have controls with us for 10 or 15 or 20 years? Who knows?

Another angle which I think has been completely overlooked is that we have practically full employment in the

United States today. We have a \$300,000,000,000 national income from civilian production plus a certain amount of governmental activities. For many years the spending by the Government is going to be very great. No one can deny that. Are we saying to ourselves that, with full employment in America, with enormous production, and with a national income of more than \$300,000,000,000 under the private-enterprise system, that sort of an economy will not work without Government controls? Is that what we are saying to ourselves? I should like to ask this question: When are we going to be able to take off controls if we can ever take them off? Is it when we have fifty, sixty, or seventy million persons unemployed? Is it when our national production drops from \$300,000,000,000 to \$200,000,000,000?

What are the arguments in favor of price controls at the moment? They are that we have a gross national income of \$300,000,000,000, that all our people are employed, and that our corporations are making huge profits. The argument is made that we must have governmental controls because we have what I am certain everybody wants, namely, full employment and a certain amount of prosperity. When are we going to remove controls?

We shall have the same arguments advanced and the same economic conditions facing us next June or next March that we have today. The only difference is that next year will not be an election year. With that exception, in my opinion, Senators will be making the same argument they are making today. We shall find the same conditions existing as those which exist today. What we are saying is that so long as all our people are employed, so long as we have a \$300,000,000,000 national gross income, we are going to have price and wage controls in America.

I do not believe that, Mr. President. I think that is wrong. I believe that what we should do now is to suspend controls on prices and wages and write into the law a provision that they shall remain suspended and decontrolled until the Consumers' Index rises 3 points, or there is a declaration of war by the Congress.

I have always been sold on the idea that if we go to war we should have price and wage controls the minute it occurs, because people become hysterical and start buying and pushing prices up because they do not know how long the war will last or whether they will be able to buy goods later, or what the prices may be. So I think we should have price and wage controls the moment we go to war, and in peacetime if the Consumers' Index rises 3 points beyond what it is now, the President should immediately reimpose price and wage controls.

Let us give business, labor, and everyone else a breathing spell in America. Let us give them some flexibility. I am suggesting 3 points. Maybe that is too much, or maybe it is not enough. I am speaking at the moment of a formula. That is the way to do it.

The argument has been made that Mr. Arnall, the OPS Director, has al-

ready decontrolled many commodities. The able Senator from South Carolina [Mr. MAYBANK] read a list of the items which have been decontrolled. It is quite a long list. He also said that Mr. Arnall had told him, as he has told me, that he is going to decontrol other items. That is indicative, of course, that certain items are selling below the ceiling prices and should be decontrolled.

Mr. President, I have the idea that it is all wrong to try to decontrol in a piecemeal fashion.

It has been said that if wool goes below the ceiling price, wool should be decontrolled; when shoes go below the ceiling price, shoes should be decontrolled; when something else goes below the ceiling price, it should also be decontrolled. But that is wrong, in my opinion, because if we decontrol one article and do not decontrol the elements which go into its manufacture, or if we do not decontrol the wages of the workers who make the particular article, we get a very unbalanced budget in America, and we do the very thing we do not want to do.

If it is good business to decontrol these items individually, if it is a good thing to decontrol them because they go below the ceiling price, then why is it not a good thing to suspend all controls on prices and all controls on wages and say to the American people, "We have you protected with an umbrella. We are not going to permit prices to go up more than 3 points." Why is not that the proper way to proceed? We say to the American people, "We do not want you to be burdened with runaway inflation." We say to them that if the Consumers' Index rises 3 points above what it is today, which would be 191, because it is now 188, controls will be reimposed and the American people will be given the protection to which they are entitled.

We say to American business and agriculture—to big-business men and to small-business men, of whom there are approximately four million—just as we say to labor organizations, large and small, "You no longer have to worry with wage controls so long as the index remains at 191 or below." In my opinion, if we will do that, we will find prices going down instead of going up. If I am wrong about it, as I might be, and prices should go up to 191 on the Consumers' Index, then automatically price and wage controls would become effective.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SMITH of New Jersey. I am interested in the Senator's argument, and I should like to ask him how he visualizes the keeping together of an organization, so that when the moment of danger comes, the organization will step in to keep things moving. Does the Senator propose to keep the entire price control organization all the time?

Mr. CAPEHART. The life of this bill, as it is written at the moment, is only until next February 28. I would recommend keeping the staff and appropriating money to keep it intact until that time. I certainly would make that rec-

ommendation. After February 28, next year, if there have been no further emergencies or wars, I would favor a continuation permanently of such a law as I propose. I would be willing to offer an amendment or a bill to provide that if the Nation goes to war, there would automatically be price and wage controls. I think that certainly we ought to continue such a law as my amendment envisions beyond February 28 of next year. I am talking about setting a ceiling beyond which we in Congress will not permit inflation to go.

Mr. SMITH of New Jersey. Would it not be fair to assume that after the index had risen three points, there would be a substantial lag before new controls began to operate?

Mr. CAPEHART. There would not need to be a lag at all, because the President could issue one Executive order freezing all prices and wages at the rates existing on the day the Executive order was issued. He could issue an Executive order by a stroke of the pen, just as he did on July 26, 1951, and freeze all wages and prices in America, and the proposed law could proceed from that point by Executive order. The President could simply freeze prices and wages. In fact, the law would require that he do it. The law would require that when the Consumers' Index reached 191, or whatever point we desired to write into the formula, the President by Executive order would simply freeze wages and prices at that point, just as he did on July 26, 1951.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. CAPEHART. I do not particularly like this amendment. I do not like any wage and price control laws. I have not seen any that I have been happy with. They are troublesome and bothersome. They just do not fit into our kind of government. But sometimes we have to do things we do not like to do. Sometimes we have to accept something as the lesser of two evils.

A moment ago I voted to discontinue price and wage controls, because I felt that the Nation would be better off without them. However, I am offering my amendment because I feel it possibly embodies a better method than eliminating price and wage controls without having a law affording protection in case of what we ordinarily term "runaway inflation."

It also has one other advantage. As I have said many, many times on the floor of the Senate, on the air, and in other places, we ought to have a permanent statute which would provide that when the Nation goes to war, automatically at the very moment we go to war the control of prices and wages should begin to operate. There was no such law when the Korean war began. The Korean war started, as I recall, on June 25, 1950. On September 8, if my memory serves me correctly, Congress passed a law controlling wages. The President did not put it into effect until January. However, I do not wish to go into that matter now; it has been discussed over and over again. The Korean war is now 2 years old. Its beginning is 2 years

behind us. That is a period of time longer than we participated in World War I.

Most articles in America are selling below the ceiling price. I think practically all farm products are selling below the ceiling; that means the price the farmer gets is below parity; and, of course, parity is the ceiling under the act. Farm products are selling below the ceiling price.

If Senators will check the durable-goods industry, or goods such as textiles, they will find prices are soft. Not only will they find that prices are soft, or below ceiling, but they will likewise find an abundance of goods; they will find the warehouses bulging. It is quite likely that in the next 6 months, if we do not clean up the matter of price and wage controls, there will be a so-called depression, rather than inflation.

With the extension of the defense effort over a period of about 5 years, instead of getting the job done in 2 years with an overproduction of durable goods, with a tremendous stock of wheat, with soybean stocks high, though corn stocks are not quite so high, with the prospects today of the production of good crops of foodstuffs, with more cattle on the farms than ever before, and a large supply of pork, we are more likely to have a declining market than an inflationary market. That is particularly true if there is a desire to bring prices down. My opinion is that it can be brought about by eliminating price and wage controls.

I know, first, that the business interests of America, who have been agitating for the removal of price and wage controls, are not particularly going to like this suggestion. They are going to say, "It puts us in a strait-jacket. We do not like it." I can well understand that. I can understand other organizations saying, "We do not like it, because it may cause another plateau of prices," in other words, the prices might go up a little higher.

If I can quote correctly the OPS director, Mr. Arnall, himself, and I certainly will not be far wrong, and Mr. Wilson, when he was chief mobilizer, and I think Mr. Putnam, the best they would guarantee before the committee was that prices would not go up more than three points within the next year.

So let us get rid of price and wage controls. Let us pass a law to protect Americans against runaway inflation. Let us breathe some new life into business in America, and into labor organizations, which are troubled and bothered, as business is, with wage controls. Let us proceed on the premise that perhaps we are going to have to spend many, many billions of dollars for national defense for a period of 10, 15, or 20 years. Let us proceed on a basis which is sound to meet conditions which may last for many, many years. I do not see much chance of reducing our expenditures for armaments within 5 years to much lower a figure than the present one. The figure is about \$60,000,000,000 this year. If it goes down to \$40,000,000,000, that will be a reduction of 33½ percent. If we can reduce it 50 percent, the expenditures

will still be \$30,000,000,000. If they are now \$60,000,000,000, and if now 15 percent of our civilian production is going into war materials, and we reduce military expenditures to \$30,000,000,000, which would be a 50 percent reduction, 7½ percent of our civilian production would still be going for defense purposes.

So when are we going to get rid of price and wage controls? When? Will someone tell me what must happen in America before Congress will be willing to eliminate price and wage controls? I wish someone would tell me what the signs of their abandonment will be. Will one of the signs be 10,000,000 men unemployed, or 15,000,000 men unemployed? Or will it be when business drops back from \$300,000,000,000 of national production to \$200,000,000,000? Is that what Senators want? Is that going to be the sign? Where is the yardstick? Tell me what the signs will be. Will somebody tell me?

Mr. President, I wish someone would give me the yardstick or paint a picture on the wall for me showing what the signs are, or showing at what state our economy must arrive before Senators would be willing to vote to eliminate price and wage controls. What is the yardstick? Are we merely floating downstream? Will someone tell me what the yardstick should be? I know that Senators are not going to tell me that they want to see 15,000,000 men unemployed, so that we can eliminate wage and price controls. I know that Senators are not going to tell me that they want to see business in America drop off a third so that we may remove price and wage controls. It seems to me that if we are to give our people full employment, have 60,000,000 employed, and produce \$300,000,000,000 worth of national products each year, we must find some way to do it under the private enterprise system, and without Government controls. If we maintain Government controls on prices and wages, we shall find them gradually going down.

What is the standard? When are we going to be able to reach our objective? Who can tell me now that we shall not be compelled to spend \$30,000,000,000 or \$40,000,000,000 a year for the next 5 or 10 years on national defense?

The only sensible way to reach the desired objective is to raise an umbrella, and say that any time the consumer's index crosses a certain point we shall have price and wage controls, but that so long as the index is below that point we shall not have price and wage controls. We should provide that any time the Nation goes to war by virtue of a declaration of war by the Congress, price and wage controls shall automatically be applied. What is wrong with that? Why is not that the proper way? Who would be hurt by such a system? Why would not everyone gain? Why do we ask the 4,000,000 businessmen and the 15,000,000 farmers in America to come under price and wage controls if it is not necessary? What are we adding to the economy of the Nation by maintaining the kind of price and wage control which is written into the bill, when we can enact a law

establishing a ceiling? Who is going to win, and who is going to lose?

Mr. President, I shall not offer this amendment today, but I shall offer it on Monday or Tuesday, when we continue to vote upon amendments to the bill.

Mr. BENTON. Mr. President, as has been pointed out, the bill for the extension of the Defense Production Act, which the Banking Committee has at long last reported out, is weakened considerably. The bill publicly recognizes the need for economic controls, but blatantly bestows favors on those who are strongly opposed to any controls.

The bill has been the victim of the feelings aroused by the President's seizure of the steel mills. The Supreme Court has not yet ruled on the constitutionality of the President's action. I am ready to abide by the Court's judgment. The President has indicated that this is also his view.

Certain members of our committee have not liked the hold-the-line policy of the Economic Stabilization Agency with respect to steel. I freely recognize the right of anyone to disagree with administration policy on the steel dispute or on anything else. But I think it is poor statesmanship—and, if I may say so, poor politics—to take out one's disagreements with the administration's steel policy by punishing the American consumer and our national defense program.

This is in no way a reflection on the distinguished chairman of our committee. He has throughout this heated controversy displayed the temperance, the fairness, the leadership that makes me proud to serve with him. I would say it is due in no small measure to his firm leadership that we were able to report out any bill at all.

The representatives of the steel industry came before our committee and before other committees of Congress and frankly took the attitude that in view of the steel wage and price policy we should scrap our whole stabilization program—all our price and wage controls, as the Senator from Indiana [Mr. CAPEHART] has just advocated. When the senior Senator from New York asked Admiral Moreell, of Jones & Laughlin, whether he thought the price of steel would stay down without controls, the admiral said—and I quote from page 2223 of the hearings:

I think the price of steel might rise for a period, for a short period, and then eventually would come down, provided we were not subjected to very large wage and other costs, such as, for example, the materials and services that we buy, including freight.

We have heard about prices coming down—after a while—after the controls are removed. I remind the Senate that we heard it back in 1946, and we know that what happened after the controls were removed was exactly the reverse. Now the steel companies are making that same doubtful promise—take off the controls, and steel prices—after a while—will come down—maybe.

I have listened with a great deal of interest to the argument just advanced by the Senator from Indiana [Mr. CAPE-

HART]. I suggest that the testimony of Mr. Arnall before the Banking and Currency Committee is very convincing evidence that some prices, at least, would go up and would go up sharply if controls were now to be removed. Mr. Arnall said:

The food retailers want higher ceilings. The milk people want higher ceilings. The meat people want higher ceilings. The machinery people, the petroleum people, the steel people, the cement manufacturers, and many others want higher ceilings.

Why are those people after higher ceilings unless they want to raise their prices and would raise their prices if price controls were removed, as advocated by the Senator from Indiana?

Their attitude is, of course, understandable. I am not criticizing them individually. As they see it, they are acting according to their own self-interest, in line with the tradition of the American business system. The steel companies do not like the impact of controls on their business, any more than anyone else likes controls, so they ask that the controls be removed.

The attitude of the majority of the committee would have been more understandable if it had voted to abolish all controls in a belief that the steel dispute showed that such controls did more harm than good. But the committee majority did not vote to abolish controls. The majority in its report says clearly that the extension of controls is necessary to protect the public interest.

Yet while agreeing on the need for the extension of all controls there are elements in the bill which can wreck the very price and wage controls which the report agrees are necessary. Surely this is not logical.

There are two major ways in which the committee bill injures price and wage controls.

The first is by allowing only an 8-month extension of price and wage controls. Mr. President, it is sensible that title I, which includes power to establish priorities and allocations, should continue to June 30, 1953, but at the same time the law should terminate price and wage controls on February 28? Or that titles II and III, which grant authority to requisition and condemn, and to expand productive capacity and supply should continue to June 30 while wage and salary controls terminate on February 28?

The second is by abolishing the present tripartite wage board, with its jurisdiction on wage disputes as part of the over-all wage-stabilization program substituted for the present Board is all public and a board without power to handle disputes.

The committee bill says that all titles of the Defense Production Act, with the exception of titles IV and V are extended until June 30, 1953. Titles IV and V are extended only until February 28, 1953.

Let me quickly review the three titles in this bill, which are the cause of most of the present controversy.

Title IV, the title to which the Senator from Indiana has just been addressing

himself, deals with price, wage, and salary controls. Title V deals with an unused method of handling wage disputes—calling a conference of labor, management, and the public—and setting up, if the conference should agree, a sort of War Labor Board procedure for what amounts to the compulsory arbitration of labor disputes. I think it is evident from the other sections of the bill that the committee does not contemplate that title V shall be put into effect. I understand the President has not used title V because of the difficulty of getting a labor-management-public conference to reach agreement. The committee, in extending this title, cannot have any expectation that it will be used in the future. Further proof of this is the Dirksen-Bricker amendment in title IV which calls for the all-public wage board and abolishes the disputes function of the present Board.

Title VI deals with the authority of the Federal Reserve Board to regulate consumer credit and housing credit. As it happens, regulations W and X have been suspended, or largely suspended. Therefore at the present time title VI is practically inoperative.

Turning to my first major criticism of the bill, Mr. President, I point out that the committee bill provides for rent control, including rent control in critical defense areas. It thus assumes that there will be continued pressure from the defense program on housing at least until June 30 of this year, but that pressures from the same program on prices and wages can be expected to end in February. Here again we see an inconsistency, if we extend price and wage controls only until February 28 and extend rent controls until June 30.

Mr. President, if we do not believe that the need for price and wage controls will really end on February 28, why should we not extend these particular controls to June 30? I believe that the average consumer, in reading about this debate today and the proposed February 28 termination date, may conclude with some justice that the administrators of the law are being punished for administering it according to their honest light, instead of kowtowing to powerful pressure groups.

Do we indeed want to threaten such public servants as Mr. Putnam, Governor Arnall, and Mr. Feinsinger for not yielding to attempts to raise steel prices far beyond the requirements of the Capehart amendment? Do we want to say to them that if they or their successors expect controls to be renewed after next February 28 they had better learn the facts of life and not offend powerful pressure groups during the next 9 months? Can we blame them if they decide that if the administrators of controls shall not have properly calculated and rendered things safe for the pressure groups by next February, then the date will not be extended?

Mr. McFARLAND. Mr. President, will the Senator from Connecticut yield for a unanimous-consent request?

Mr. BENTON. I gladly yield for that purpose.

Mr. McFARLAND. Mr. President, it is my hope that we can finish consideration of the pending bill today. Certainly I trust that we can make more progress before taking a recess for the day than we have made up to this point. If, however, consideration of the bill is not concluded today, I ask unanimous consent that beginning on Monday at 12 o'clock there be a limitation on debate of 1 hour—

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CAPEHART. I shall have to object to an agreement beginning on Monday at 12 o'clock. I am perfectly willing to agree to have the limitation on debate begin at 12 o'clock on Tuesday.

Mr. McFARLAND. I regret very much that the Senator from Indiana must object. I feel that the time has come when the Senate will have to begin to drive forward if it is to finish its work by the time the national conventions are scheduled to convene. That is what we are endeavoring to do, namely, to determine whether, by working hard this week and next week, we can attain that goal.

Mr. CAPEHART. Would it not be possible to call the calendar on Monday and then begin the limitation of debate on the pending bill at 12 o'clock on Tuesday?

Mr. McFARLAND. I ask unanimous consent that beginning on Tuesday at 12 o'clock there be a limitation on debate of 1 hour on each amendment involving the Wage Stabilization Act or the Walsh-Healey Act, and that the time be equally divided and controlled, respectively, by the proponent of the amendment and the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. Mr. President, if at any time, when I am in control of the time on an amendment I do not oppose such amendment, I shall ask the ranking member of the committee who is opposed to it to control the time. I want to be perfectly fair about it.

Mr. McFARLAND. I understand. In the event the Senator from South Carolina is in favor of an amendment, the time in opposition to the amendment is to be controlled by the distinguished minority leader or any Senator designated by him. Further I ask unanimous consent that debate on all other amendments be limited to 30 minutes, to be divided equally and controlled in the same manner; that all amendments must be germane; that debate on the bill itself be limited to 1 hour, to be equally divided and controlled by the Senator from South Carolina [Mr. MAYBANK] and the distinguished minority leader, or any Senator designated by him.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Arizona include motions and appeals?

Mr. McFARLAND. Provided further that debate on all motions and appeals be limited to 30 minutes, to be divided equally and to be controlled in the same manner.

Mr. DIRKSEN. Mr. President, reserving the right to object, may I ask whether the Senate will take up the calendar on Monday?

Mr. McFARLAND. It was my intention to ask unanimous consent to have a call of the calendar beginning at 12 o'clock on Monday. Following the calendar call, if no Senator desired to speak on the pending bill, the Senate could proceed to the consideration of the three bills which I mentioned yesterday.

Mr. DIRKSEN. Mr. President, would the majority leader consider taking up those bills first before having the call of the calendar? Such an arrangement would be convenient to certain Members of the Senate. I have no personal preference in the matter.

Mr. McFARLAND. I would prefer to have the call of the calendar first. In that way all Senators would know that the calendar would be called at a certain hour. Otherwise, they would not have that information. It is very important that there be a call of the calendar at regular intervals. If we consider the other bills first, it may very well be that a long debate may ensue in connection with one of the bills. If a Senator is interested in any particular bill it could be called up by unanimous consent after the call of the calendar.

The PRESIDING OFFICER. The Chair has been advised by the Secretary that five bills are to be called up before the regular call of calendar bills on the next call of the calendar.

Mr. McFARLAND. That is my understanding. However, we have not yet reached an agreement on the call of the calendar. I wanted to reach an agreement first on the pending bill. However, I can include the request.

Mr. President, I ask unanimous consent that the agreement with respect to the call of the calendar be included in the request I have made. I add to my previous request the unanimous-consent request that beginning on Monday the calendar be called for the consideration of unobjected-to bills, beginning where the call was concluded the last time, and including the bills which went over by unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. SPARKMAN. Mr. President, reserving the right to object, I regret exceedingly that the decision is being reached that we cannot conclude consideration of the pending bill today. I realize the truth of the statement made by the distinguished majority leader that the time has come when we must expedite the business of the Senate.

I have never, during the time I have been in the Senate, objected to a unanimous-consent agreement such as this; nor have I ever asked that a measure go over or that some special arrangement be made to suit my convenience. I am not going to do so now. But, Mr. President, under the reservation of my right to object I should like to say that many weeks ago I made an engagement to speak at a national meeting on next Tuesday. It is one of sufficient impor-

tance in my judgment to prevent my being in the Senate on that day.

Personally I wish very much that the Senate could proceed with the consideration of the bill tomorrow, and even on Saturday, if necessary, as well as on Monday. Here we are on Thursday going over until Tuesday in order to suit the convenience of a Senator or Senators.

I am not going to object, but if it is permissible to do so at this time I ask unanimous consent that I may be excused from attendance on the session of the Senate on Tuesday next.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. CAPEHART. Mr. President, I wish to thank the able Senator from Alabama for his consideration. We shall do everything possible to obtain a pair for him on any vote that takes place on Tuesday.

Mr. BENTON. Mr. President, in view of the statement made by the distinguished Senator from Alabama, I object to the Tuesday arrangement. The Senator from Alabama and I are members of the committee. We are deeply interested in the bill. We shall have to be absent on Tuesday. I will be absent through no fault of my own. I must spend all day on Tuesday with lawyers, and I do not like it. I do not look forward to it. Certainly it is through no fault of my own.

Mr. McFARLAND. Will the Senator from Connecticut withhold his objection for a moment?

Mr. BENTON. For a moment; yes.

Mr. McFARLAND. All I am trying to do is to expedite the business of the Senate. The Senate will be in session on Tuesday if a quorum is present; and it will not make much difference whether a particular Senator is present or absent. I would much rather have had the unanimous-consent agreement entered for Monday. But, after all, I did give notice of a calendar call, and I have wanted the calendar to be called. Nothing would be lost by following the procedure I am proposing.

I wish to say here and now that the time has come when all of us, including myself, must be on the floor when the Senate is in session. If a Senator is not on the floor, he will simply have to take his chances, and will have to have a pair. Of course, that is why we have the pair system.

There may be times when Senators will necessarily have to be absent. I myself will have to be absent before the session is over, and I hope some of my colleagues will accommodate me with pairs.

So I hope Senators will not object if the proposed arrangement will not accommodate them. After all, it is very likely that the next time such an arrangement is proposed, it will not accommodate me.

Mr. MAYBANK. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I yield.

Mr. MAYBANK. As chairman of the committee, I wish to say that I hope

some agreement may be reached in regard to this bill.

I should like to say to my friend, the Senator from Connecticut [Mr. BENTON], who is a member of the Banking and Currency Committee, and also to my friend, the Senator from Alabama [Mr. SPARKMAN], who likewise is a member of the Banking and Currency Committee, that so far as I am concerned, if at any time there is any difference between those two Senators and myself—although I believe there is none—I shall be willing to give them a live pair.

Mr. BENTON. I deeply appreciate the courtesy of my chairman, and am most grateful to him, Mr. President.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. BENTON. Mr. President, I yielded to the majority leader, but I continue to object to the proposed unanimous-consent agreement. I share the views of the Senator from Alabama [Mr. SPARKMAN]. I should like to have the Senate proceed with the bill both today and tomorrow. Why should Tuesday be selected for the vote, when two members of the committee—the Senator from Alabama [Mr. SPARKMAN] and myself—must be absent at that time? If we were not members of the committee, of course, the situation would be different.

Mr. McFARLAND. Mr. President, if the Senator from Connecticut will yield further to me—

Mr. BENTON. I yield.

Mr. McFARLAND. I should like to answer the distinguished Senator from Connecticut by saying that some time ago inquiries were made as to whether the Senate would meet on Memorial Day, which is tomorrow. It has been a general practice for many Senators to make Memorial Day speeches, and so notice was given some time ago that there would be no session on that day.

So far as I personally am concerned, I would just as soon have the Senate meet tomorrow. However, it is obvious that a quorum could not be obtained at that time. We shall not have a session tomorrow for the reason that many Senators will be absent, in any event.

If I were able to keep Senators here on the floor, the job of majority leader would be easy; but, I do not have such control.

Mr. CAPEHART. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I yield.

Mr. CAPEHART. As a practical matter, if the requested unanimous-consent agreement is not made in regard to voting on Tuesday, and if on Monday, when we meet, no such unanimous consent is given, the debate on the bill will continue during both Monday and Tuesday, and the Senator from Connecticut will still be absent. That is the practical situation with which we are faced.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I yield.

Mr. SCHOEPPPEL. As the majority leader has said, a call of the calendar has been suggested.

As many Senators know, I happen to be one of the minority Members who endeavors at various times to discharge a responsibility in connection with the calendar.

I wish to say frankly, for the benefit of some of the Members of the Senate, that I have been on this floor or else in the city, subject to call to the floor, practically every time the Senate has been in session.

I realize that there are many matters which require the attendance of Senators at other places. However, I wish to say for the benefit of my friend, the Senator from Connecticut [Mr. BENTON], that if a call of the calendar is had on Monday, the situation will be difficult, inasmuch as counsel who have been assisting the minority calendar committee have been ill. He will be available soon.

I wish to say for the benefit of some Senators who have engagements elsewhere that that situation would require two of us, who are members of the minority calendar committee, to work on Sunday. We are willing to do that in order to make it possible to have the calendar called on Monday, if that is the desire of the Senate. Of course, a call of the calendar on Monday would be likely to consume perhaps 3 or 4 hours of the session on that day.

We have received many requests, as I know the majority leader has, too, to have the calendar called, and to get many of the measures now on the calendar behind us. We are willing to proceed in that way, and I hope an arrangement similar to the one suggested by the majority leader will be worked out in this instance.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none.

Mr. SPARKMAN. Mr. President, I did not object; but I understood the Senator from Connecticut to object, and I believe he should have a chance to object at this time.

The PRESIDING OFFICER. The Chair will give the Senator from Connecticut an opportunity to object, if he wishes to do so.

Is there objection to the unanimous-consent agreement proposed by the Senator from Arizona?

Mr. BENTON. Mr. President, in the case of the proposed unanimous-consent agreement as regards Tuesday, I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. BENTON. Mr. President, I wish the majority leader would accept my suggestion in regard to Wednesday.

Mr. McFARLAND. Mr. President, I should like to follow the suggestion of the Senator from Connecticut, and have the vote held a month from now, but that would not enable us to end the session in time.

Mr. MAYBANK. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I yield.

Mr. MAYBANK. Several Senators have asked me whether further votes would be taken this afternoon. Accord-

ingly, I should like to inquire about that situation, so that by means of telephone calls I may inform the Senators who have communicated with me. In that connection, I refer to the Senator from North Carolina [Mr. HOBY], the Senator from North Carolina [Mr. SMITH], and other Senators.

Mr. McFARLAND. Mr. President, inasmuch as the Senate convened at 10 o'clock this morning, I have told various Senators and others who wished to leave that the Senate would not remain in session later than 5 o'clock today.

Mr. BENTON. Mr. President, I am sure I have taken the right attitude in the present case, even though heretofore I have not taken such an attitude. In the past I have observed that other Senators have taken a similar position.

The Senator from Alabama [Mr. SPARKMAN] and I are only two members of the committee, only two-thirteenths of the committee, but, perhaps unfortunately, we represent a position that is not shared by the other members of the committee.

Mr. MAYBANK. Mr. President, I appreciate the statement the Senator from Connecticut has made, but I wish the RECORD to show that he was absent from many of the committee's hearings, whereas the chairman and other members of the committee remained at the meetings.

Mr. BENTON. Mr. President, I cannot deny what has been said by the chairman of the committee. Of course, I have not learned the trick that some of my colleagues have learned, namely, to be two places at the same time.

Mr. MAYBANK. Mr. President, I do not intend to have the committee criticized. All Senators have a number of committee assignments; I myself am a member of several committees. Nevertheless, it is our duty to be present when the Senate is in session. I may say that I have been invited to make speeches before national conventions; for instance, I have been invited to attend the convention of the National Cotton Association, at Brunswick, Ga., and to address that convention. However, I am attending to the business of the Senate.

Mr. BENTON. Mr. President, my absence from the Senate on Tuesday will not be because of an engagement to make a speech or because of any desire on my own part to be absent. I shall be absent reluctantly, unwillingly, and at great personal cost to myself, as well as, I may say, personal inconvenience and displeasure.

If my distinguished Republican colleagues and friends will accommodate me, I shall be able to participate in the debate on this measure next week, which is what I should like to do.

The distinguished chairman of the Banking and Currency Committee was not on the floor when I paid him a high tribute.

Mr. MAYBANK. Mr. President, I have nothing but the highest regard for my distinguished friend, the Senator from Connecticut [Mr. BENTON] as he well knows. I realize the situation which faces him and the charges he has to meet. I understand that that is the

situation which requires his absence from the Senate on the coming Tuesday. Let me say that I intended no personal criticism of the Senator from Connecticut.

Mr. BENTON. Mr. President, I thank the chairman of the committee, the distinguished Senator from South Carolina. When I suggested that the Senator from Alabama [Mr. SPARKMAN] and I were two-thirteenths of the committee, I meant no reflection on the committee.

Mr. DOUGLAS. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I yield.

Mr. DOUGLAS. I wonder whether we can reach an agreement on this matter if the Senator from Indiana will be amiable enough to agree to the suggestion originally made by the majority leader, namely, that we proceed to vote on this bill on Monday.

I am sure the Senator from Indiana does not wish to tie up the proceedings of the Senate, and I believe that he will agree to have voting begin on Monday, which was the original proposal made by the Senator from Arizona.

Mr. BENTON. Mr. President, I could not quite understand the Senator from Illinois.

Mr. DOUGLAS. I was inquiring whether the Senator from Indiana will consent to the proposal to have the Senate proceed to vote on this measure on Monday. I make that suggestion out of a desire to accommodate the Senator from Connecticut [Mr. BENTON] and the Senator from Alabama [Mr. SPARKMAN]. I am sure the Senator from Indiana [Mr. CAPEHART] wishes to cooperate in this matter. Therefore, I inquire as to the possibility of having the Senate agree to the original proposal made by the majority leader.

The PRESIDING OFFICER. Under the regular order, the Senator from Connecticut will proceed.

Mr. MOODY. Mr. President, will the Senator from Connecticut yield to me?

Mr. BENTON. I yield.

Mr. MOODY. I should like to inquire of the majority leader whether there is any real reason why we cannot make for today an arrangement similar to the one under which we operated yesterday.

Let me say that I was absent a few minutes ago, when it was necessary for me to leave the Chamber briefly.

Mr. President, I wish to pay high tribute to the majority leader. He has been doing a wonderful job. I believe that we might as well remain in session and vote on this bill today, and then proceed to some other measure.

Mr. McFARLAND. I should like to have the Senate do that, but I do not think there is any possibility of making that arrangement.

If we now had a unanimous-consent agreement calling for a limitation on debate, probably we could conclude consideration of this bill today. However, no such agreement has been entered into.

Mr. MAYBANK. Mr. President, if the Senator from Connecticut will permit, may I ask if the Senator from Arizona will yield?

Mr. McFARLAND. I will yield in a moment. I had told Senators that the Senate would meet at 10 o'clock today. Some of them want to go away for the purpose of making speeches on Friday, and, inasmuch as we are going to give them that opportunity, they should be free tonight to proceed to their destinations. After having told them that they would be free to leave, even though it was done privately, I do not feel that I should go back on my word. I always try to live up to my word to the best of my ability.

Mr. MOODY. The Senator always does keep his word.

Mr. McFARLAND. I should like to accommodate everyone, but as I say, I simply do not feel that I can comply with the suggestion at this time. If we could finish this bill tonight, nothing would please me more; but I do not think we could. I know the manner in which Senators protect each other when they get ready to depart from the city, and we must necessarily face the factual situation. I do not even like the idea of not proceeding with the consideration of the pending bill Monday, but I gave notice that there would be a call of the calendar and that, if possible certain other measures would be considered.

I should have much preferred to proceed with the consideration of the pending bill Monday; but when it comes to letting it go over until Wednesday, in the middle of the week, I think that is a little too much to ask of the Senate.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BENTON. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I was not referring to the Senator from Alabama [Mr. SPARKMAN] in the request I made. I was of the opinion, first, that we should proceed with the control bill on Monday. I hope the minority leader will consent to Monday, inasmuch as he has a very important amendment of his own. To be perfectly frank, I do not intend to vote for the amendment, but I shall be here. I shall rise to say that I am opposed to the amendment. But, in justice and fairness and accuracy, the senior Senator—

Mr. CAPEHART. Mr. President, I call for the regular order, and let us proceed with the consideration of this bill at 12 o'clock Monday. There will be much to talk about on Monday afternoon. I think we shall have much to talk about on this side. I call for the regular order.

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. BENTON. Mr. President, if the Congress enacts this bill as it stands, it will be saying to the American people that in its judgment the national defense emergency, as outlined in the preamble of the Defense Production Act, will continue until June 30, 1953 in all respects except that the inflationary pressures on prices, wages and salaries, will expire 4 months before other controls can be safely lifted. Does the committee majority really believe in the logic of such a proposition? I do not think so, Mr. President.

However, Mr. President, if we do not believe that the need for price, wage and salary controls will really end on February 28, 1953 then the enactment of this termination date for these controls is public notice that the Senate has substituted spite for logic. Mr. President, the average consumer may conclude with some justice that the administrators of the law are being punished for administering it according to their honest lights instead of kowtowing to powerful pressure groups.

Do we indeed want to threaten such public servants as Mr. Putman, Governor Arnall and Mr. Feinsinger for not yielding to attempts to raise steel prices far beyond the requirement of the Capehart amendment? Do we want to say to them that if they or their successors expect the controls to be renewed after next February 28, they had better learn the facts of life and not offend powerful pressure groups during the next 9 months? Can we blame them if they decide that if the administration of the controls shall not have been properly emasculated and rendered "safe for the pressure groups" by next February, then the date will not be extended? Most assuredly the pressure group lobbies will crowd the Capitol after inauguration date next January. Most certainly they will seek to prevent the passage of an extension bill before the dead line at midnight of February 28. Is this a pleasant prospect for the Eighty-third Congress?

The committee majority report states that by the end of February, 1953, "a new Congress will have had the opportunity to appraise the economic situations and to decide whether price and wage controls are still necessary."

Mr. President, a new Congress will take office on January 3. The new President will not assume his office until 40 days before the expiration date provided in this bill. Do any of us think this is enough time "to appraise the economic situation"? Do any of us think this is what the new Congress will be doing in January and February? I submit, Mr. President, that January and February will only give a new Congress an open invitation to torpedo the remaining price and wage controls.

Mr. President, I think the man in the street would interpret a February 28 termination date as an oblique attempt to knock price and wage stabilization on the head. And I do not think the man in the street would be far wrong in his judgment.

May I turn now to the so-called Dirksen-Bricker amendment which abolishes the tripartite Wage Board and does away with the Board's labor disputes functions as part of the stabilization program? This provision is clearly a wrecking provision. As a writer in the Wall Street Journal recently put it, "there is still a chance Congress will let price-wage controls die on schedule June 30." But the likelier prospect, as the writer points out, is that this particular "Congress' 'cure' for stabilization controls will prove fatal."

The method under which opponents of controls expect the Dirksen-Bricker amendment to kill them is by driving labor to pull out of its participation and cooperation in the wage-stabilization program. This in turn would lead, so this theory goes, to the abandonment of wage controls. Since price controls are closely tied to wage controls under the law, price controls would then have to be abandoned as well.

Mr. President, wage stabilization cannot be made to work without labor and management participation. Wage stabilization cannot be administered in the same way as price stabilization because the problems are radically different. In an inflationary period, when the Government sets a maximum price for a certain commodity, it means that the merchant or manufacturer can charge that maximum price. He does not have to engage in any extensive collective bargaining with representatives of consumer organizations or of purchasing organizations. He just puts that maximum price into effect, period.

The situation is different with wages. A Government board—let us forget for a moment how it is constituted—sets maximum limits on wage increases. Does that mean that the wage workers automatically get these authorized maximum wages? Not at all. The wage workers simply receive a hunting license which entitles them to receive as much of these wage increases as they can persuade their employers through collective bargaining to grant to them. And the workers are supposed to do the persuading without resort to strikes—at least in the defense industries—because this is a national emergency.

But, Mr. President, what are workers supposed to do if they come up against a stone wall? Are they supposed to feed their families with Wage Board resolutions?

It is to prevent the obvious injustice of giving price increases to businessmen and giving workers only paper resolutions that the device of a tripartite Board to adjudicate disputes was incorporated into the heart of the wage-stabilization program. The Congress set up a tripartite Board—composed of management, labor, and public members—to develop wage-stabilization policies. We empowered the same Board to adjudicate disputes.

Mr. President, both our strike record and our rate of wage movements compare favorably with the record in World War II—when the sense of war danger was, of course, far greater than it is today. This is high tribute to our program of stabilization, to our labor and business leaders.

The only big case in which the present procedure for handling disputes has not worked well has been the steel case. This case is infamous or famous enough—according to which side you are on—without letting it impulsively affect our wage procedures and structure. Mr. President, an amendment such as that proposed by Senators DIRKSEN and BRICKER, should be considered in a clear,

calm light, not amidst the heat of passion and angry voices.

Mr. President, if the Congress enacts the Dirksen-Bricker amendment incorporated in the committee bill, it will be telling the whole country that the steel industry is calling the tune on stabilization. The policy of the steel industry seems to be that we should have a stabilization program without adequate wage adjustments and that we should attempt to dragoon workers into accepting such a program by the use of Taft-Hartley injunctions and prohibitions of strikes. And if this does not work—as it most assuredly will not—then let the whole stabilization program break up, let everybody raise his prices as much as he wants, and let us play ostrich with the threatened scourge of inflation.

Mr. President, the Dirksen-Bricker provision is not a constructive one. Its proponents, like the leaders of the steel industry, have never made any secret of their opposition to the direct controls of the stabilization program. The new type of wage board—which they unfortunately have persuaded a majority of the committee to accept—is really only an optional way of killing controls. If controls cannot be killed outright on June 30, they are to be given the privilege of suffering a lingering death with an effort to put the blame on labor for their eventual death by giving labor no alternative except to pull out of wage stabilization.

Mr. President, if the majority of the Senate is now opposed to the continuation of controls, I would like to hope that they will now have the courage to stand up and say so. Let us not confound confusion by killing controls by indirection. I urge my colleagues to read the minority views submitted by Senators DOUGLAS, MOODY, and myself. In this we ask certain unemotional questions that should be answered before any action on the proposed amendment should be contemplated. Our attitude is not pro-labor and anti-industry. It is not pro-industry and antilabor.

Another rather unobtrusive but effective dent in the inflationary wall has been made by what has become known as the Pennsylvania Railroad comfort station amendment. This will have the effect of invalidating the OPS suit against the railroad for past overcharges. It also exempts such charges from price control in the future. When the implications of this amendment are clearly understood, it makes an eloquent case against itself.

In addition to the various amendments designed to ease the stabilization program into a moribund condition, the bill before us contains an amendment to a permanent statute on a subject that has no real long-range connection with the defense emergency, with defense production, or the stabilization program. This is the provision calling for the amending of the Walsh-Healey Act so as to broaden the meaning of the act's open market exemption. Under the law as it was originally passed in the mid-thirties, and as its policy has been re-

peatedly ratified in successive Congresses, only those items are exempted from the wage-and-hour standards of the Walsh-Healey Act which the Government buys on the open market instead of through specific contract.

Mr. FULBRIGHT. Mr. President, will the Senator from Connecticut yield?

Mr. BENTON. I yield.

Mr. FULBRIGHT. What does the Senator mean when he says that the policy has been repeatedly ratified in successive Congresses? In what instance did Congress ever ratify the interpretation?

Mr. BENTON. I think that is a very proper correction, Mr. President. It was repeatedly ratified by successive Secretaries of Labor and successive administrative officers who have allowed the interpretation to continue. No Congress in the past 17 years has acted to modify or change the interpretation. So we have a history of 17 years without congressional action correcting interpretations of administrative officers.

Mr. FULBRIGHT. I think that is a very different thing.

Mr. BENTON. It is different.

Mr. FULBRIGHT. There has been no affirmative action taken by the Congress on the question since 1936.

Mr. BENTON. I accept that clarification, Mr. President.

Mr. FULBRIGHT. The interpretation has been by Secretaries of Labor as to what the original act meant, and there has been no judicial review. Is not that correct?

Mr. BENTON. To the best of my knowledge, that is correct.

The provision in the committee bill would amend the Walsh-Healey Act to exempt all articles which are available for purchase on the open market by the general public as well as by the Government—whether the Government buys them there or not.

It is estimated the effect of such a provision would be to reduce the scope of the Walsh-Healey standards by 50 percent or more.

I am vigorously opposed to this provision. This is no time to weaken our wage and hour standards. Further, I am vigorously opposed to the procedure of bringing up such a provision as an amendment to a bill to extend the Defense Production Act. This is similar to the procedure of attaching legislative riders on remote subjects to important appropriation bills, relying on the practical impossibility of vetoing the appropriation bills.

Mr. FULBRIGHT. I do not wish to heckle the Senator, but I do not understand that to be the case. What does the Senator mean by reducing the standards by 50 percent or more?

Mr. BENTON. It is my understanding that there is an estimate by the Secretary of Labor that this amendment takes from the purview of the Walsh-Healey Act approximately 50 percent of the Government purchases to which the act now applies.

Mr. FULBRIGHT. The application of the act would be reduced by following the original language and the intent of the original act, but it does not affect

and does not attempt to affect the rates of pay or any restrictions upon the standards which are set in those cases where the law does apply.

Mr. BENTON. That is correct. I have no way of knowing whether it is a correct estimate. But by exempting approximately half of the items to which the act now applies, I understand from the Department of Labor that the application of the act will be reduced by approximately 50 percent.

We are up against a dead line in getting a satisfactory controls extension law passed and signed by the President before June 30. Such a sweeping amendment, which has not even been considered by the Senate Labor Committee, should not be attached to this emergency controls bill. It should be pulled out of this bill and introduced as separate legislation. It is big enough and important enough to stand by itself, to be considered by itself, and to be judged on its over-all effect not only on emergency controls but, more fittingly, on its great potential injury to the future working standards of our people.

In conclusion, Mr. President, I ask my colleagues to consider the questions we have asked in the minority report. I ask them to join the committee minority in its efforts to hold the line against inflation. I ask them to reject the Brickner-Dirksen amendment, to lengthen the expiration date of wage and price controls to June 30, 1953, and to send the Walsh-Healey amendments to the Senate Labor Committee where they belong.

Mr. MAYBANK. Mr. President, will the Senator from Connecticut yield for a unanimous-consent request?

Mr. BENTON. I shall be glad to yield.

Mr. MAYBANK. Mr. President, I should like to have the attention of the majority leader and of the minority leader. There is pending on the calendar the independent offices appropriation bill which, under the Reorganization Act, will have been on the desk for 3 days by the time we can consider it, because I filed it, together with the report, yesterday. I am wondering if the majority leader and the minority leader would be willing to have that bill considered on Tuesday and enter into a unanimous-consent agreement to start voting on the pending bill at 10 o'clock Wednesday morning, so that we might conclude consideration of the bill some time on Wednesday, holding, if necessary, a night session under the conditions laid down by the majority leader.

Mr. CAPEHART. Mr. President, that is agreeable to me.

Mr. FULBRIGHT. Reserving the right to object, I did not quite understand the suggestion.

Mr. McFARLAND. Mr. President, I tried to work out a unanimous-consent agreement limiting debate, starting on Monday at 12 o'clock, with an hour on each amendment involving the Walsh-Healey Act or the Wage Stabilization Act, with 30 minutes on other amendments. There was objection to that. The Senator from Indiana thought he had to object. We then tried to work it out for Tuesday. There was objection to that also.

I dislike very much to have objections interposed on the ground that some Senators have to be absent, because it sets a bad precedent. It makes it very difficult to expedite the work of the Senate, because Senators feel that if votes are postponed to accommodate some Senators, they are entitled to the same consideration. That is the reason why the Senator from Connecticut felt that because action was postponed until Monday he was entitled to make the same objection as to action on Tuesday. I hope that in the future such objections will not be made. I want to impress Senators with the importance of attendance on the floor of the Senate. In going over the work before the Senate I feel that we can probably expedite the work of the Senate by entering into a unanimous-consent agreement. So I repeat the unanimous-consent agreement which I last stated, except as to starting at 10 o'clock on Wednesday.

Mr. FULBRIGHT. Mr. President, I shall object if the Senate is to meet at 10 o'clock. I expect to be in town, and I am not going away to speak, but I have had a standing appointment for 10 o'clock on Wednesday. If the majority leader wishes to have the session start at 12, that will be satisfactory. But I am not going to change my appointment.

The Senate met at 10 o'clock this morning. I had to postpone a committee meeting, to which we had invited a Cabinet officer to speak on an important matter. We have not accomplished anything of importance. Postponing the committee meeting scheduled for 10 o'clock this morning, for what good reason I cannot see, caused great inconvenience I shall object to opening the session Wednesday at 10 o'clock.

Mr. McFARLAND. Mr. President, I take exception to the Senator's statement that we have not accomplished anything. We have voted upon an amendment which could well have taken 2 days of debate instead of 1 day. I think we have accomplished much upon the pending bill.

Of course, if I must agree to have the session start at 12 o'clock, I will do so. I merely wish to say that it is very discouraging to me to have to postpone unanimous-consent agreements from day to day—and I am not saying this in any critical manner—and then to have a point made as to the hour of meeting.

Mr. FULBRIGHT. I am ready to proceed now, or Monday, Tuesday, or Wednesday; but I object to starting at an hour in the morning when we have other obligations, and also on Monday there is to be a meeting of our joint committee. We have put the matter off for today. If we could have gone ahead with it, we could have been through.

Mr. DOUGLAS. Mr. President, I should like to make a suggestion that might pour oil on the troubled waters. My suggestion is that the Senate meet at 10 o'clock, but that the amendment in which the Senator from Arkansas [Mr. FULBRIGHT] is particularly interested, shall not be taken up until 12 o'clock.

Mr. FULBRIGHT. I would be satisfied with an understanding that the

amendment to the Walsh-Healey Act would not be considered before 12 o'clock.

Mr. McFARLAND. Very well, Mr. President.

The PRESIDING OFFICER. The Senator from Arizona will restate his proposed unanimous-consent agreement.

Mr. McFARLAND. It is becoming a little involved, but I will do my best.

Mr. President, I ask unanimous consent that beginning next Wednesday at 10 o'clock a. m. there be a limitation of debate upon the pending measure, as follows: That on any amendment involving the Walsh-Healey Act or the Wage Stabilization Board, or that part of the bill—

Mr. FULBRIGHT. I do not care about the Wage Stabilization Board.

Mr. McFARLAND. The Senator from Arkansas may not care about it, but other Senators do.

I ask unanimous consent that as to such amendments there be a limitation on debate of 1 hour, the time to be divided equally between the proponents of the amendment and the distinguished Senator from South Carolina [Mr. MAYBANK]; and in the event the Senator from South Carolina is in favor of the amendment, then the time is to be controlled by the distinguished minority leader, or any Senator he may designate.

Mr. MAYBANK. Any Senator who is opposed to the amendment.

Mr. McFARLAND. Will the Senator kindly let me complete my statement?

Mr. ROBERTSON. Mr. President, the distinguished majority leader has already said too much for me. Complying with the suggestion so far would mean we would be on this bill all of next week, and there is no occasion for that.

Mr. McFARLAND. It does not mean that we will be on this bill all next week. It means we will finish the bill next Wednesday.

Mr. ROBERTSON. But the majority leader has asked for an hour on each amendment.

Mr. McFARLAND. That involves only two phases of the bill.

Mr. MAYBANK. Two amendments.

Mr. CAPEHART. The Walsh-Healey Act and the Wage Stabilization Board Act.

Mr. McFARLAND. The Senator from Virginia said I had already gone too far. Will the Senator let me finish my unanimous-consent proposal without interruptions? Then if he wishes to object, that is his privilege, and I shall not care.

The PRESIDING OFFICER. The Senator from Arizona will restate the unanimous-consent agreement.

Mr. McFARLAND. Very well; I will do my best. I would ask Senators not to interrupt me until I have finished.

The PRESIDING OFFICER. May the Presiding Officer ask a few questions?

Mr. McFARLAND. Certainly.

The PRESIDING OFFICER. Is it proposed in this agreement to undo in any way what has been done with reference to Monday?

Mr. McFARLAND. We have not done anything with reference to Monday.

The PRESIDING OFFICER. The majority leader has stated there would be a call of the calendar.

Mr. McFARLAND. No; that was included as part of the other unanimous-consent request.

The PRESIDING OFFICER. Does the Chair understand that the unanimous-consent request will include—

Mr. McFARLAND. If the Chair will permit me to do so, I will do my best to complete my statement of the unanimous-consent request.

The PRESIDING OFFICER. The Chair will observe his own direction given to others.

Mr. McFARLAND. Mr. President, I ask unanimous consent that beginning next Wednesday, at 10 a. m., there be a limitation of debate upon the pending measure, as follows:

One hour on any amendment involving the Walsh-Healey Act or the Wage Stabilization Board Act, the time to be divided equally between proponents and opponents of the amendment and to be controlled by the proponent of any such amendment and the distinguished Senator from South Carolina, in the event he opposes the amendment; if he is in favor of the amendment, then the time in opposition to be controlled by the distinguished minority leader or any Senator he may designate; that as to all other amendments, motions, and appeals, the time be limited to 30 minutes, 15 minutes to a side, the time to be controlled in the same manner; all amendments to be germane.

I further ask unanimous consent that on next Monday there be a call of the calendar for the consideration of measures to which there is no objection, beginning at the end of the last call, and including bills carried over by unanimous consent from the last call.

Also, I ask unanimous consent that no vote affecting the Walsh-Healey Act be taken before 12 o'clock.

The PRESIDING OFFICER. May the Presiding Officer ask a question?

Mr. McFARLAND. Certainly.

The PRESIDING OFFICER. Does the Senator mean to include in his unanimous-consent agreement the suggestion by the Senator from South Carolina with reference to an appropriation bill to be taken up on Tuesday?

Mr. McFARLAND. I do not think it is necessary to include that in the unanimous consent agreement. That can be done by motion.

Mr. BENTON. Mr. President, I have the floor. I merely desire to congratulate the majority leader, and then yield the floor.

Mr. McFARLAND. One other condition is that there be a limitation of 1 hour of debate on the bill itself, the time to be divided equally, and to be controlled by the distinguished Senator from South Carolina and the minority leader.

Mr. ROBERTSON. Mr. President, I am sure the distinguished majority leader realizes that when we have set an hour for a limitation of debate, with the understanding that there will be no

votes on controversial issues until that time, we have absolutely delayed action on the bill until that time arrives, in the middle of the following week. Is not that true?

Mr. McFARLAND. I may say to my distinguished friend, the Senator from Virginia, that we expect to have a call of the calendar on Monday, and between now and next Wednesday we expect to take up and dispose of three bills which I mentioned yesterday, and also the independent offices appropriation bill.

Mr. ROBERTSON. I was about to make inquiry as to that bill. At least three important appropriation bills are ready for action.

Mr. McFARLAND. Only one.

Mr. MAYBANK. There are two that will have to lie on the table for 3 days.

Mr. ROBERTSON. But they will be ready for action by the time the recess we are about to take is over.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement as proposed by the Senator from Arizona?

Mr. ROBERTSON. I merely wish to say that I am very much disturbed by the failure of the Senate, in one of the most crucial years of our history, to function successfully. The only reason I can advance is that about a third of the Members of the Senate do not stay here, and the other two-thirds do not want to work more than half the time.

Mr. MAYBANK. The Senator from Virginia does not mean to say we do not work all the time. The Senator has been in committee with me for several days.

Mr. ROBERTSON. Senators must be on the floor attending to consideration of legislative proposals, if Congress is to get away from here by the 7th of July. I am not going to block the consent agreement the chairman of my committee desires, but I must say I think action on a very important bill is being unduly delayed, as the Senator from Oregon so forcefully said this morning.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. WATKINS. I should like to ask a question of the Senator from Virginia.

Is it not true that for week after week since this session of the Congress began we have given to bills only 3 days a week, and that bills have not been reported by committees? There has been very little for us to do. Now suddenly we are in a rush, and we must do everything in a moment. I call that situation to the attention of the Senator.

Mr. ROBERTSON. The committees were late in getting the essential legislation before the Senate; but when we know that bills are coming before the Senate, if there is to be only 1 month more of the present session, we should use our best efforts to finish during that month. The Senator from Virginia knows that Senators who are running for reelection must be absent to some extent. He is not criticizing them. All of us are carrying a heavier load. We have more correspondence than ever before. The bills which we have before us are

more troublesome than the average run of legislation. This is a critical period nationally and internationally. However, that does not excuse us, if we have only 1 month left, from remaining here and working a full day in an effort to get these measures through.

Mr. WATKINS. I think it ought to be said, with reference to the question which I just raised, that Senators who are not present and who are being criticized for not paying attention to their work were present during the months past, when there was very little to do. The committees had not reported bills, and legislation was not before the Senate.

Mr. ROBERTSON. The Senator from Virginia does not criticize any of his colleagues. He merely appeals to them to put forth their best efforts during the coming month.

Mr. WATKINS. I am agreeable to that.

Mr. BENNETT. Mr. President—
The PRESIDING OFFICER. Does the junior Senator from Utah reserve the right to object?

Mr. BENNETT. I do. I should like to address a question to the majority leader with respect to the proposed unanimous consent agreement. Will the debate on the Walsh-Healey Act begin at 12, or is that the time for the vote?

Mr. McFARLAND. I stated that those amendments would not be taken up before 12 o'clock. The distinguished Senator from Arkansas [Mr. FULBRIGHT] wishes to be present when they are taken up. Before 12 o'clock we shall proceed with other amendments. We shall have plenty of work to last for 2 hours. I hope we shall not, but I am afraid we shall.

Mr. BENNETT. I wanted to make sure that it was not the debate which could not begin before 12 o'clock.

Mr. MORSE. Mr. President, reserving the right to object, I wish to ask if the hour on each of the amendments with respect to the Wage Stabilization Board and the Walsh-Healey Act means an hour equally divided, 30 minutes to a side, or an hour to a side.

Mr. McFARLAND. Thirty minutes to a side.

Mr. MORSE. I did not hear the majority leader make reference to the final disposition of the bill.

Mr. McFARLAND. Debate on the bill itself is to be limited to 1 hour.

Mr. MORSE. For each side?

Mr. McFARLAND. No; 30 minutes to a side.

Mr. WELKER. Mr. President, reserving the right to object, will the distinguished majority leader inform me whether or not the time on amendments and motions is to be 30 minutes?

Mr. McFARLAND. Yes; 30 minutes on motions and appeals, 15 minutes to a side.

Mr. WELKER. I thank the Senator. I shall not object.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arizona? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That on Monday, June 2, 1952, at the hour of 12 o'clock noon, the Senate proceed to the consideration of unobjected-to bills on the calendar, the following calendar numbers to be first called, namely: Nos. 1419, 1440, 1088, 1427, and 1434; and that thereafter the call shall commence with No. 1442. (May 29, 1952.)

Ordered, That beginning at the hour of 10 o'clock a. m. on Wednesday, June 4, 1952, debate upon the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, be limited as follows:

(1) One hour on any amendment proposed to the so-called Walsh-Healey or the Stabilization Board provisions of the bill, and 30 minutes upon any other amendment or motion (including appeals): *Provided*, That no vote shall be taken before 12 o'clock noon on said day on any amendment or motion to the Walsh-Healey provisions: *Provided further*, That no amendment that is not germane to the subject matter of the said bill shall be received;

(2) That the time on any amendment or motion (including appeals) shall be equally divided and controlled by the mover of any such amendment or motion and Mr. MAYBANK, in the event he is opposed to such amendment or motion; otherwise by the minority leader or someone designated by him; and

(3) One hour on the question of the final passage of the bill, to be equally divided and controlled by Mr. MAYBANK and Mr. BRIDGES. (May 29, 1952.)

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McFARLAND. I wish to make an announcement.

Mr. MAYBANK. I merely wish to make one statement.

Mr. McFARLAND. I yield.

Mr. MAYBANK. In my judgment the Senator from Arizona has succeeded in obtaining a unanimous-consent agreement which will operate for the benefit of the Senate and for the benefit of the country. As the distinguished Senator from Oregon [Mr. MORSE] pointed out earlier, through the testimony of Mr. Baruch in his statement before the committee on yesterday, this control bill affects 150,000,000 people. I think the Senator from Arizona has done a wise thing in obtaining an agreement to limit debate beginning on Wednesday. Otherwise it might have required a week or 2 weeks to complete consideration of the bill. I am sorry that it was not possible to obtain an agreement for Monday or Tuesday. I am sorry that we cannot complete consideration of the bill today; but I congratulate the distinguished majority leader for obtaining this agreement.

Mr. McFARLAND. I thank the Senator from South Carolina. I wish to make an announcement. I may forget about it if I listen to a few more such compliments, which I greatly appreciate.

First, I wish to thank Senators who have been helpful in reaching the agreement, including the Senator from Illinois [Mr. DOUGLAS], and other Senators. I am always appreciative of any

assistance in reaching agreements which expedite the work of the Senate.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Fulbright Versus Walsh-Healey," published in the Washington Evening Star of May 24, 1952. This editorial deals with the so-called Walsh-Healey amendment.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FULBRIGHT VERSUS WALSH-HEALEY

Senator FULBRIGHT won a well-merited victory when the Senate Banking and Currency Committee approved the so-called open market amendment to the Defense Production Act.

The effect of the amendment is to let the Government purchase standard articles, if available on the open market, without applying the requirements of the Walsh-Healey Act. Under these requirements, as now applied, manufacturers of such articles, in order to sell to the Government, must abide by the minimum wage standards set by the Secretary of Labor under the Walsh-Healey Public Contracts Act.

Actually, the Walsh-Healey Act itself does not impose such compulsion, and contains in section 9 a specific exemption for purchasing of such items "as may usually be bought in the open market." The Secretary of Labor, however, by what Senator FULBRIGHT has termed a "strained interpretation," has applied this exemption only to such items "as may usually be bought in the open market by the Government." Since the Government ordinarily purchases by bid rather than in the open market—even in the case of standard articles that are readily available—this exemption is automatically narrowed by the ruling. It is further restricted, too, by the Secretary's ruling that when identical articles are bought from one manufacturer by bid and from another in the open market the second seller, as well as the first, must qualify under the Walsh-Healey Act.

Generally speaking, larger firms do, and are better able to, pay higher wage rates. Obviously then, as the Senator contends, the above application of the Walsh-Healey Act is damaging to small firms, either in forcing them to pay higher wages than are economically feasible for them or in precluding them entirely from selling to the Government. It works, also, to the disadvantage of firms in low-wage areas. If they do not accept the industry-wide wage minimums set up by the Secretary they are not eligible to sell to the Government; if they do accept them they are placed in an unfavorable competitive situation for non-Government business in their normal marketing area. And there is a dislocating potential, too, in firm A accepting a minimum wage floor, while firm B, in the same area and employing people for comparable work that is not under Government contract, has a lower scale. The logical result here is that manpower gravitates to firm A, perhaps to the serious detriment of firm B and any number of other neighboring enterprises.

All of this, the Arkansas Senator argues, is contrary to the intent of Congress when the Walsh-Healey Act was passed and is destructive of one of the stated purposes of the Defense Production Act, namely, to prevent undue strains and dislocations upon wages and prices.

The committee adoption of the Fulbright proposal came by a divided vote. It is probable that there will be a further contest on the matter on the Senate floor with labor and some of the industry interests of the

high-wage areas joined in opposition. The Senator has made a persuasive case, however, for legislation which should help bring two basic acts into conformity with each other and, in the long run, serve to save the taxpayers' money.

Mr. FULBRIGHT. Also, as a part of my remarks, I ask unanimous consent to have printed in the RECORD at this point a portion of a statement which I have prepared explaining the two amendments which will be considered on next Wednesday, dealing with the Walsh-Healey Act. I offer this statement for the information of the Senate. There has been considerable misunderstanding of the effect of the amendments to which I refer. It is the theory of the sponsors of those amendments that they in no way change the original intent of the Congress in the Walsh-Healey Act, but, on the contrary, simply require, in the two instances dealt with, that the administration of the Walsh-Healey Act be in accord with what we believe to be the clear intent of Congress in passing the original Walsh-Healey Act. That is certainly the theory of the sponsors of the amendment. We did not intend to amend the intention of the original sponsors of the act of 1936.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

In the 20 months since Congress enacted the Defense Production Act of 1950, an attempt has been made to subvert its basic purpose and to capitalize on the national emergency in a manner contrary to the intent of that act. That attempt, which has a serious impact, both on the cost of the production for defense and on the private-enterprise system, and particularly small business, has been made by the Department of Labor through a misuse of the Walsh-Healey Act in a manner never contemplated by the Congress when the statute was enacted. Therefore, I propose, by making clear that original intent, to plug this loophole that has developed in the Defense Production Act.

First, let us look at what we sought to do in 1950 with the Defense Production Act. The declaration of policy of the Defense Production Act of 1950 states:

"It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use, within the framework, as far as practicable, of the American system of competitive enterprise."

When we wrote that act, we recognized that we were focusing the power of the Government behind the acceptance and performance of Government contracts. We gave the President authority to impose priorities and allocations, and to compel the performance of Government contracts. At the same time we recognized the dislocating effect that such power could have on the free-enterprise system, and we sought to protect it from the damage to it, which could result from the uncontrolled impact of the Government purchasing power. We sought to stabilize wages and prices in their proper relationships. We sought to encourage small business to participate by creating a Small Defense Plants Administration. It now develops that those

protections have not and will not be sufficient unless we check an otherwise uncontrollable tendency to dislocate the private enterprise system and to promote inflationary forces.

Let us see what has happened. Notwithstanding our express purpose in 1950 and also contrary to the clear legislative history of the Walsh-Healey Act, to which I shall refer again, the Secretary of Labor has taken several steps, and contemplates further action, which go far to increase prices and wages and to discourage Government contracting, particularly by small-business men. Unless those practices are stopped, much of what we did in 1950 and are trying to do today may be defeated. Fortunately, they can be stopped by the relatively simple device of making clear at this time what the legislative history shows was the intent of the Congress when it passed the Walsh-Healey Act, and by adding a further safeguard of judicial review which will protect us in the future against otherwise uncontrollable administrative action.

This amendment makes no change whatever in the clearly expressed intention of Congress as set forth in the original Walsh-Healey Act. It merely rewords the original section 9 in such a way as to carry out the intent of Congress rather than the strained interpretation that was subsequently placed on it by the Secretary of Labor.

The first sentence of section 9 of the Walsh-Healey Act reads as follows:

"This act shall not apply to purchases of such materials, supplies, articles, or equipment as may usually be bought in the open market."

Obviously, the sense of this provision is that standard commercial articles, generally available to the public and the Government alike in the open market, were to be exempt. This construction is supported fully by the legislative history of the act. Without going into the details, let me submit for the record a statement of the legislative history on this question.

Disregarding the act and the history, the Secretary of Labor has construed this provision to exempt only purchases usually bought in the open market by the Government. Since the Government does not generally purchase in the open market, but must purchase after advertising for bids, even carpet tacks are not exempt. According to a memo submitted by the Labor Department to this committee, it bases this strained interpretation on the title of the act, which reads "to provide conditions for the purchase of supplies." "Supplies," the Labor Department says, "having been defined by the Attorney General, as 'materials or articles as may usually be bought in the open market,' (27 Opin. A. G. 534)." Therefore, the Department says, this purpose would be nullified by my amendment.

In other words the Department is saying this:

"Congress gave this act a title. The Attorney General says the word 'supplies' in that title means 'articles usually purchased on the open market.' Therefore, Congress did not mean what it said in the act itself when it exempted, in almost the identical language of the Attorney General, 'materials, supplies, articles or equipment as may usually be bought in the open market.'"

This amendment therefore only clarifies the original intention of Congress that the Government in no way proposed to dictate wages paid by a contractor of a standard article merely because some portion of his production might at some time be purchased by the Government.

The second part of my amendment provides for judicial review, to be available to contractors, unions, and employees as a protection against arbitrary actions of the Sec-

retary of Labor. It is made necessary by the decision of the Supreme Court in the Lukens steel case. This case held that courts have no jurisdiction since no rights of the contractors were involved—doing business with the Government was a privilege and not a right.

The administration of the Walsh-Healey Act by the Secretary clearly demonstrates the necessity for judicial review. For instance, the Walsh-Healey Act, itself, provides that it shall apply to "all persons employed by the contractor." As a matter of fact, the Walsh bill, as it passed the Senate, specifically included subcontractors and suppliers within its scope. But the final bill, as passed by the House and agreed to by the Senate, deleted this provision, thus specifically rejecting the notion that it should apply to subcontractors and suppliers. Notwithstanding this clear history, being free of any judicial review under the Lukens steel case, the Secretary of Labor has now issued proposed new regulations to become effective July 1—attempts to apply national wage determinations to all subcontractors—indirectly by requiring the prime contractor to police his subcontractors and suppliers as to their compliance with the labor stipulations to which the prime contractor himself has agreed; and directly, by holding the subcontractor as well as the prime contractor liable for violations.

This proposed regulation, very clearly, in my opinion, will have two immediate effects, both of which are in direct contradiction to the whole spirit and purpose of the Defense Production Act.

1. It will encourage prime contractors to perform as much of their own manufacturing as possible, in order to avoid penalties which they will incur by reason of violations by their subcontractors and suppliers—over whom they have no control and no method or right to police.

2. The subcontractors themselves will be most reluctant to undertake subcontracts whereby they will subject themselves to the wage stipulations required of the prime contractor. For many subcontractors this will be more than they can pay.

For example, suppose a Walsh-Healey wage determination is made for the automotive industry, as is proposed. This is one of the highest paid industries in the country, so that under any circumstances the wage rate will be high. Assume a small wood-working plant in Michigan or Arkansas is supplying General Motors with wooden pegs for the tailgate of Army trucks. Under the proposed regulation, the wood-working plant (unless specifically exempted at the sole discretion of the Secretary) could be held liable to pay the minimum-wage rates to which General Motors agreed in its contract with the Army.

Assume, if you wish, that no Government bureau would be so arbitrary and unfair. My constituent in Fort Smith did. Nevertheless, the threat and the power are there, and they do not encourage small businesses to perform subcontracts, much less to contract directly with the Government.

I am told that some aircraft manufacturers, for example, now use as many as 5,000 subcontractors and suppliers, and as their Government contracts multiply, I am sure they would normally require more farming-out of their work. The same thing is true in the automotive and electronic industry, and many others.

The Defense Production Act will not preserve our economic system unless it protects small businesses who do not have the capacity to perform contracts directly, or who are ignored by Government procurement officers, or who are strangled by the red tape involved in Government procurement. Indeed, I recall that it has been one of the primary purposes of this committee, the "watchdog committee," and the Small Busi-

ness Committee to see that more subcontracting was encouraged. This is absolutely necessary if many businesses are to continue operating—otherwise they will be unable to obtain priorities and allocations of the materials necessary to keep them going.

I agree with the congressional intent expressed in the Defense Production Act that we should meet the requirements of the military programs but simultaneously prevent undue strains and dislocations upon wages and prices within the framework of the American system of competitive enterprise. I have therefore proposed these amendments to the Defense Production Act—not to change the law but merely to restate it—in order to compel the Secretary of Labor to carry out the clearly expressed will of Congress in the Walsh-Healey Act, itself, and in keeping with the express purpose as well as the spirit of the Defense Production Act. Unless we do so, we will find ourselves in the peculiar position of the Wage Stabilization Board telling a contractor that if he builds a new plant, his wage rates shall be comparable to those in the same local labor market and the Secretary of Labor then advising the contractor, "But if you want to do business with the Government you must raise your wage rates to meet the national minimum I have declared."

ADDITIONAL APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE AND THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR 1952

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of House Joint Resolution 454, making additional appropriations for the Department of Agriculture and the Department of Defense for the fiscal year 1952, and for other purposes, appropriating funds for flood sufferers in the West. The joint resolution was unanimously passed by the House and unanimously reported by the Senate Appropriations Committee. I hope the Senate will adopt it.

The PRESIDING OFFICER. Is the resolution on the calendar, or is the Senator from Tennessee now reporting it?

Mr. McKELLAR. It is on the calendar.

The PRESIDING OFFICER. The clerk will read the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 454) making additional appropriations for the Department of Agriculture and the Department of Defense for the fiscal year 1952, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 454) was considered, ordered to a third reading, read the third time, and passed.

LEGISLATIVE PROGRAM

Mr. McFARLAND. Mr. President, I believe the distinguished Senator from Wyoming [Mr. HUNT] and the Senator from Illinois [Mr. DOUGLAS] are agreeable to going ahead with a bill this afternoon with respect to which I gave notice

on a previous occasion. I refer to Senate bill 2968.

The PRESIDING OFFICER. What is the calendar number?

Mr. SMATHERS. Senate bill 2968 is my bill.

Mr. McFARLAND. I should have referred to Calendar No. 1430, Senate bill 3019. We hope to complete consideration of that bill this afternoon, and sometime between now and Wednesday we hope to complete consideration of the bill which I first mentioned. Also, if necessary, on Monday, after the call of the calendar, it is our intention to work late and finish another bill, Senate bill 2437, a bill to amend and supplement the Federal Aid Road Act. It is very important to dispose of that bill during the present session.

With those bills and the appropriation bills, I think we shall have plenty of work to keep the Senate busy on Monday and Tuesday.

The PRESIDING OFFICER. The Chair would like to address one further question to the majority leader. Was definite notice given with reference to taking up the appropriation bill, and if so, as of what date?

Mr. McFARLAND. The appropriation bill is to come up at 12 o'clock on Tuesday, unless the Senate meets at an earlier hour. I forgot to mention that. I refer to the independent offices appropriation bill.

SPECIAL-INDUCEMENT PAY TO DOCTORS AND DENTISTS IN THE ARMED FORCES

Mr. McFARLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 3019.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3019) to amend the Career Compensation Act of 1949, as amended, to extend the application of the special-inducement pay provided thereby to doctors and dentists, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Career Compensation Act of 1949, as amended, is further amended by—

(a) Amending subsection 203 (a) to read as follows:

"(a) The term 'commissioned officers,' as used in this section, shall be interpreted to mean only (1) those commissioned officers in the Federal and Dental Corps of, or designated as medical or dental officers in, the Regular Army, Navy, and Air Force and commissioned medical and dental officers of the Regular Corps of the Public Health Service who were on active duty on September 1, 1947; (2) those commissioned officers in the Medical and Dental Corps of, or designated as medical or dental officers in, the Regular Army, Navy, and Air Force and commissioned medical and dental officers of the Regular Corps of the Public Health Service, who

were retired prior to September 1, 1947, and who thereafter but prior to July 1, 1953, have been or may be assigned to active duty; (3) those officers who, heretofore but subsequent to September 1, 1947, have been or who, prior to July 1, 1953, may be commissioned in the Medical and Dental Corps of, or designated as medical or dental officers in, the Regular Army, Navy, and Air Force or as medical and dental officers of the Regular Corps of the Public Health Service; (4) such officers who on September 1, 1947, were or who thereafter have been or may be commissioned in the Medical and Dental Corps of, or designated as medical or dental officers in, the Officers' Reserve Corps, the United States Air Force Reserve, the Naval Reserve, the National Guard, the National Guard of the United States, the Air National Guard, the Air National Guard of the United States, the Army of the United States, the Air Force of the United States, or as medical and dental officers of the Reserve Corps of the Public Health Service and who heretofore, but subsequent to September 1, 1947, have been called or ordered to extended active duty of 1 year or longer, or who may, prior to July 1, 1953, be called or ordered to extended active duty of 1 year or longer; (5) general officers appointed from the Medical and Dental Corps of, or previously designated as medical or dental officers in, the Regular Army, the Officers' Reserve Corps, the National Guard, the National Guard of the United States, the Army of the United States, the Regular Air Force, the United States Air Force Reserve, the Air National Guard, the Air National Guard of the United States, and the Air Force of the United States who were on active duty on September 1, 1947; and (6) general officers who, subsequent to September 1, 1947, have been or who may be appointed from those officers of the Medical and Dental Corps of, or from those officers designated as medical or dental officers in, the Regular Army, the Officers' Reserve Corps, the National Guard, the National Guard of the United States, the Army of the United States, the Regular Air Force, the United States Air Force Reserve, the Air National Guard, the Air National Guard of the United States, and the Air Force of the United States who are included in parts (1), (2), (3), or (4) of this subsection."

(b) Deleting the second proviso of subsection 203 (b) and inserting in lieu thereof the following: "Provided further, That the commissioned officers described in subsection (a) (4) of this section who are called or ordered to active duty without their consent shall not be entitled to receive the pay provided by this subsection for any period prior to September 9, 1950."

SEC. 2. Section 2 of the act of September 9, 1950 (64 Stat. 828, ch. 939), is hereby repealed.

SEC. 3. Section 1 of this act shall be effective as of October 1, 1949. Appropriations currently available for pay and allowances of members of the uniformed services shall be available for retroactive payments authorized under this act.

Mr. HUNT. Mr. President, the pending bill originated with the Defense Establishment. It was presented to the Committee on Armed Services, and I was requested to handle it on the floor of the Senate. The bill was reported unanimously by the Committee on Armed Services.

Mr. President, from January 1, 1945, to the passage of the so-called Procurement Act of 1947, physicians and dentists were leaving the military services in great numbers: 1,537 resignations from the Navy and 169 resignations from the

lands underlying the marginal sea belt, and the more recent problem relating to rights in the remainder of the Continental Shelf, I should like in this message to indicate the outlines of what would appear to me to be a reasonable solution.

First, it is of great importance that the exploration of the submerged lands—both in the marginal sea belt and the rest of the Continental Shelf—for oil and gas fields should go ahead rapidly, and any fields discovered should be developed in an orderly fashion which will provide adequate recognition for the needs of national defense.

Senate Joint Resolution 20, as originally introduced by Senators O'MAHONEY and ANDERSON, and as reported from the Senate Committee on Interior and Insular Affairs, would have filled this need on an interim basis, pending further study by the Congress, by providing for Federal leases to private parties for exploration and development of the oil and gas deposits in the undersea lands. But, as it was amended and passed, the resolution would only make possible the development under State control of the resources of the marginal belt; it makes no provision whatever for developing the resources of the rest of the Continental Shelf.

I wish to call special attention to the need for considering the national defense aspects of this matter—which the present bill disregards completely.

In recent years, we have changed from an oil-exporting to an oil-importing Nation. We are rapidly using up our known reserves of oil; we are uncertain how much remains to be found; and we face a growing dependence upon imports from other parts of the world. We need, therefore, to encourage exploration for more oil within lands subject to United States jurisdiction, and to conserve most carefully, against any emergency, a portion of our national oil reserves.

Senate Joint Resolution 20, as it reached me, does not provide at all for the national defense interest in the oil under the marginal sea. Indeed, the latter half of the ambiguous and contradictory terms of section 6 (a) of the resolution appears to bar the United States from exercising any control, for national defense purposes or otherwise, over the natural resources under the sea. While section 6 (b) gives the Government, in time of war, the right of first refusal to purchase oil, and the right to acquire land through condemnation proceedings, these provisions avoid completely the main problem, which is to make sure, before any war comes, that our oil resources are not dissipated.

In contrast to these provisions, Senate Joint Resolution 20, as originally introduced by Senators O'MAHONEY and ANDERSON, provided in section 7 (a) that the President could, from time to time, withdraw from disposition any unleased lands of the Continental Shelf and reserve them in the interest of national security. In passing the resolution now before me, however, the Congress omitted entirely this or any other similar provision. It is not too much to say that in passing this legislation the Congress

proposes to surrender priceless opportunities for conservation and other safeguards necessary for national security. I regard this as extremely unfortunate, and it is for this reason especially that the Department of Defense has strongly urged me to withhold approval from Senate Joint Resolution 20.

I urge the Congress to enact, in place of the resolution before me, legislation which will provide for renewed exploration and prudent development of the oil and gas fields under the open sea, on a basis that will adequately protect the national defense interests of the Nation.

Second, the Congress should provide for the disposition of the revenues obtained from oil and gas leases on the undersea lands. Senate Joint Resolution 20, as introduced by Senators O'MAHONEY and ANDERSON, would have granted the adjacent coastal States 37½ percent of the revenues from submerged lands of the marginal sea. I would have no objection to such a provision, which is similar to existing provisions under which the States receive 37½ percent of the revenues from the Federal Government's oil-producing public lands within their borders.

Another suggestion, which was offered by Senator HILL on behalf of himself and 18 other Senators, was that the revenues from the undersea lands, other than the portion to be paid to the adjacent coastal States under the O'Mahoney-Anderson resolution, should be used to aid education throughout the Nation. When you consider how much good such a provision would do for school children throughout the Nation, it gives particular emphasis to the necessity for preserving these great assets for the benefit of all the people of the country rather than giving them to a few of the States.

Third, I believe any legislation dealing with the undersea lands should protect the equitable interests of those now holding State-issued leases on those lands. The Government certainly should not impair bona fide investments which have been made in the undersea lands, and the legislation should make this clear. Here again, Senate Joint Resolution 20, as introduced by Senators O'MAHONEY and ANDERSON, provided a sensible approach.

But unfortunately, Senate Joint Resolution 20 was converted on the floor of the Senate into legislation which makes a free gift of immensely valuable resources, which belong to the entire Nation, to the States which happen to be located nearest to them. For the reasons stated above, I find neither wisdom nor necessity in such a course, and I am compelled to return the joint resolution without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, May 29, 1952.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The message of the President will be printed and will lie on the table.

Mr. MORSE. Mr. President, I was planning to discuss an entirely different subject than the President's veto message on the so-called tidelands bill, but

I shall take a moment or two to make comment on the veto message.

I think the President of the United States is to be commended for the clarity of this message and for reducing the explanation of the problem to premises which I am sure the people of the country will understand. This message sets forth very clearly the major principles which the two major newspapers in my State, the Portland Oregonian and the Oregon Journal, set forth in recent editorials in opposition to the so-called tidelands bill. I commend the President for making so clear, in such understandable language, what I think is the controlling fact in the whole issue, and that is that these submerged lands are encompassed by the doctrine of sovereignty.

In the speech which I made in opposition to the so-called tidelands bill I sought to point out that the discussion, throughout the Senate debate, of the so-called Pollard case of 1845 by the proponents of the program to give the submerged lands to the States was based upon a misinterpretation and a misconception of the Pollard case. The Pollard case rests on the doctrine of governmental sovereignty, and the facts of the Pollard case leave no room for doubt about the fact that the land concerned was tideland, that is, land this side of low-water mark. All the Court held in the Pollard case was that under the doctrine of governmental sovereignty such lands, being within the boundaries of the State, were subject to the sovereignty of the State.

The proposal of the proponents of this legislation is to give the submerged lands, which are not tidelands, to the coastal States. All the Pollard case really holds is that the doctrine of sovereignty applies to the facts of whatever case is before the Court. The facts in connection with this particular issue leave no room for doubt that these lands are beyond the low-water mark, beyond the sovereignty of the States, and within the sovereignty of the Federal Government. Therefore the principle of sovereignty or the doctrine of sovereignty involved in the Pollard case applies in like manner to the facts of this controversy. But when we apply it to those facts we enter into the realm of national sovereignty as contrasted with State sovereignty. When we face that fact, there is no question about the soundness of the President's position in this veto message, when he points out that these lands belong to all the people of the United States.

I think he has done what any President of the United States should do—and I hope we shall never have a President of the United States who will do less, namely, place the interests of all the people above the narrower interests of a selfish few who would seek to take away from all the people, for the benefit of the few, what in my judgment, as a matter of law and as a matter of sound public policy applied in this case, belongs to all the people. I believe, and fervently hope, that as the clarity and statesmanship of this veto message come to be understood by the American public in

the days immediately ahead, they, too, will take the same position as the two great Oregon newspapers to which I have just referred, the Portland Oregonian and the Oregon Journal, have taken in regard to the disposition which ought to be made of these submerged lands, namely, that they ought to be retained by all the people of the country. The Congress of the United States, supposedly representing all the people, should live up to what I think is its clear obligation by sustaining the veto.

Mr. HILL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. HILL. I should like to commend the Senator from Oregon on the very clear and compelling statement which he has just made. I join with him in his commendation of the President in the very fine and, I believe, unanswerable veto message which he has sent to Congress on the submerged lands bill. The position of the President, as we know, is exactly the position which the Supreme Court of the United States took after the issues involved were argued thoroughly before that Court in three different cases. No one could have summed up the whole issue presented by the bill and by the veto message better or more logically or more compellingly than the Senator from Oregon has done this afternoon.

Mr. MORSE. I thank the Senator from Alabama for his comment. I want to say for the RECORD, because it should be stated for the RECORD, that the leadership and statesmanship which the Senator from Alabama has demonstrated throughout the long debate which we had on this issue will forever stand to his credit and to his service in the Senate of the United States.

Mr. HILL. I thank the Senator from Oregon.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. MORSE. Mr. President, I send to the desk an amendment to the Defense Production Act, which is now pending before the Senate. It reads as follows:

At the end of the bill insert the following new section:

"SEC. —. Paragraph (3) of section 402 (d) of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'No ceiling shall be established or maintained for any perishable agricultural commodity (including potatoes, sweetpotatoes, or onions) unless the adjustments in such ceiling for grade, location, and seasonal differentials shall reflect the average percentage differentials for that commodity for the years 1947 through 1951 as certified by the Secretary of Agriculture.'"

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MORSE. I shall speak on the amendment at greater length next week. I want to say about the amendment tonight, as I said earlier this afternoon when I discussed another section of the Defense Production Act, that I stand ready to vote for any amendment to

the act which will in my judgment strengthen the act, which will help to improve its administration and which will help to eliminate some of the abuses and some of the mistaken policies which the OPS followed with respect to certain matters under the act.

I had hoped that OPS would by regulation and administrative order change the policy that it has been following in connection with perishable products, based upon the sad, unfortunate experience which OPS and the producers of this country in the field of perishable products have had to date in connection with OPS policies in regard to those products.

But believing that I could not justify relying on just hope that OPS would not repeat what was certainly a disastrous boner and blunder which it committed last year in regard to perishable products, when it did such great injustice, may I say to the Senator from Washington [Mr. CAIN] whom I see on the floor, to the potato growers of Idaho, Washington, and Oregon, and would do a similar injustice to the producers of other perishable products if it followed the same policy and course of action that it did last year, that I felt compelled to submit this amendment.

I shall debate it at length next week when I call it up for a vote.

Suffice to say, now, Mr. President, that such an intolerable injustice was done to the potato producers of my State, and correspondingly to the potato producers of the Northwest States, that I would be derelict in my duty of representing those producers in the Senate if I did not seek to have adopted an amendment which will prevent a repetition of what I think was a case of very bad judgment on the part of OPS during last year.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAIN. Does the Senator from Oregon believe that his proposed amendment has sufficient teeth in it to prevent in the future beyond peradventure such foolish and tragic occurrences as the Senator has made reference to with reference in particular to the Pacific Northwest?

Mr. MORSE. I am satisfied that it does, because I have used mandatory language. I have eliminated any possibility of bureaucratic arbitrary and capricious discretion in the matter. I may say to my good friend from Washington—and I am sure that he agrees with me on this legislative principle—that I think we need to do more of that in the passing of legislation in the Senate. I think we ought to limit the granting of discretion and do more of setting out a clear blueprint of direction for administrative agencies to follow.

That is why, if the Senator had been here earlier this afternoon, he would have heard me criticize the Defense Production Act as we passed it in the first instance, because we did not write into it in unequivocal language what I think ought to have been the intent of Congress, namely, that we would freeze, as Bernard Baruch recommended, wages and prices, and adopt some effective

monetary controls and some effective credit controls in the interest of really controlling inflation. If we had done that the great Elder Statesman would not be able to come before the Senate Committee on Armed Services, as he did yesterday, and point out that because effective controls had not been put into effect we have wasted since the outbreak of the Korean war \$20,000,000,000, which went right down the inflation drain. In this amendment I have sought to keep faith with what I have said so many times in the Senate and so many times in my State, namely, that I think we ought to do a better job of specifying in greater detail the policies and regulations and the rules that these administrative agencies should follow.

Mr. CAIN. A majority of the mistakes to which the Senator from Oregon is presently taking exception results from the exercise of discretion on the part of administrative agencies, and naturally we condemn such interpretations by the executive branches. However, is it not true that very often the language employed in legislation is neither sufficiently clear nor sufficiently mandatory to give a crystal-clear picture to those who are expected to administer our legislative wishes?

Mr. MORSE. That is true. If the Senator from Washington will permit me to do so, I should like to say that I think one of the reasons why I have to admit that it is true is that too frequently the Senate permits the governmental agencies to propose their own legislation, and then we rubber stamp it. Too much proposed legislation which reaches the Senate really is drafted in the first instance in the executive agencies which subsequently will administer it.

That does not happen to be true in the case of the present bill amending the Defense Production Act, for I happen to know that the Senator from South Carolina [Mr. MAYBANK] and the very able staff of his committee have done their own pencil work in connection with the bill now before the Senate. However, that has not been true in the case of some of the measures which have given us the greatest difficulty when it comes to having in them provisions which would permit the exercise of discretion which frequently I have felt has taken the form of arbitrary and capricious discretion.

Mr. CAIN. I should like to congratulate my colleague for his determination to have the Senate adopt an amendment so clear and explicit in terms as to leave no possible doubt in the minds of those administering it—with the consequence that there will be no recurrence of the economic tragedies which have occurred in the months gone by.

Mr. MORSE. I appreciate the comment of the Senator from Washington, and I wish him to know that that is my intent, although I realize that when an amendment drawn in the English language is placed in the hands of persons who are determined to misapply and misinterpret it, the result might be that some loopholes might be found in the present amendment as I propose it.

However, I am not aware that any loopholes exist in the amendment.

Mr. CAIN. Mr. President, if the amendment of the Senator from Oregon is adopted, I believe it will be found that there are no loopholes in it.

Mr. MORSE. I thank the Senator from Washington.

Mr. President, at this time I wish to address myself briefly to another matter.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

MEETING OF THE ARMED SERVICES COMMITTEE IN REGARD TO THE KOJE ISLAND PRISONER-OF-WAR SITUATION

Mr. MORSE. Mr. President, a few days ago an executive session of the Armed Services Committee was held in regard to the Kojé Island prisoner-of-war problem. About one hour and one-half ago I was called off the floor and was briefed in detail by a member of the press in regard to what happened at that meeting. Although in my judgment nothing which occurred at that meeting could not very suitably have been made public, nevertheless I can understand how in the wise discretion of the chairman of the committee and of the members of the Military Establishment who were present at the meeting, they did not desire to have what occurred there made a matter of public knowledge.

I believe it is most unfair for part of the press to be fully informed—as was the particular newspaperman who talked to me this afternoon, for obviously he is informed regarding what occurred at that meeting—and not to have other parts of the press have the same information.

I shall not disclose here on the floor of the Senate any information which in my judgment would to the slightest extent whatsoever violate the requirements of that executive session. However, in view of the fact that the newspaperman referred to asked me some very direct questions, on the basis of wishing to know whether it was true or was not true that I had taken certain positions at that meeting, let me say that I intend to make a public statement at this time, so that the entire press may know the positions I took on those particular questions. As to those questions I do not feel myself bound any longer, in any way whatsoever, by any executive session requirements of that meeting. It seems to me that if part of the press is to know about what occurred there then, so far as I am concerned, the entire press is going to know about it.

Mr. LONG. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. LONG. Has the Senator from Oregon gained an impression that someone may have obtained information regarding the meeting, although in the national interest it would have been best if that information had not been disclosed?

Mr. MORSE. I do not think the information should have been disclosed,

although I do not believe its disclosure affects the national interest.

However, as long as we were meeting in executive session, I do not think the information should have been disclosed.

Mr. LONG. I agree with the Senator from Oregon.

Mr. MORSE. Mr. President, I have been caught in this "bite" before. Perhaps what I am about to do this afternoon will set a precedent sufficient to insure that in the future no member of our committee will be caught in such a situation.

The Senator from Louisiana was at the meeting to which I refer, and I am glad he is here on the floor of the Senate now, for I wish him to follow very carefully the remarks I make; and as he follows my remarks and sees where they are leading—as I know he, with his great intellect, will do—if he believes I should not say what he will realize I will be about to say, I shall appreciate it very much if he will request that I yield to him; and perhaps in that way we can have a little discussion about the matter.

Mr. President, I am a little tired of reading in the newspapers what happens at some executive meeting, and then having each one of us on the spot, so to speak, as to the source of the information.

This afternoon I was asked whether it was true that at the meeting of the Armed Services Committee I requested that General Dodd and General Colson and General Yount at their convenience and at the convenience of all other parties concerned be brought to the United States for a discussion with the Senate Armed Services Committee, in executive session of the Kojé Island issue. The answer is that I did.

Not only that, but I wish to announce this afternoon that I am going to press for that hearing because I am satisfied—as I said at the meeting—that we have not yet reached the bottom of the Kojé Island prisoner problem. Apparently there are others who are in doubt as to whether we have reached the bottom of it, because only yesterday I read with great interest that the British Government apparently will send Field Marshal Alexander to Korea to check into that particular matter from the standpoint of the British Government, as one of the United Nations, to determine why we have these problems on Kojé Island.

Of course, it happens to be my view that there is absolutely no excuse for a general officer of the United States Army entering into negotiations with Communist prisoners in the first instance, or signing an agreement with them, in the second instance, or for another general officer to be so careless of his physical well-being as to get himself inside a compound with no proper bodyguard, where he can be physically seized, with humiliating results to the prestige of the United States.

So what I am about to say, Mr. President, is to be premised upon my view that the negotiations, themselves, the conduct which led to the capture of General Dodd, the failure on the part of the general who was primarily in charge, although he was at Pusan, Gen-

eral Yount, to make perfectly clear to General Colson that there should be no negotiations and that there should be no signing of any document, certainly justifies the disciplinary action which has been taken to date.

But I want to be sure we have all the facts, and so when this newspaper reporter asks me this afternoon, "Is it true that you raised the question the other afternoon as to whether we had all the facts?" the answer to that question is, "Yes, I did." And I do so again today, now, publicly. I happen to think it the duty of the Armed Services Committee to get the facts. That is why I have asked for a continuation of this study. It may be that before we get through with it the Armed Services Committee, through a subcommittee, should do some investigating on the spot over there, as apparently the British Government thinks it should do by sending Field Marshal Alexander over there.

Mr. President, I think it was exceedingly wise for General Clark, the new commander, for Secretary of the Army, Mr. Pace, and for the Chief of Staff of the United States Army, General Collins, to take the disciplinary action that they have taken to date. I think that was their duty. But I also think it the duty of the Armed Services Committee and of the United States Senate as a whole to make clear to the Military Establishment that we are going to take the steps necessary to make certain that we have all the facts in regard to this incident. That is why I say, Mr. President, I do not think we should consider it a closed incident. It is my understanding—and the present occupant of the chair [Mr. LONG] was there—it is my understanding that my suggestion, which has been made available to part of the press, that there be a continued investigation and study of this matter, met with the approval of my colleagues present at the meeting. I have one other comment I want to make.

Mr. CAIN. Mr. President, will the Senator yield at that point for a question?

Mr. MORSE. Oh, yes; any question.

Mr. CAIN. The distinguished Senator from Oregon has stated he understands that the British Government is shortly to direct Field Marshal Alexander to go to the Far East for the purpose of examining into the Kojé incident, the feeling as to the seriousness of which I share with the Senator from Oregon. The Senator from Oregon may be entirely correct; but I have read that Field Marshal Alexander is going to Korea and Japan at the personal invitation of General Clark, who is now our United Nations Supreme Commander in the Far East. During World War II, Field Marshal Alexander was the commanding general of the Fifteenth Army Group, of which the Fifth Army, commanded by Gen. Mark Clark, was a part. I raise the question only to help keep the record as accurate as possible, and to determine whether my understanding with respect to the approaching visit of the field marshal to General Clark is correct, namely, that the field marshal is going there as a personal friend, rather than

as an official observer or as one ordered by the British Government to look into the particular Koje episode.

Mr. MORSE. Mr. President, I shall feel much happier about the situation if a full disclosure of the facts shows that the facts are as the Senator from Washington reports them. But my understanding as I have reported it is based only on a newspaper story I read, which did not contain the information which the Senator from Washington has just now given me. The newspaper story that I read was to the effect that the field marshal was being sent to Korea, and I interpreted the language that he was being sent to Korea as indicating that he was going at the request of the British Government, because of the fact that the British Government, being one of the United Nations, with responsibility for the prisoners on Koje Island as far as obligations under the Geneva Convention are concerned, wants to know what the facts are. That was my interpretation of the newspaper story that I read.

Mr. CAIN. The source of my information, I may say, was likewise a newspaper story. I appreciate the courtesy of the Senator from Oregon in permitting me this interpretation. I am inclined to believe that the RECORD ought to show the source of both of the stories which we have put into the RECORD at this point.

Mr. MORSE. There is one other feature of the Korean situation which disturbs me, Mr. President, and that, too, is based upon newspaper information, and causes me to say here this afternoon that I think both the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House, and the Armed Services Committees of both branches of the Congress ought to proceed with an investigation into the facts and circumstances upon which the reports we are reading nowadays as to the developments in South Korea are based. I find it very disturbing, Mr. President, to read in the newspapers that in spite of the fact that the United Nations forces are really in occupation of South Korea, coexistent with the South Korean civilian government, it has been necessary for the President of South Korea, if the newspaper stories are correct, to declare martial law.

I am also concerned, Mr. President, about the newspaper stories to the effect that the President of South Korea is meeting with American military officials in regard to conditions in South Korea. I infer that, necessarily, in such conferences, there would be bound to be some discussion of and consideration given to the reasons and causes for a declaration of martial law in an area where, supposedly, the United Nations officials, represented by the military establishments and the diplomatic officers of the United Nations and the officers of the South Korean Republic, are working together in a cooperative manner.

I am concerned about it, Mr. President, because I am always concerned about the vicious, lying propaganda tactics of our Communist enemies. I do not talk about potential enemies. Mr.

President, because I believe in calling a spade a spade. I think Russia and her Communist satellites have demonstrated to us for a long time past that they are not potential enemies; they are enemies. They mean us no good, and they have not been conducting themselves in a manner which has resulted in any good for us.

I have not seen, although I shall call for them, the transcripts of the Russian radio broadcasts which I assume our State Department has collected since martial law has been declared in South Korea, but I know enough about what Russia has done in the past, by way of her vicious propaganda technique over incidents that have aroused much less interest than has the incident of martial law in South Korea, to cause me to express a fear that another incident has now occurred that will give Russia a great deal more ammunition for her propaganda machine guns. I shall be very much surprised if she does not inform people in areas which have not yet fallen victim to the enslavement of Russian communism that the South Koreans now find themselves under a military dictatorship, with United Nations troops occupying their land, and under the domination of civilian leaders who apparently thought they could not maintain control of the people except by resort to martial law.

I do not think that is a healthy state of affairs, Mr. President. I think we should know why it was necessary to declare martial law in South Korea. I think we should know it, Mr. President, for a good many reasons, but, at least, for one reason, namely, to allay fears, if there are any bases in fact for those fears, that an election of a President of South Korea is just a few short weeks away, and that under the Constitution of South Korea, he is not elected by the votes of the people, but by the elected representatives of the people who, in turn, are sent to a South Korean Congress. With an election such a short time away, Mr. President, there are bound to be many questions raised and many views expressed as to whether there are any political implications in the declaration of martial law.

If we are going to win the minds and the support of the masses of free people still left in Asia beyond the boundaries of Russian Communist domination, we must always be alert to see to it that a course of action is not followed within the orbit of our influence which would play into the hands of Russian Communist propaganda.

So, Mr. President, in closing these comments this afternoon, I express this request, namely, that the Armed Services Committee of the Senate and the Foreign Relations Committee of the Senate—those are the only two committees to which I, as a Member of the Senate, have any right to address the request, although I hope that corresponding committees of the House will do likewise—will take up without delay, with the Defense Establishment and the State Department, this matter of martial law in South Korea, and ask both of those Departments just one simple

question—"How come? What combination of forces within South Korea resulted in such a deterioration of the situation in regard to their civilian government that it became necessary to declare martial law?"

I think it would be fair to ask another question, namely, Was it motivated for the purpose of retaining in office a president who might not be the choice of the South Koreans if they were in a position to exercise their choice, or who might not be the choice of the representatives of the South Korean people if there were no interference with their freedom of choice? If this is a martial-law situation in which freedom of choice with reference to almost any political matter is imperiled, then we ought to know about it.

Mr. President, we must keep ourselves in such condition that we can defeat Russia and her satellite allies quickly, through military strength if necessary, and we must also keep ourselves in such condition that, short of war, we can lick Russia in the fight for men's minds in this great battle for the perpetuation of the freedom way of life, in contrast with the enslavement policies of communism.

Mr. President, it is a little difficult for me to understand how we are going to do that if, within the orbit of our influence, deterioration develops in the management of human affairs within the jurisdiction of a government we are supporting, to such a degree that it becomes necessary to declare martial law. I think all that the development of such a situation does is to play right into the hands of Russian propaganda. I do not purport to know what the situation is in South Korea, but there is not a Member of the Senate who is not aware of the fact that reports and rumors coming back to us from that country are not good in regard to what is happening within the civilian government of the Republic of South Korea.

As one who is always devoted to the finding of the facts, I have made these comments this afternoon because I think it very important that the appropriate committees of the Senate obtain for us the facts and speak for us on the facts. As a member of the Committee on Armed Services, I wish to say I am always glad to have the cooperation of the military officials of our Government in connection with any problem we are investigating, but I repeat what the present Presiding Officer, the distinguished Senator from Louisiana [Mr. LONG], has heard me say more than once in the Committee on Armed Services, that the Pentagon Building must never be considered a substitute for the carrying out of the functions of the Armed Services Committee by the Armed Services Committee itself. The responsibility of obtaining such facts as I am asking for this afternoon, insofar as they involve military policy, rests on our committee; and insofar as they involve so-called diplomatic relations, the responsibility rests upon the Committee on Foreign Relations.

Mr. President, once I have the facts I am asking for this afternoon, then, for the first time, will I sit in judgment on

the very simple but exceedingly vital and important questions which I have raised on the floor of the Senate this afternoon.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. FERGUSON. Mr. President, I sent to the desk earlier today amendments to the bill which was being considered at that time, the Defense Production Act Amendments of 1952. I wish to make a few remarks with relation to the amendments for the benefit of the Senate when they are voted on, and I feel I should explain them now.

The amendments I offered were on page 2, between lines 8 and 9, insert a new section as follows:

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress, then no restriction or other limitation shall be imposed under this title upon the right of any person to purchase such commodity in any foreign country and to import and use the same in the United States. No restriction or other limitation shall be imposed under this title if the domestic production of any commodity is sufficient to meet all civilian domestic requirements and the requirements for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress."

Renumber succeeding sections accordingly.

On page 5, line 24, to strike out "a new subsection (1)", and insert in lieu thereof "two new subsections."

On page 6, line 5, to strike out the quotation marks.

On page 6, between lines 5 and 6, insert the following:

(m) No rule, regulation, or order issued under this title shall apply to purchases by any person of any material outside of the United States or its Territories and possessions for importation into the United States for his own use or for fabrication by him into other products for resale.

Mr. President, so that the Senate may be advised of the purpose of these amendments, I wish to make a few remarks at the present time. On another day, but before the vote is taken, I shall have something further to say on the subject of what took place before the Senate Committee on Finance in 1947.

The International Materials Conference was established following former Prime Minister Attlee's visit to this country in December 1950. The invitations to join the Conference were issued by the United States Department of State. Early in 1951 the Conference was organized into a series of commodity committees, and the existing committees have since allocated the world's supply of copper, zinc, tungsten, molybdenum, nickel, cobalt, and sulfur to countries

participating in defense and to all other non-Communist countries as well. The IMC has assigned each country a so-called entitlement for consumption of the total amount of the free world's supply which it may consume either from its own domestic production or imports. This entitlement, by its nature, sets arbitrary limits on each national economy. While there are at present only seven functioning committees, a central group of eight countries, together with a representative of the Office of American States and the Office of European Economic Cooperation, claims the authority to appoint new committees to deal with any other commodities where such action in its judgment is necessary. The IMC Report on Operations, recently published, described these committees as follows:

The committees were created as autonomous bodies in the interest of expediting action and allowing the countries which were principally concerned with the commodities in question to deal with the problems involved without being subject to review by any other body.

I wish to stress that these committees regard themselves as above review by any other body, including the Senate of the United States.

The State Department claims that the power to participate in such an organization stems from the authority of the President to conduct foreign affairs. Mr. Fleischmann testified before the Senate Committee on Banking and Currency that the allocations of the International Materials Conference could not be made effective in this country without using the Defense Production Act.

The allocations of the IMC, implemented by powers granted in the Defense Production Act, have been used to restrict American industry. For example, users of copper are denied the use of freely available copper in world markets to maintain employment and production in this country. This is accomplished by charging any imported copper against the Controlled Materials Plan allocations of copper for each user. The total allocation issued under the Controlled Materials Plan to all United States copper consumers is designed to maintain American consumption within our so-called entitlement for consumption. Sulfur furnishes another example. The NPA has restricted domestic users of sulfur to 90 percent of their 1950 consumption. This restriction is necessary in order to create an artificial surplus available for export at prices below those prevailing for sulfur in other countries. This action is taken in order to meet the United States export quota as set by the IMC. One further example shows how domestic price controls were used to implement IMC allocations. Last September, international allocations were established for zinc. United States price ceilings were deliberately set below the world price in order to prevent zinc imports reaching the United States in normal volume.

My amendments are designed to make it impossible to take similar actions in the future.

In effect, the IMC is operating a series of intergovernmental commodity agreements. The original proposals for the ITO drafted by the State Department in 1945 included provisions for such agreements and these provisions were incorporated in the Habana charter as chapter 6. Senator MILLIKIN in conducting the hearings on the ITO before the Senate Finance Committee in the Eightieth Congress asked the State Department whether any intergovernmental commodity agreements which might arise under this chapter would receive specific congressional approval. He was advised by the present Secretary of State, who was then the Acting Secretary, that—

Insofar as such commodity agreements impose any obligations on the United States requiring legislative implementation in any way, it is the intention of the Department that they should be submitted to the Congress.

Congress has never received any request for approval or for legislative implementation of the intergovernmental commodity agreements presently being carried out by the IMC. Instead, the provisions of the Defense Production Act have been used without direct knowledge or approval of the Congress. Furthermore, the Congress refused ever to give its approval to the idea of intergovernmental commodity agreements by refusing to approve United States participation in the International Trade Organization.

A careful examination of the hearings before the banking committees of both the Senate and the House and the congressional debates indicate that Congress never intended to establish an organization such as the IMC when it passed the Defense Production Act.

I fear that if we do not remove the implementation powers behind this Conference at this time we will suddenly find that we are committed to a permanent system of international controls and allocations despite the assurances of mobilization officials that the program will not become permanent. In this connection, a report of the Economic and Social Council of the United Nations, entitled "Measures for International Economic Stability," prepared by a committee of experts, which was submitted to the Secretary General in November of 1951, is of importance. The conclusions of this report recommend additional intergovernmental commodity agreements as a permanent means of stabilizing commodity markets. The report also states that no new international agency is required, as "international bodies such as the Interim Coordinating Committee for International Commodity Arrangements and the IMC already exist and can be used for this purpose."

The British Economist, one of the oldest and most respected publications in England, discussed the IMC in its December 29 issue. It repeatedly emphasized the fact that the United States was willing to set the example in order to assure the success of IMC by going further than anyone else. In discussing

the work of the sulfur committee, it stated:

It is worth emphasizing first that the United States was willing to run down its reserves in order to set the example of international cooperation.

In discussing zinc, the British economist article explains that Belgium had been selling refined zinc to the United States and wished to continue earning the dollars such sales would bring. The United States "entitlement for consumption" of zinc did not permit our buying the supplies formerly sold by Belgium. Belgium was forced to give way, in other words, to sell the zinc to the sterling block, and this country again, through payments to the European Payments Union, had to make up Belgium's dollar deficit. The article continues to state that the IMC member countries are in fact put on their honor—they cannot say that they wish to cooperate and then do nothing. Finally, the major powers, and, in particular, the United States, set the example by making the first contribution.

I am even more disturbed that our mobilization officials have been so anxious to make the first contribution that they have not only sacrificed our civilian economy but they have interfered with the execution of Public Law 520, Seventy-ninth Congress, which provides for the security of the United States through a military stockpiling program. The IMC in their report on operations say that they have discussed the stockpiling problem and are unable to make any further provision at this time for stockpiling of those materials in critically short supply.

The Munitions Board in its most recent report to the Congress admits that as of December 31, 1951, the control agencies diverted over \$120,000,000 of materials under stockpile contract and \$40,000,000 of aluminum, copper, and lead already in the stockpile was removed from the stockpile inventory. The report further indicates that in the case of copper, 163,500 short tons of copper under stockpile contract were diverted and 55,000 tons actually were removed. Furthermore, only last week it was announced that a further 22,000 tons of copper would be withdrawn immediately from the stockpile and supplied to domestic consumers.

These diversions from the strategic stockpile were necessary because the IMC did not provide sufficient copper to compensate the United States for its tremendous defense requirements. The IMC, in determining its international allocations, gave the United States a smaller share of the world's copper than was received in 1950 and made no allowance for stockpiling.

The amendments which I propose to offer are contained in S. 2873, which was under consideration by the Senate Committee on Banking and Currency last week. While the members the committee were considering the problems raised by IMC, they were given advance information of a new order by the Office

of Defense Mobilization to permit brass mills and copper wire mills to add to their ceiling prices an amount representing 80 percent of any increase in cost of foreign copper about the 27½ cent ceiling which formerly prevailed. It seems to me that this action was taken in order to lead the committee to believe that the copper shortage in the United States could be solved by merely raising the price for foreign copper. Actually, the purpose of the order is to keep the IMC in existence, as copper usage in accord with its allocation is controlled by the issuance of Controlled Materials Plan tickets and not by price. There is nothing in the release of the Office of Defense Mobilization to indicate that any copper user will have greater freedom in buying easily available copper in the world market without CMP tickets than before. If such permission were granted, this Government would not be implementing the decisions of the IMC to restrict our copper usage to 49.1 percent of the free world's copper.

My amendments are designed only to be effective after all defense needs are met, including those for authorized military assistance to foreign nations and procurement for the stockpile. They are designed merely to remove this unauthorized use of the DPA to implement international allocations which have never been submitted to Congress and which represent agreements between nations of paramount importance to all our citizens.

Additional information on the International Materials Conference is available in my remarks appearing in the CONGRESSIONAL RECORD of January 31, February 4, February 18, February 28, and March 3, and in the testimony before both the Senate and House Committees on Banking and Currency.

As I previously stated, I shall make further remarks on what took place before the Finance Committee, in order that we may see clearly what has been going on in the minds of those who have been operating the International Materials Conference.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. LONG in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Midshipman Paul S. MacLafferty (Naval Academy) to be an ensign in the Supply Corps of the Navy, which was referred to the Committee on Armed Services.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

Mr. HILL. Mr. President, I ask that the consideration of the Executive Calendar begin with the new reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of Graydon G. Withey to be a judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1948.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NATIONAL BUREAU OF STANDARDS

The legislative clerk read the nomination of Allen V. Astin to be Director of the National Bureau of Standards.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Albert William Barlow to be United States attorney for the district of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified of all nominations confirmed this day.

That completes the Executive Calendar.

ADJOURNMENT TO MONDAY

Mr. HILL. Mr. President, as in legislative session, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until Monday, June 2, 1952, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate May 29 (legislative day of May 28), 1952:

IN THE NAVY

Midshipman Paul S. MacLafferty (Naval Academy) to be an ensign in the Supply Corps in the Navy, subject to physical qualification and approval by the Secretary of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 29 (legislative day of May 28), 1952:

TAX COURT OF THE UNITED STATES

Graydon G. Withey, of Michigan, to be a judge of the Tax Court of the United States for the unexpired term of 12 years from June 2, 1948.

NATIONAL BUREAU OF STANDARDS

Allen V. Astin, of Maryland, to be Director of the National Bureau of Standards.

UNITED STATES ATTORNEY

Albert William Barlow, of Hawaii, to be United States attorney for the district of Hawaii.

Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 2, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MUNDT (for himself and Mr. YOUNG) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 2, beginning with line 11, strike out through line 5 on page 3 and insert in lieu thereof the following:

1 SEC. 104. Import controls of fats and oils (including
2 oil-bearing materials, fatty acids, and soap and soap powder,
3 but excluding petroleum and petroleum products and coco-
4 nuts and coconut products), peanuts, butter, cheese, and
5 other dairy products, oats, rye, barley, wheat other than
6 for human consumption, and rice and rice products are nec-
7 essary for the protection of the essential security interests
8 and economy of the United States in the existing emergency
9 in international relations, and no imports of any such com-
10 modity or product shall be admitted to the United States

1 until after June 30, 1953, which the Secretary of Agri-
2 culture determines would (a) impair or reduce the domestic
3 production of any such commodity or product below present
4 production levels, or below such higher levels as the Secre-
5 tary of Agriculture may deem necessary in view of domestic
6 and international conditions, or (b) interfere with the
7 orderly domestic storing and marketing of any such com-
8 modity or product, or (c) result in an unnecessary burden
9 or expenditures under any Government price-support pro-
10 gram. The President shall exercise the authority and powers
11 conferred by this section.

AMENDMENT

Intended to be proposed by Mr. MUNDY (for himself and Mr. YOUNG) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 2, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 2, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SCHOEPPPEL to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 3, after line 6, insert the following new sections:

1 SEC. . Section 402 (c) of the Defense Production
2 Act of 1950, as amended, is hereby amended by adding at
3 the end thereof the following new paragraph:

4 "Each regulation, order, or amendment of or supplement
5 to a regulation issued under this title shall be such as will
6 be generally fair and equitable and will effectuate the pur-
7 poses of this title, and shall include a statement of the con-
8 siderations involved in the issuance of such regulation, order,
9 amendment, or supplement. Such statement of consider-
10 ations shall set forth the objectives to be achieved by the

1 regulation, the reasons why the attainment of such objectives
2 will further the purposes of the Act, the means by which
3 such objectives are to be achieved, and a finding of the
4 facts upon which the President bases and justifies the pro-
5 visions of such regulation, order, amendment, or supplement,
6 and shall be regarded as a part of such regulation, order,
7 amendment, or supplement. The President, in establishing
8 and adjusting ceilings with respect to materials and services,
9 and in stabilizing and adjusting wages, salaries, and other
10 compensation, shall make provisions in all regulations or
11 orders for individual applications for adjustments to prevent
12 or correct hardships or inequities.”

13 SEC. . Section 402 (d) (3) of the Defense Produc-
14 tion Act of 1950, as amended, is hereby amended by add-
15 ing at the end thereof the following new paragraph:

16 “Any person who is subject to a ceiling price on an
17 agricultural commodity or any material processed therefrom
18 and who is aggrieved by any action taken or not taken by
19 the President pursuant to this paragraph may protest such
20 action or failure to act pursuant to section 407 of this Act.”

82^d CONGRESS
2^d SESSION

S. 2594

AMENDMENT

Intended to be proposed by Mr. SCHOEPPel to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 2, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 11, beginning with line 3, strike out all through line 16, on page 12, and insert in lieu thereof the following:

1 SEC. 301. The Act entitled "An Act to provide condi-
2 tions for the purchase of supplies and the making of contracts
3 by the United States, and for other purposes", approved
4 June 30, 1936 (41 U. S. C. 35-45), is amended (1) by
5 redesignating sections 10 and 11 as sections 11 and 12, re-
6 spectively, and (2) by inserting immediately following
7 section 9 a new section 10 as follows:

8 "SEC. 10. (a) Notwithstanding any provision of section
9 4 of the Administrative Procedure Act, such Act shall be

1 applicable in the administration of sections 1 to 5 and 7 to 9
2 of this Act.

3 “(b) All wage determinations under section 1 (b) of
4 this Act shall be made on the record after opportunity for
5 a hearing. Review of any such wage determination, or of
6 the applicability of any such wage determination, may be
7 had within ninety days after such determination is made
8 in the manner provided in section 10 of the Administrative
9 Procedure Act by any person adversely affected or aggrieved
10 thereby, who shall be deemed to include any manufacturer
11 of, or regular dealer in, materials, supplies, articles or equip-
12 ment purchased or to be purchased by the Government from
13 any source, who is in any industry to which such wage
14 determination is applicable.

15 “(c) Notwithstanding the inclusion of any stipulations
16 required by any provision of this Act in any contract sub-
17 ject to this Act, any interested person shall have the right of
18 judicial review of any legal question which might otherwise
19 be raised, including, but not limited to, wage determinations
20 and the interpretation of the terms ‘locality’, ‘regular dealer’,
21 ‘manufacturer’, and ‘open market’.”

82^d CONGRESS
2^d Session

S. 2594

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LEHMAN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 11, beginning with line 3, strike out all through line 16, on page 12, and insert in lieu thereof the following:

1 SEC. 301. The Act entitled "An Act to provide condi-
2 tions for the purchase of supplies and the making of con-
3 tracts by the United States, and for other purposes", ap-
4 proved June 30, 1936 (41 U. S. C. 35-45), is amended
5 (1) by redesignating sections 10 and 11 as sections 11 and
6 12, respectively, and (2) by inserting immediately follow-
7 ing section 9 a new section 10 as follows:

8 "SEC. 10. Notwithstanding any provision of section 4
9 of the Administrative Procedure Act, such Act shall be
10 applicable in the administration of sections 1 to 5 and 7 to

1 9 of this Act. All orders, determinations, rules, and formal
2 interpretations of general applicability under such sections
3 shall be made on the record after opportunity for a hearing.
4 Review of any such order, determination, rule, or inter-
5 pretation may be had in the manner provided in section
6 10 of the Administrative Procedure Act by—

7 “(1) any person adversely affected or aggrieved
8 thereby;

9 “(2) any manufacturer of, or regular dealer in,
10 materials, supplies, articles, or equipment purchased, or
11 to be purchased, by the Government from any source;
12 and

13 “(3) any of the employees of such manufacturer or
14 regular dealer, or any labor organization recognized by
15 such manufacturer or dealer, or duly certified by the
16 National Labor Relations Board, as representing such
17 employees.”

AMENDMENT

Intended to be proposed by Mr. LEHMAN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. LEHMAN to the bill (S. 2594)
to extend the provisions of the Defense Production Act of
1950, as amended, and the Housing and Rent Act of 1947,
as amended, viz:

- 1 On page 6, beginning with line 6, strike out all through
- 2 line 11, on page 8.
- 3 Renumber succeeding sections.

6-3-52—D

82D CONGRESS
2D Session

S. 2594

AMENDMENTS

Intended to be proposed by Mr. LENNAN to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. MOODY, Mr. BENTON, and Mr. LEHMAN) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 4, line 4, strike "Declaratory of existing law,".

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. MOODY, Mr. BENTON, and Mr. LEHMAN) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. BENTON, Mr. HUMPHREY, Mr. MOODY, and Mr. LEHMAN) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 9, strike out lines 23 and 24.
- 2 On page 10, strike out lines 1, 2, and 3, and insert in
- 3 lieu thereof the following:
- 4 “(a) This Act and all authority conferred thereunder
- 5 shall terminate at the close of June 30, 1953.”

S. 2594

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. BENTON, Mr. HUMPHREY, Mr. MOODY, and Mr. LEHMAN) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. BENTON, Mr. MOODY, and Mr. LEHMAN) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 5, strike lines 19 through 21 (being section
- 2 104).
- 3 Renumber succeeding sections accordingly.

AMENDMENTS

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. BENTON, Mr. MOODY, and Mr. LEHMAN) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952
Ordered to lie on the table and to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. HUMPHREY, Mr. HILL, Mr. LEHMAN, Mr. BENTON, and Mr. MOODY) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 6, beginning with line 10, strike out through
2 line 11 on page 8, and insert in lieu thereof the following:
3 “(b) (1) There is hereby created, in the Economic
4 Stabilization Agency, a Wage Stabilization Board (herein-
5 after in this subsection referred to as the “Board”), which
6 shall be composed, in equal numbers, of members representa-
7 tive of the general public, members representative of labor,
8 and members representative of business and industry. The
9 number of offices on the Board shall be established by
10 Executive order.

1 “(2) The members representative of the general public
2 shall be appointed by the President, by and with the advice
3 and consent of the Senate. The members representative of
4 labor, and the members representative of business and in-
5 dustry, shall be appointed by the President. The President
6 shall designate a Chairman and Vice Chairman of the Board
7 from among the members representative of the general
8 public.

9 “(3) The term of office of the members of the Board
10 shall terminate on March 1, 1953. Any member appointed
11 to fill a vacancy occurring prior to the expiration of the
12 term for which his predecessor was appointed shall be
13 appointed for the remainder of such term.

14 “(4) Each member representative of the general public
15 shall receive compensation at the rate of \$15,000 a year
16 when actually engaged in the performance of his duties as
17 a member of the Board. Each member representative of
18 labor, and each member representative of business and in-
19 dustry, shall receive \$50 for each day he is actually engaged
20 in the performance of his duties as a member of the Board,
21 and in addition he shall be paid his actual and necessary travel
22 and subsistence expenses in accordance with the Travel Ex-
23 pense Act of 1949 while so engaged away from his home or
24 regular place of business. The members representative of
25 labor, and the members representative of business and in-

1 industry, shall, in respect of their functions on the Board, be
2 exempt from the operation of sections 281, 283, 284, 434,
3 and 1914 of title 18 of the United States Code and section
4 190 of the Revised Statutes (5 U. S. C. 99).

5 “(5) The Board shall, pursuant to the provisions of this
6 Act, stabilize wages, salaries, and other compensation. The
7 coordination of wage stabilization policies with other stabili-
8 zation policies shall be the responsibility of the Economic
9 Stabilization Administrator.

10 “(6) The Board shall, upon (i) the joint request of
11 the parties to the dispute, or (ii) the request of the Presi-
12 dent, assume jurisdiction of any labor dispute, which is not
13 resolved by collective bargaining or by the prior full use of
14 conciliation and mediation facilities, and which threatens an
15 interruption of production affecting the national defense. In
16 such cases the Board shall investigate and inquire into the
17 issues in dispute, and shall advise the parties of its recom-
18 mendations for fair and equitable terms of settlement. In
19 any case where the parties to the dispute jointly agree to
20 be bound by the decision of the Board, the Board shall render
21 a decision on the issues in dispute, which decision shall be
22 binding on the parties. Any wage action taken by the Board
23 in any disputes case shall be fully consistent with the wage
24 stabilization policies promulgated under paragraph (5) of
25 this subsection.

1 “(7) Paragraphs (5) and (6) of this subsection shall
2 take effect thirty days after the date on which this subsection
3 is enacted. The Wage Stabilization Board created by Ex-
4 ecutive Order Numbered 10161, and reconstituted by Execu-
5 tive Order Numbered 10233, as amended by Executive
6 Order Numbered 10301, is hereby abolished, effective at the
7 close of the twenty-ninth day following the date on which
8 this subsection is enacted.”

AMENDMENT

Intended to be proposed by Mr. Douglas (for himself, Mr. HUMPHREY, Mr. HILL, Mr. LEMMAN, Mr. BENTON, and Mr. MOODY) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

82D CONGRESS
2D SESSION

Calendar No. 1529

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. HUMPHREY, Mr. HILL, Mr. LEHMAN, Mr. BENTON, and Mr. MOODY) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 6, beginning with line 6, strike out all through
- 2 line 11 on page 8.

AMENDMENT

Intended to be proposed by Mr. DOUGLAS (for himself, Mr. HUMPHREY, Mr. HILL, Mr. LEHMAN, Mr. BENTON, and Mr. MOODY) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 3 (legislative day, JUNE 2), 1952

Ordered to lie on the table and to be printed

82^D CONGRESS
2^D SESSION

Calendar No. 1529

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 4, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CASE to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 On page 9, line 10, after the period insert the following:
- 2 "It is further declared to be the policy of the Congress that
- 3 price regulations and orders pertaining to live animals shall
- 4 be suspended and not be reimposed unless specifically au-
- 5 thorized by Act of Congress."

S. 2594

AMENDMENT

Intended to be proposed by Mr. CASE to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 4, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 4, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MAYBANK to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 9, after line 16, insert the following new section:

1 SEC. 108. Title IV of the Defense Production Act of
2 1950, as amended, is amended by adding at the end thereof
3 the following new section:

4 “NATIONAL EMERGENCY PRICE AND WAGE BOARD

5 “SEC. 412. (a) Whenever the President finds that a
6 threatened or actual work stoppage or lock-out affecting an
7 entire industry or a substantial part thereof will, if per-
8 mitted to occur or to continue, imperil the national defense or
9 defeat the purposes of this Act, he may refer such dispute
10 to the Board created in subsection (b) to inquire into the

1 issues involved in the dispute and to make a written report
2 to him within one hundred and thirteen days after such
3 dispute has been referred to it. Such report shall include a
4 statement of the facts with respect to the dispute, including
5 each party's statement of its position, and shall contain the
6 Board's recommendation with respect to wage and price
7 stabilization as well as other matters involved in such dis-
8 pute. The President shall make the contents of such re-
9 port available to the public.

10 “(b) There is hereby established the National Emer-
11 gency Price and Wage Board (hereinafter referred to as the
12 “Board”) which shall be composed of a Chairman and six
13 other members to be appointed by the President by and
14 with the advice and consent of the Senate, and shall have
15 power to sit and act at any place within the United States and
16 to conduct such hearings either in public or private, as it
17 may deem necessary or proper, to ascertain the facts with
18 respect to the causes and circumstances of the dispute. Each
19 member of the Board shall receive compensation at the
20 rate of \$50 for each day actually spent by him in the work
21 of the Board, together with necessary travel and subsistence
22 expenses.

23 “(c) The provisions of sections 9 and 10 (relating to
24 the attendance of witnesses and the production of books,
25 papers, and documents) of the Federal Trade Commission

1 Act, as amended (15 U. S. C. 49 and 50), shall be appli-
2 cable with respect to any hearing or inquiry conducted by
3 the Board under this section.

4 “(d) The President shall make such provision for
5 stenographic, clerical, and other assistants, and for facilities,
6 services, and supplies, as may be necessary to enable the
7 Board to perform its functions.

8 “(e) Whenever a dispute is referred to the Board the
9 President shall immediately notify the parties to the dispute
10 that the dispute has been so referred and until the Board
11 makes its report to the President and for seven days there-
12 after it shall be unlawful for the parties to engage in any
13 work stoppage or lock-out. The provisions of section 706 of
14 this Act shall apply in the case of any violation of this section.

15 “(f) Within seven days after the Board has reported
16 its findings and recommendations to the President, the parties
17 to the dispute shall advise the President in writing whether
18 or not they are willing to accept the recommendations of
19 the Board for settlement of the dispute.

20 “(g) If all parties to the dispute agree to accept the
21 recommendations of the Board for settlement of the dispute,
22 the President shall take such action under this title as may
23 be necessary to effectuate the recommendations of the Board.

24 “(h) If any party to the dispute refuses within the
25 period specified in subsection (f) to accept the recommen-

1 dations of the Board and as a result thereof a work stoppage
2 or a lock-out is threatened, the President shall take imme-
3 diate possession of and operate all plants, mines, or facilities
4 involved in the dispute subject to payment of just com-
5 pensation therefor as required by the Constitution of the
6 United States. During such period of operation the terms
7 and conditions of employment which were in effect at the
8 time possession of such plant, mine, or facility was taken
9 by the President shall remain in effect.

10 “(i) Whenever any plant, mine, or facility is in the
11 possession of the United States it shall be unlawful for any
12 person (1) to coerce, instigate, induce, conspire with, or
13 encourage any person to interfere, by lock-out, work stop-
14 page, slowdown, or other interruption, with the operation
15 of such plant, mine, or facility, or (2) to aid any such
16 lock-out, work stoppage, slowdown, or other interruption
17 interfering with the operation of such plant, mine, or
18 facility by giving direction or guidance in the conduct of
19 such interruption or by providing funds for the conduct or
20 direction thereof or for the payment of work-stoppage, unem-
21 ployment, or other benefits to those participating therein.

22 “(j) At any time after the referral of the dispute to the
23 Board or during the operation by the Government of any
24 plant, mine, or facility, the parties to the dispute may reach
25 an agreement by means of collective bargaining. Such

1 agreement must be within the framework of the stabiliza-
2 tion policies then in effect.

3 “(k) Upon settlement of any dispute so referred to the
4 Board the President shall immediately return possession of
5 the mine, plant, or facility involved to the owners thereof in
6 the event possession of such mine, plant or facility has been
7 taken by the President pursuant to the provisions of this
8 section.

9 “(l) While this section is in effect the provisions of
10 sections 206 to 210, inclusive, of the Labor Management
11 Relations Act, 1947, shall not apply in the case of any dis-
12 pute referred to the National Emergency Wage and Price
13 Board. In any such case the provisions of the Act of March
14 23, 1932 entitled ‘An Act to amend the Judicial Code and
15 to define and limit the jurisdiction of courts sitting in equity,
16 and for other purposes’, shall not be applicable.”

17 Renumber succeeding sections.

S. 2594

AMENDMENT

Intended to be proposed by Mr. MAYBANK to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 4, 1952

Ordered to lie on the table and to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 4, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MONRONEY to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 9, after line 16, insert the following new section:

1 SEC. 108. Section 18 of the Universal Military Training
2 and Service Act is amended as follows:

3 (1) Section (18) (g) (1) is amended by adding the
4 following subsection thereto:

5 “(C) The term ‘day’ means calendar days exclu-
6 sive of Saturdays and Sundays.”

7 (2) Section 18 is further amended by adding the fol-
8 lowing subsection thereto:

9 “(i) (1) Whenever the President finds that there is
10 an actual or threatened cessation or delay in production,

1 manufacturing, or transportation, arising from a dispute or
2 disputes over terms and conditions of employment and in-
3 volving plants or facilities so indispensable that such cessa-
4 tion or delay is endangering or will endanger the national
5 health or security, including the interest of the United States
6 in programs authorized and approved by the Congress for
7 the military assistance of other nations; and when he finds
8 that such dispute or disputes have not been resolved despite
9 the utilization of procedures prescribed in the Labor Manage-
10 ment Relations Act of 1947, as amended, the Railway
11 Labor Act, as amended, or the Defense Production Act of
12 1950, as amended, or when he finds that, upon a report of
13 the facts made to him by the Secretary of Labor concerning
14 previous efforts at bargaining, there is no substantial prospect
15 of a resolution of such dispute or disputes by the utilization
16 of such procedures, he may issue a proclamation reciting
17 such findings and stating that, unless a settlement of such
18 dispute or disputes occurs within seven days or such longer
19 period as he may prescribe, he may, after appropriate action
20 required by this subsection 18 (i) and upon making the
21 further findings required in subsection 18 (i) (2) of this
22 Act, direct that a Government agency designated by him
23 take possession and assume control of the plants or facilities
24 involved in such dispute or disputes.

25 “(2) At the expiration of such period of seven days or

1 such longer period as he may have prescribed in his proc-
2 lamation, the President may, upon further finding that no
3 settlement of such dispute or disputes has occurred and that
4 the cessation or delay referred to in his proclamation is
5 occurring or threatening to occur within seven days, take
6 possession and assume control on behalf of the United States,
7 through a Government agency designated by him, of such
8 plants or facilities involved in such dispute or disputes:
9 *Provided*, That, at least two days prior to taking possession
10 and assuming control of such plants or facilities under sub-
11 section 18 (i) of this Act, the President shall have caused
12 his proclamation concerning such dispute or disputes to be
13 communicated to both Houses of Congress: *Provided fur-*
14 *ther*, That if both Houses of the Congress shall, by con-
15 current resolution, express disapproval of the taking of
16 possession and assuming of control of any such plants or
17 facilities within fifteen days from and after the communi-
18 cation to them of his proclamation, the President, if he has
19 not yet taken such possession and control, shall not take
20 such action; and, if he has previously taken possession and
21 assumed control of such plants or facilities, such possession
22 and control shall terminate on the date specified in the
23 concurrent resolution of the Congress, or, in the absence of
24 such specification, within ten days from the approval of such
25 concurrent resolution, except that the President may ter-

1 minate such possession and control at an earlier date. In
2 any event, the possession and control taken of any plants
3 or facilities shall terminate eighty days from and after the
4 taking of such possession and control, except that, if the
5 Congress shall not be in session at that time, such possession
6 and control shall terminate fifteen days from and after the
7 day of the next convening of Congress: *Provided, however,*
8 That the Congress, by concurrent resolution, may extend the
9 duration of such possession and control for any greater period,
10 during which period, however, the President may terminate
11 such possession and control at an earlier date. Any taking
12 of possession and assuming of control of plants or facilities
13 under subsection 18 (i) of this Act shall be subject to the
14 payment of just compensation therefor as required by the
15 Constitution of the United States.

16 “(3) It shall be the duty of the President to communi-
17 cate to the Congress any proclamation issued pursuant to
18 subsection 18 (i) (1) of this Act, and any Executive order
19 or other directive or communication by which he may direct
20 the taking of possession and assuming of control of any such
21 plants or facilities pursuant to subsection 18 (i) of this Act,
22 and to cause any such proclamations, Executive orders, and
23 other directives or communications to be published within
24 three days from their issuance in the Federal Register.

25 “(4) No taking of possession and assuming of control

1 of plants or facilities under subsection 18 (i) of this Act
2 shall be construed to relieve any employers or employees, or
3 their representatives, from the duty to bargain concerning
4 such dispute or disputes, or from the obligation of any agree-
5 ment to arbitrate such dispute or disputes which may have
6 been made prior or subsequent to any taking of possession or
7 assuming of control of such plants or facilities under subsec-
8 tion 18 (i) of this Act.

9 “(5) (a) There is hereby established the National
10 Emergency Price and Wage Board (hereinafter referred to as
11 the ‘Board’) which shall be composed of a chairman and six
12 other members to be appointed by the President by and
13 with the advice and consent of the Senate for a term of one
14 year, and which shall have power to sit and act at any
15 place within the United States and to conduct such hearings
16 either in public or private, as it may deem necessary or
17 proper, to ascertain the facts with respect to the causes and
18 circumstances of the dispute or disputes referred to it by
19 the President, and to make such recommendations as are
20 authorized by subsection 18 (i) of this Act. Each member
21 of the Board shall receive compensation at the rate of \$50
22 for each day actually spent by him in the work of the Board,
23 together with necessary travel and subsistence expenses. The
24 provisions of sections 9 and 10 (relating to the attendance
25 of witnesses and the production of books, papers, and docu-

1 ments) of the Federal Trade Commission Act, as amended
2 (15 U. S. C. 49 and 50), shall be applicable with respect
3 to any hearing or inquiry conducted by the Board under this
4 subsection. The President shall make such provision for
5 stenographic, clerical, and other assistants and for facilities,
6 services, and supplies as may be necessary to enable the
7 Board to perform its functions.

8 “(b) During the period when any Government agency
9 has possession and control of any such plants or facilities
10 vested in it by the President under subsection 18 (i) of this
11 Act, such Government agency may, in the absence of a
12 resolution of such dispute or disputes by bargaining of the
13 parties, and with the approval of the President, effect such
14 changes in terms and conditions of employment of employees
15 operating or employed in or at such plants or facilities as may
16 be recommended by a majority of the Board. The Board
17 may, after the President refers to it any dispute or disputes
18 over terms and conditions of employment involving plants
19 or facilities of which possession and control are taken under
20 subsection 18 (i) of this Act, recommend such changes in
21 terms and conditions of employment of employees operating
22 or employed in or at such plants or facilities as it determines
23 to be fair and equitable on the basis of increases in the living
24 costs of such employees as shall have occurred since the date
25 of the most recent collective bargaining agreement, which

1 contained provisions concerning such terms and conditions
2 of employment, made by such employees: *Provided, how-*
3 *ever,* That no such recommendations shall include proposed
4 changes in terms and conditions of employment which would
5 be in violation of stabilization regulations or standards pre-
6 scribed under the Defense Production Act of 1950, as
7 amended: *And provided further,* That such recommendations
8 shall not include any proposal for a change in the existing
9 union shop, maintenance of membership, or similar arrange-
10 ments between employers and employees.”

1 ments) of the Federal Trade Commission Act, as amended
2 (15 U. S. C. 49 and 50), shall be applicable with respect
3 to any hearing or inquiry conducted by the Board under this
4 subsection. The President shall make such provision for
5 stenographic, clerical, and other assistants and for facilities,
6 services, and supplies as may be necessary to enable the
7 Board to perform its functions.

8 “(b) During the period when any Government agency
9 has possession and control of any such plants or facilities
10 vested in it by the President under subsection 18 (i) of this
11 Act, such Government agency may, in the absence of a
12 resolution of such dispute or disputes by bargaining of the
13 parties, and with the approval of the President, effect such
14 changes in terms and conditions of employment of employees
15 operating or employed in or at such plants or facilities as may
16 be recommended by a majority of the Board. The Board
17 may, after the President refers to it any dispute or disputes
18 over terms and conditions of employment involving plants
19 or facilities of which possession and control are taken under
20 subsection 18 (i) of this Act, recommend such changes in
21 terms and conditions of employment of employees operating
22 or employed in or at such plants or facilities as it determines
23 to be fair and equitable on the basis of increases in the living
24 costs of such employees as shall have occurred since the date
25 of the most recent collective bargaining agreement, which

1 contained provisions concerning such terms and conditions
2 of employment, made by such employees: *Provided, how-*
3 *ever,* That no such recommendations shall include proposed
4 changes in terms and conditions of employment which would
5 be in violation of stabilization regulations or standards pre-
6 scribed under the Defense Production Act of 1950, as
7 amended: *And provided further,* That such recommendations
8 shall not include any proposal for a change in the existing
9 union shop, maintenance of membership, or similar arrange-
10 ments between employers and employees.”

S. 2594

AMENDMENT

Intended to be proposed by Mr. MONRONEY to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 4, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 4, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MOODY (for himself and Mr. MONRONEY) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 3, line 13, substitute the following for all of section 103:

1 (c) Section 402 (c) of the Defense Production Act of
2 1950, as amended, is further amended by adding after the
3 words "by an attorney or firm of attorneys engaged in the
4 practice of his or their profession" in paragraph (ii) thereof
5 the words "; wages, salaries, and other compensation paid
6 to professional architects licensed to practice as such em-
7 ployed in a professional capacity by a professional architect
8 or firm of professional architects engaged in the practice of
9 his or their profession; and wages, salaries, and other com-
10 pensation paid to certified public accountants licensed to prac-

- 1 tice as such employed in a professional capacity by a certified
2 public accountant or firm of certified public accountants
3 engaged in the practice of his or their profession”.

Calendar No. 1529

82ND CONGRESS
2^D SESSION

S. 2594

AMENDMENT

Intended to be proposed by Mr. MOODY (for himself and Mr. MONRONEY) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 4, 1952

Ordered to lie on the table and to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 4, 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. O'CONNOR to the bill (S. 2594)
to extend the provisions of the Defense Production Act of
1950, as amended, and the Housing and Rent Act of 1947,
as amended, viz:

1 On page 9, after line 16, insert the following new
2 section:

3 SEC. 108. Title IV of the Defense Production Act of
4 1950, as amended, is amended by adding at the end thereof
5 the following new section:

6 “NATIONAL EMERGENCY LABOR DISPUTES

7 “SEC. 412. (a) (1) Whenever the President of the
8 United States shall find that a threatened or actual strike
9 or lock-out in any one or more plants, mines, or facilities
10 engaged in trade, commerce, transportation, transmission, or
11 communication among the several States or with foreign

1 nations, or engaged in the production of goods for such
2 interstate or foreign commerce, will, if permitted to occur
3 or to continue, imperil the national health or safety, or when
4 Congress by concurrent resolution shall so declare, the
5 Attorney General shall petition any district court of the
6 United States in the district in which the parties, or any
7 of them, shall be found or be inhabitants, to enjoin such
8 strike or lock-out or the continuing thereof, and if the court
9 finds that such threatened strike or lock-out, if permitted
10 to occur or continue, will imperil the national health or
11 safety, it shall enjoin such strike or lock-out, or the continu-
12 ing thereof.

13 “(2) Any such district court in which such petition
14 shall be filed as aforesaid shall have jurisdiction to enter
15 orders and decrees granting relief against any party to such
16 strike or lock-out, whether or not such party be a resident
17 or inhabitant of the district in which such court is sitting.
18 In any such proceeding, the court shall make, enter, and
19 enforce all such interlocutory orders and decrees as shall
20 be necessary to preserve its jurisdiction and to protect the
21 interests of the public against any injury which would
22 otherwise result from the strike or lock-out or threatened
23 strike or lock-out, pending the final hearing and decision of
24 the proceeding. In any such case, the provisions of the
25 Act of March 23, 1932, entitled ‘An Act to amend the

1 Judicial Code and to define and limit the jurisdiction of
2 courts sitting in equity, and for other purposes', shall not
3 be applicable.

4 “(3) The order or orders of the court shall be sub-
5 ject to review by the appropriate circuit court of appeals
6 and by the Supreme Court upon writ of certiorari or certi-
7 fication as provided in section 1254 of title 28 of the United
8 States Code.

9 “(b) (1) Whenever a district court has issued an order
10 under subsection (a) enjoining any such strike or lock-out
11 which imperils or threatens to imperil the national health or
12 safety, it shall be the duty of the parties to the labor dispute
13 giving rise to such order to make every effort to adjust and
14 settle their differences.

15 “(2) Upon the issuance of such an order, the President
16 shall appoint a board of inquiry to inquire into the issues
17 involved in the dispute and to make a written report or
18 reports to him within such time or times as he shall from
19 time to time prescribe. Each such report shall contain a
20 statement of the facts with respect to the dispute and each
21 party's own statement of its position. The President shall
22 make a copy of such report available to the public.

23 “(3) A board of inquiry shall be composed of a chair-
24 man and such other number of members as the President
25 shall determine. Each such board shall be chosen by the

1 President from among a panel of persons consisting of all
2 retired justices of the United States district courts, United
3 States courts of appeal and the Supreme Court of the United
4 States and such other persons representing the public interest
5 as shall from time to time be appointed to such panel by the
6 President by and with the advice and consent of the Senate.

7 “(4) Members of a board of inquiry shall receive
8 compensation at the rate of \$50 for each day actually spent
9 by them in the work of the board, together with necessary
10 travel and subsistence expenses.

11 “(5) For the purpose of any hearing or inquiry con-
12 ducted by any board appointed under this section, the provi-
13 sions of sections 9 and 10 (relating to the attendance of
14 witnesses and the production of books, papers, and docu-
15 ments) of the Federal Trade Commission Act of September
16 16, 1914, as amended, are hereby made applicable to the
17 powers and duties of such board.

18 “(6) Notwithstanding the provisions of paragraphs (2)
19 and (3) of this subsection, any board of inquiry which shall
20 have been appointed and qualified prior to the effective
21 date of this amendment, pursuant to the provisions of section
22 207 (a) of the Labor Management Relations Act of 1947,
23 and which shall not have completed its duties as such, shall
24 be qualified to serve as a board of inquiry in the same matter

1 under this section, and as such to discharge the duties of such
2 a board of inquiry under this section.

3 “(c) (1) If, upon the expiration of eighty days after
4 the issuance of an order by the appropriate district court
5 under subsection (a), the parties to the dispute have not
6 adjusted and settled their differences, the Attorney General
7 or any party against whom such order shall have been issued
8 may petition such court to have such order vacated or modi-
9 fied, and the court shall vacate such order if it shall find
10 (1) that interruption of the operation of the plants, mines,
11 or facilities in question is not then threatened by any strike
12 or lock-out, or (2) that any such strike or lock-out, if per-
13 mitted to occur or continue would not imperil the national
14 health or safety. The court shall vacate or modify such
15 order upon the petition of any party to the labor dispute if it
16 shall find that the continuance of such order would impose
17 undue hardship, considering all the circumstances, upon the
18 parties against whom such order has been issued, or any
19 of them.

20 “(2) During the existence of any order issued under
21 subsection (a), it shall be unlawful for any person (A) to
22 coerce, instigate, induce, conspire with, or encourage any
23 person, to interfere, by lock-out, strike, slowdown, concerted
24 absences from work or other interruption with the operation

1 of the plants, mines, or facilities in question, or (B) to aid
2 any such lock-out, strike, slowdown, concerted absences
3 from work, or other interruption interfering with the opera-
4 tion of such plants, mines, or facilities, by giving direction
5 or guidance in the conduct of such interruption, or by pro-
6 viding funds for the conduct or direction thereof or for the
7 payment of strike, unemployment, or other benefits to those
8 participating therein. The court may make such orders as
9 may be necessary to prevent violations of the provisions of
10 this subsection, and to enforce such orders by contempt
11 proceedings, and in such cases the provisions of the Act of
12 March 23, 1932, entitled 'An Act to amend the Judicial
13 Code and to define and limit the jurisdiction of courts sitting
14 in equity, and for other purposes', shall not be applicable.

15 “(3) Any order which shall be issued under subsection
16 (a) and which shall not be terminated under paragraph
17 (1) of this subsection shall continue until the parties to the
18 dispute have adjusted and settled their differences.

19 “(d) Whenever any dispute between an employer and
20 any labor organization representing employees of such em-
21 ployer arises which affects or may affect the national health
22 or safety, no officer or agency of the United States shall
23 make any recommendations, direct or indirect, for the settle-
24 ment of such dispute, except as authorized in section 203
25 of the Labor Management Relations Act, 1947.

1 “(e) While this section is in effect the provisions of
2 sections 206 to 210, inclusive, of the Labor Management
3 Relations Act, 1947, shall not apply in the case of any
4 dispute with respect to which a board of inquiry has been
5 appointed under this section.”

6 Renumber succeeding sections.

AMENDMENTS

Intended to be proposed by Mr. O'CONNOR to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 4, 1952

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 5, 1952

For actions of June 4, 1952

82nd-2nd, No. 96

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate debated defense production bill agreeing to exempt fresh fruits and vegetables from price control. Senate committee reported bill to extend dual parity on basic commodities for 2 years. Senate committee ordered reported bill to adjust extension-work authorizations in view of new census. House deferred consideration of conference report on 3rd supplemental appropriation bill until Thurs. House conferees appointed on road authorizations bill. President approved flood-rehabilitation appropriation measure.

SENATE

1. DEFENSE PRODUCTION. Continued debate on S. 2594, to amend and extend the Defense Production Act (pp. 6603-82).

Amendments agreed to included the following:

By Sen. Holland, providing that no price ceiling shall be established or maintained on fresh fruits or vegetables (pp. 6672-4).

By Sen. Fulbright, providing for judicial review of Labor Department decisions under the Public Contracts Act (pp. 6638-41).

By Sen. Ferguson, to prevent use of this legislation to implement decisions of the International Materials Conference, by a 43-40 vote (pp. 6645-59).

Amendments rejected included the following:

By Sen. Capehart, to suspend price-wage controls unless the consumer index rises 3 points, by a 23-57 vote (pp. 6659-62).

By Sen. Dirksen, to suspend price controls on agricultural and fish products not in short supply, by a 33-44 vote (pp. 6662-4).

By Sen. Mundt, to provide for import controls on oats, rye, barley, and wheat, by a 36-46 vote (pp. 6664-9).

By Sen. Dirksen, prohibiting price control on agricultural products, by a 29-49 vote (pp. 6674-7).

By Sen. Aiken, authorizing some flexibility in administration of the import-control provision, by a 38-38 vote (pp. 6677-9).

2. PARITY FORMULA. The Agriculture and Forestry Committee reported with amendment S. 2115, to continue the existing parity formula for basic commodities until Jan. 1, 1956 (S. Rept. 1674) (pp. 6603).

3. EXTENSION WORK. The Agriculture and Forestry Committee voted to report (but did not actually report) H. R. 6773, to adjust extension-work authorizations, with

an amendment which, the "Daily Digest" states, "would freeze extension funds in the fiscal year 1953 in the same manner as they were allocated in fiscal 1952" (p. D533).

4. **PURCHASING.** The Judiciary Committee reported with amendments S. 2487, to permit judicial review of decisions of Government contracting officers involving questions of fact arising under Government contracts in cases other than those in which fraud is alleged (H. Rept. 1670)(pp. 6602-3).
5. **EMIGRATION.** The Judiciary Committee reported with amendment S. Res. 326, to investigate problems connected with emigration of refugees from Western European nations (S. Rept. 1671)(p. 6603).
6. **AGRICULTURAL APPROPRIATION BILL, 1953.** Sen. Anderson submitted an amendment which he intends to propose to this bill, H. R. 7314 (p. 6606).

HOUSE

7. **FOREIGN AID.** Conferencees filed their report on H. R. 7005, to amend the Mutual Security Act of 1951 (H. Rept. 2031). The total authorization agreed upon was \$6,447,730,750 which was reached by dividing equally the amounts previously authorized by both Houses. A total of \$4,598,424,500 is for military assistance and \$1,805,258,500 is for economic and technical assistance. The conferencees agreed to the Senate amendment providing for carry-over of unexpended balances, and eliminated a House provision limiting dollar expenditures under the act for supplies, equipment, and commodities in the technical assistance program. The conferencees also expect the Administrator of TCA to cut to reasonable levels all "staffs in Washington concerned with Point 4." The conferencees included language to insure that small business will share equitably in the TCA programs, and agreed that \$16,481,000 be contributed to the UNRRA but that in no case should this Country's contribution exceed more than one-third of contributions from all other governments. (pp. 6684-91.)
8. **ROAD AUTHORIZATIONS.** Reps. Fallon, Trimble, Dempsey, Jones (Ala.), Dondero, McGregor, and Angell were appointed as conferencees on H. R. 7340, authorizing appropriations for road construction in 1954 and 1955 (p. 6683). Senate conferencees were appointed June 3.
9. **THIRD SUPPLEMENTAL APPROPRIATION BILL, 1952.** Consideration of the conference report on this bill, H. R. 6947, was deferred until Thursday when a point of order regarding presence of a quorum was raised by Rep. Fisher (p. 6691).
10. **EMERGENCY POWERS.** The "Daily Digest" states that "Agreement was reached on the Emergency Powers Continuation Act, and an amended bill will be introduced and reported favorably to the House" (p. D540).
11. **PERSONNEL.** Received from this Department a proposed bill to establish an additional Assistant Secretary of Agriculture and an Administrative Assistant Secretary, to authorize the Secretary to delegate his functions, and to require a periodic review by the Secretary of the management of the Department (p. 6694).
12. **FOREIGN TRADE.** Rep. Taber criticized the State Department's recent action in entering into an agreement with Chile and Cuba giving Chile a large share of the American colored dried bean market in Cuba without consulting the farmers (p. 6690).
Rep. Hill also spoke on this subject and claimed the State Department is giving away our foreign markets while the CCC owns over 4,500,000 bags of dried beans which he claimed will have "to be given away later in exchange for token payments" (pp. 6690-1).

A-7222750, Valenzuela, Maria Encarnacion Aranda de.
 A-7222751, Valenzuela-Aranda, Nicholas.
 A-6750582, Valles-Rosales, Ysidro.
 A-7491367, Varela, Jesus Tena.
 A-7243059, Velona, Anna Violi Bonavolonta (nee Violi).
 A-6642381, Villescaz, Severiano.
 A-6642382, Villescaz, Guadalupe.
 A-6903666, Wagschal, Samuel.
 A-6381683, Wahab, Abdul.
 A-6567004, Wan, Yee Tit.
 A-6320155, Wang, Margaret Chan.
 A-6321477, Wang, Paul I.
 A-7703244, Woodman, Elizabeth Hide (nee Takagi).
 A-7083362, Wosner, Helena (nee Helena Federweiss).
 A-6855579, Wosner, Pavol or Paul Wosner.
 A-6567005, Yee, Lulu Tue or Tu Lily or Tu Yee.
 A-6999327, Adamson, Norman McKenzie.
 A-1828498, Ascencio, Porfirio or Pete Ascencio.
 A-3913095, Barraza, Apolinar.
 A-7073986, Blasco, Giuseppa.
 A-3722890, Bombelli, Josephine Anette Carmela Concetta (nee Corso) alias McCarthy alias Pringle.
 A-5966253, Caines, Charles Ebenezer or James.
 A-6723895, Godinez-Arana, Jose.
 A-6865943, Gomez-Castro, Gil Alberto.
 A-6614766, Govostis, Dimetrios Alexander.
 A-9620383, Koutsouts, George or George Koutsouts or Koutsontas.
 A-7457793, Medina-Ortiz, Armando.
 A-7419726, Li, Chen Pien.
 A-4660444, Man, Ko Kam or Ko Kam Man Goo.
 A-7476455, Pesce, Francesco.
 A-7427542, Polino, Amleto Claudio Armando.
 A-6758243, Rotberg, Fela (nee Gutman).
 A-6755582, Rotberg, Szlama or Samuel.
 A-7389914, Rubino, Angelo Bruno.
 A-6982661, Salgado-Bustillos, Reymundo.
 A-7117728, Sawicki, Zenon Simon or Zenon Sikiewicz or Simon Sawicki.
 A-7264394, Schumaker, Finn Mannu.
 A-7450633, Shu-Chi, Chang.
 A-6317599, Stylianides, Stephen John.
 A-7383160, Sustr, Jaroslav.
 A-7383161, Sustr, Vera.
 A-7483311, Tang, Han Chih.
 A-6027107, Teng, Chi-Yu.
 A-6683186, Berg, Elise Marianne.
 A-6683187, Berg, Evelyn.
 A-4909120, Broniewicz, Zygmunt.
 A-6484086, Buchanan, John Hilton.
 A-6711108, Chan, Chit Kin.
 A-6206595, Chan, Ping Hwa Shu.
 A-6965276, Chavarria, Eliseo.
 A-7355401, Chu, Tsun Hwei also known as Tsun Hwei Chu Li.
 A-3365379, Dalty, De Louise Williams.
 A-7020256, Dalty, Micheline.
 A-4241272, Dalty, Tarres, Leon.
 A-7241656, Dominguez-Carrillo, Julio or Ruben Rodriguez.
 A-7849962, Giapapas, Theodore Antoniou or Theodore Giapapas.
 A-7450204, Gomez-Galindo, Manuel.
 A-7137744, Gonzales, Maria Jesus or Maria Jesus de Gonzalez or Maria Jessie Gonzalez or Marie Jesus Lopez.
 A-6854477, Gruetzmänn, Mary Clara.
 A-6854476, Gruetzmänn, Lillian Gudrun.
 A-7188730, Gutierrez, Agustina Valenzuela de or Agustina Valenzuela or Agustina Valenzuela De Gutierrez.
 A-7145855, Gutierrez, Felix or Felix N. Gutierrez.
 A-7250765, Li, Ting Yi.
 A-7379731, Lomeli, Salvador G. or Salvador Lomeli-Gonzalez or Salvador Lomeli-Gomez.
 A-6142743, Ma, Ju Luan.
 A-6848608, Ma, Margaret Feng-Ya Chang (nee Feng-Ya Chang).

A-7145693, Manuel-Sepulveda, Sanchez.
 A-6972124, Martinez, Pedro or Pedro Martinez-Flores.
 A-7809270, Panagiotidis, Fotis B.
 A-4604786, Pien, Chung Ling.
 A-7755811, Pien, Nung Chung (nee Lee).
 A-6113969, Quiroz-Morales, Roberto.
 A-6555338, Rozenberg, Motel or Rosenberg.
 A-6555339, Rozenberg, Irena Rolider or Irena Rozenberg (nee Bolides).
 A-7140255, Saucedo, Jose Manuel or Jose Manuel Saucedo Hidrogo.
 A-7463512, Testamark, Florence Mildred (nee Hodge).
 A-7130989, Acosta, Guadalupe.
 A-7130892, Ortega, Maria De Jesus.
 A-6698228, Alfaro-Quiroz, Enrique.
 A-7359551, Alvarado, Jose or Jose Alvarado-Chavez.
 A-7130810, Alvarado, Antonia.
 A-6165096, Alvis, Albertha Princess formerly Collymore (nee Verbeke).
 A-2570320, Armendariz, Sostenes or Sostenes Armendariz-Crozco or Alfredo Aguirre.
 A-6079554, Bobadilla, Rosario Sepulcer.
 A-7841596, Briseno, Vidrio, Felipe.
 A-5983642, Cavazos-Gonzalez, Benito or Benito Cantu-Gonzalez.
 A-7755830, Chen, Jo-Yun Tung.
 A-1466909, Chin, Pao-Hsiung.
 A-7560739, Chin, Ping-Sheng (nee Yen).
 A-9533008, Ching, Yip.
 A-7222294, De Chavez, Soledad Ledesma.
 A-7222295, Chavez, Angelina.
 A-7982095, De Lopez, Reynalda Lopez.
 A-6562366, De Rico, Amalia Fuentes (nee Amalia Fuentes) or Amalia Fuentes Vega.
 A-3479484, Ferro, Domenico Antonio or Domenico Ferro or Domenico Ferro.
 A-7145856, Guerra-Gonzalez, Valentin.
 A-7873620, Kiourtsis, Panagiotis or Peter Kurtis.
 A-7417085, Lomeli-Ramirez, Margarito or Charley Lomeli.
 A-7203752, Lopez-Lino, Enrique alias Enrique Hernandez-Lopez alias Enrique Lopez.
 A-6611441, Metaxas, Emmanuel Stylianos.
 A-7178309, Ortega, Eleuterio or Eleuterio Ortega-Hernandez.
 A-1616469, Paul, Donald or Donald Cornelius Paul.
 A-3335305, Pompeo, Guiseppe.
 A-7828740, Rabsatt, Era Florene.
 A-5470951, Rabsatt, Esther Cerena.
 A-6561106, Rendon, Juan Rico or Juan Rico.
 A-9825408, Rosende, Pedro.
 A-4774079, Sandoval, Roberto or Roberto Robinson-Sandoval.
 A-6842496, Shiang, Flora Wang or Flora Fusheng (Fu-Sun) Shiang.
 A-6083714, Shiang, Si Ta.
 A-5147027, Shusterman, Esther also known as Esther Sterman.
 A-7267320, Vessenes, Dionisios Katopodis.
 A-8021435, Wagschal, Frida (nee Walsh).
 A-5982146, Watanabe, Habukichi.
 A-6154812, Watanabe, Oyobu.
 A-4651337, Weiner, Louis.
 A-4712339, Weisz, Arnold.
 A-6988908, Accardo, Antonio.
 A-7171763, Alanis-Trevino, Bonifacio.
 A-2661429, Alfheim, Asbjorn or Asbjorn Alfredsen Alfheim.
 A-6340939, Baron, Alejandra Garcia alias Modesta Quirocho Cadacas.
 A-6069960, Crow, Clem Raymond.
 A-6069961, Crow, Carl Joseph.
 A-7189494, Cruz, Maria Francisca.
 A-7387467, De Del Rio, Leonor Estrada (nee Leonor Estrada-Beltran).
 A-6811163, Deer, George Oswald.
 A-7995831, De Vasquez, Dolores Torres.
 A-6730399, Dos Vais, Manuel Vieira.
 A-6591132, Franco, Pedro.
 A-7092828, Franco, Socorro.
 A-6849877, Gabris, Tibor.
 A-6476262, Garza-Garza, Pablo.

A-7118458, Garza-Pena, Jesus.
 A-6597869, Gumrukcu, Hasan-Erol.
 A-5024775, Hattori, Saburo.
 A-6881750, Huang, Yu-Ying Tsing formerly Yu-Ying Tsing.
 A-8015436, Jackson, Sydney Welesley alias Charles Scott.
 A-7130505, Jergerian, Kevork (nee Pilibossian).
 A-7073708, Jergerian, Siranoush (nee Bohjelian) formerly Pilibossian.
 A-6590310, Kamakas, Nicholas Constantine.
 A-5394176, Kosakowski, John Joseph alias John Kosky.
 A-8031195, Koutchouyan, Ichran.
 A-7821097, Lee, Kin Ping.
 A-7366106, Lee, Tien Ho.
 A-7273976, Lerman, Jakob Chaim.
 A-6015640, Li, Chung Yuan.
 A-6434202, Macia, Maria Laura.
 A-5831796, Malone, Indiana (nee Todman).
 A-6706814, Mastalos, Vasilios or Vasilios Mastalos or Vasilios Mastalos or Basile Mastalos.
 A-9770922, Min, Chow Sian or Tjroe Sian Min.
 A-7983190, Morejon, America Nicolasa Ferro y or America Nicolasa Kelso de Montigny.
 A-5906147, Peremenis, Kyriakos or Charles K. Peremenis.
 A-7682570, Peremenis, Sarah Novena (nee Sawyer).
 A-7682571, Peremenis, Katerina.
 A-7682572, Peremenis, Marina.
 A-7682573, Peremenis, Virginia.
 A-5409723, Ravasini, Guido.
 A-7069284, Ray, Efthalia Kyriakicou or Efthalia Kyriakidou.
 A-6732397, Redik, Heinrich.
 A-6732398, Redik, Elfrida.
 A-1928642, Rinaldo, Giovanni Filippo or James Philip Rinaldo.
 A-7127143, Rodriguez, Juan Collazo.
 A-7264804, Rubalcaba, Ines.
 A-7264803, Rubalcaba, Raul.
 A-7706878, Schilling, Mildred Helen (nee Pearson).
 A-6006882, Sepulveda-Fimbres, Ernesto or Ernesto Fimbrys-Sepulveda or Ramon Sepulveda, Jr., or Ramon Sepulveda or Ramon Sepulveda-Valencia.
 A-3541552, Smith, Charles Henry.
 A-5881902, Smith, Mildred Augusta.
 A-7118018, Solano-Ramirez, Miguel.
 A-2967575, Stubbs, Mervin Gardiner alias Albert George Woods.
 A-7863139, Tanzi, Vincenzo.
 A-8021434, Wan, Chan Hing also known as Hing Wan Chan.
 A-5838603, Xydis, Stephen George.
 A-7463248, Alonzo-Vega, Manuel.
 A-7398319, Canales, Juana Antonio.
 A-7984817, Carranza-Alvarez, Jose.
 A-7756418, Chang, Hsiang-Tung.
 A-7457003, Chantre, Felipe Pedro.
 A-6830524, Dajany, Faud Sharif.
 A-7469399, De Barjaran, Juana Saenz or Juana Saenz.
 A-7196299, Kahl, June Margaret (nee Reid).
 A-6203569, Moran, Carlos Lisinio.
 A-6628325, Nagymajtenyi, Helen, also known as Helen Kropel or Kropyl.
 A-6550701, Nagymajtenyi, Marton.
 A-8001560, Penn, Amy Alma (nee Amy Alma Burrows).
 A-7188175, Rodriguez, Jose.
 A-7394640, Titley, Veronica Venovia.
 A-6624891, Tsou, Hsieh-An Ivan.
 A-7809053, Yao, Lucy Tsui-Hwa.
 A-7127601, Alvarado, Jose Saldana.
 A-7188869, De Lara, Narcisa Cisneros Vda.
 A-6320364, Delfino, Aurora Villanueva.
 A-7945412, De Ruiz, Dolores Herrera.
 A-7118456, Garza-Lerma, Guadalupe.
 A-9537604, Goncalves, Manuel.
 A-6153066, Miyahira, Sumiko.
 A-6153067, Miyahira, Kozo.

A-8039348, Monaldi, Olindo.
 A-7247945, Murillo-Sanchez, Jose or Jose
 Abran Murillo-Sanchez or Abraham Jose
 Murillo-Sanchez.
 A-6440824, Rubin, Abraham Samuel.
 A-7945414, Ruiz, Maria Paula.
 A-7945415, Ruiz, Aurelio.
 A-1556398, Testolin, Antonio or Tony
 Testolin.
 A-7203621, Uranga, Aurora.
 A-7203620, Uranga, Maria de La Luz.
 A-5987520, Uranga-Vaca, Mardonio or Mar-
 donio Uranga or Mardonio Uranga Baca.
 A-5950026, Vuurens, Cornelis.
 A-1873529, White, Malaki.
 A-6709308, Yao, Ting-Chang.
 A-6144740, Achram-Chen, Peter Hugh Ber-
 nard or Peter Chen or Peter H. Chen.
 A-7064135, Bretan, Patria Guion also
 known as Patria Siatona Guion.
 A-8065655, Chavez, Teodosia Cantu.
 A-8082292, Cheng, Henry (Chu-Hwa).
 A-6851579, Cheng, Lydia (Lu Chin).
 A-3438377, Chu, Chauncey Cheng-Shui.
 A-6298259, Chu, Margaret Chen-Ying Li.
 A-4342227, Clairmont, George or Solomon
 B. Cauffman or Solomon Cauffman.
 A-5953151, De La O, Marcela Fernandez also
 known as Marcela Ibarra or Isabella Deras or
 Marcella Magallanes or Ibarra or Hazel Deras.
 A-8065876, Daskalakis, William Michael.
 A-7841695, De Arellano-Lopez, Angel Sanz.
 A-7358662, De Munoz, Zenaida Solorzano.
 A-5656338, De Rivera, Rita Lopez or Rita
 Lopez-Arce or Maria Perez.
 A-6725649, Erbsland, Albertine.
 A-4523397, Fritsch, Heinrich Edward or
 Heinrich Eduard Fritsch.
 A-6701989, Garcia-Alvear, Elena.
 A-6701990, Garcia-Alvear, Hortencia.
 A-8678458, Garcia-Olivio, Juan.
 A-8039081, Jack, Mary Veronica.
 A-8039082, Jack, Ronald Clive.
 A-7483341, Kardoulis, Theodosia (nee
 Koukouva).
 A-6787394, Maynard, Christalia Augusta.
 A-6961748, Rosales-Melendez, Jose also
 known as Francisco Jacobo-Aguelira.
 A-5971693, Saddler, Joseph.
 A-6606618, Tsai, Tun Hou.
 A-6847919, Tsai, Ching-Hsian Wei also
 known as Ching Hsian Wei.
 A-7140137, Urquiza, Cayetano or Cayetano
 Urquiza-Hernandez.
 A-8031108, Villa, Jose Paz.
 A-8031691, Villa, Soledad Canales.
 A-7398898, Villagomez-Bocanegra, Nicolas.
 A-6921481, Viola, Eligio.
 A-6190235, Wong, Frank Eugene.
 A-6190236, Wong, Esther Chu.
 A-8082291, Wu, Bao Cheng Lee.
 A-7080337, Wu, Te-Leng.
 A-6283264, Aguilar-Gomez, Eliodoro.
 A-7983268, Alfonso, Agapito Alcid.
 A-7358015, Arce-Thomaty, Enrique Gui-
 lermo or Enrique Arce-Tomaty or Enrique
 Arce.
 A-7983337, Castellanos, Roberto also known
 as Roberto Salas-Castellanos.
 A-6047918, Claxton, Elsa Eudora.
 A-7983430, De Vargas, Lucia Castellanos.
 A-7873892, Estrada, Teodora.
 A-7957297, Evans, Edwin Ernest.
 A-7957296, Evans, Vancy Irena.
 A-6267939, Favela, Sijifredo.
 A-7192720, Gumbs, Daisy Viola.
 A-9795384, Hoff, Bastiaan Van't.
 A-5475472, Koide, Kiyochi also known as
 Kiyochi Tashiro.
 A-7203963, Ku, Angela or Angela Hsiao-Jao
 Chow.
 A-6877757, Ku, William Yung-Kang or Ky
 Yung-Kang.
 A-7730653, Lo, Hsu.
 A-6142738, Lo, Kiahsuang Shen.
 A-8021503, Loh, Wen-Hu.
 A-8021504, Loh, Hua Jo Lee.
 A-6064876, Martinez-Valencia, Rodolfo.
 A-7809109, Montiel, Alfonso.
 A-7363009, De Montiel, Dolores Robles.

A-7398516, Nurse, Prince Edmond or Prince
 Edmund Nurse or George Brown.
 A-7984785, Palos, Reyes also known as
 Reyes Castellanos also known as Reyes Palos-
 Castellanos.
 A-7197798, Ramirez-Torres, Genaro or Jesus
 Ramirez-Torres.
 A-8015466, Stephens, Winifred Mary Wake-
 ford.
 A-9701380, Szalaj, Josef Tomasz.
 A-1920842, Szatanek, Wladyslaw or Walter
 Szatanek.
 A-7821934, Tiberi, Dullio.
 A-7476674, Wong, Veda Leonie Chen See.
 A-6710565, Baras, Leja.
 A-6737777, Baras, Josef.
 A-7903758, De Veaux, Norma Delfina (nee
 Robinson).
 A-7189153, Gamboa, Esteban or Esteban
 Gamboa-Ramirez.
 A-6143080, Lin, Man-Ming Wang (nee Man-
 Ming Wang).
 A-6545348, Liu, Tung Sheng.
 A-7178886, Palazzo, Salvatore.
 A-9825406, Pisani, Giacomo.
 A-7755827, Sun, Jung Yi Tung.
 A-7962023, Garbalosa-Bernal, Heliodoro
 Roberto or Robert G. Bernal.
 A-6592950, Logar, Branko Francis or Logan.
 A-6851277, Mateos, Tomas Alberto or
 Thomas Alberto Mateos.
 A-6852997, Mateos, Adella Sierra or Adella
 Purification Sierra Mateos (nee Suarez).
 A-6068197, Morales-Avila, Artemio.
 A-3459283, Friedman, Geczel Geza or
 Geczel G. Friedman.
 A-6486112, Olivari, Antonio Eugenio.
 A-7863659, Stark, Sarah Teura, formerly
 Pahi Teura John Stark.
 A-6731255, Montano, Severino Medina.
 A-8001080, Loy, Betty (nee Cooper).
 A-2053125, Villani, Frank.
 A-7991491, Vitlin, John.
 A-6253102, Vitlin, Mina.
 A-6884672, Tang, Tsong Ming alias An-
 thony M. Tang.
 A-6242281, Ganeshan, Ganapathi Vydiana-
 tha.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 4, 1952, he presented to the President of the United States the following enrolled bills:

S. 1922. An act to amend the act creating a juvenile court for the District of Columbia, approved March 19, 1906, as amended; and
 S. 2721. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska, or the continental United States, either directly or via a foreign port, or for any part of the transportation.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 3278. A bill for the relief of Julia Ann Smith; to the Committee on the Judiciary.

By Mr. KEM:

S. 3279. A bill for the relief of Dr. J. Donald McIntyre; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3280. A bill for the relief of Sadie Badir Ellis Nassif-Azar and George Badir Ellis Nassif-Azar; and

S. 3281. A bill for the relief of Chiu But Yue; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 3282. A bill for the relief of Ivan Grbin; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 3283. A bill for the relief of Luigi Mascitti; to the Committee on the Judiciary.

By Mr. LONG:

S. 3284. A bill for the relief of Beverly Jane Ruffin; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 3285. A bill for the relief of Kosta Milisav Bulatovich; to the Committee on the Judiciary.

ADDITIONAL EXPENDITURES BY SELECT COMMITTEE ON SMALL BUSINESS

Mr. SPARKMAN submitted the following resolution (S. Res. 329), which was referred to the Committee on Rules and Administration:

Resolved, That the Select Committee on Small Business is authorized to expend from the contingent fund of the Senate the sum of \$60,000 for the purpose of discharging obligations incurred by it prior to June 30, 1953, in carrying out the duties imposed upon it by Senate Resolution 53, Eighty-first Congress. Such sum shall be in addition to any other moneys available to the committee for such purpose, and shall be disbursed upon vouchers approved by the chairman.

REORGANIZATION PLAN NO. 4 OF 1952, RELATING TO DEPARTMENT OF JUSTICE

Mr. McCARRAN submitted the following resolution (S. Res. 330), disapproving Reorganization Plan No. 4, of 1952, relating to the Department of Justice, which was referred to the Committee on Government Operations:

Resolved, That the Senate does not favor the Reorganization Plan No. 4 transmitted to Congress by the President on April 10, 1952.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS—AMENDMENT

Mr. ANDERSON submitted an amendment intended to be proposed by him to the bill (H. R. 7314) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1953, and for other purposes, which was ordered to lie on the table and to be printed.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952—AMENDMENTS

Mr. MAYBANK submitted an amendment intended to be proposed by him to the bill (S. 2594) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MONRONEY submitted an amendment intended to be proposed by him to Senate bill 2594, supra, which was ordered to lie on the table and to be printed.

Mr. O'CONOR submitted an amendment intended to be proposed by him to Senate bill 2594, supra, which was ordered to lie on the table and to be printed.

Mr. MOODY (for himself and Mr. MONRONEY) submitted an amendment intended to be proposed by them, jointly,

to Senate bill 2594, supra, which was ordered to lie on the table and to be printed.

Mr. CASE submitted an amendment intended to be proposed by him to Senate bill 2594, supra, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 1092. An act for the relief of Mrs. Mercedes Hernandez Sagar;

H. R. 1151. An act for the relief of Sumiko Yamamoto;

H. R. 1490. An act for the relief of Henryk Kramarski;

H. R. 2166. An act for the relief of Sister Anita (Vincenzina) Di Franco;

H. R. 2405. An act for the relief of Food Service of Evansville, Inc.;

H. R. 2661. An act for the relief of Mario Farabullini and Alla Farabullini, his wife;

H. R. 3154. An act for the relief of Mrs. Liane Lieu and her son, Peter Lieu;

H. R. 3211. An act for the relief of the Alma Cooperative Equity Exchange, Alma, Nebr., and others;

H. R. 3280. An act for the relief of Mrs. Emi Yasuda and her minor son, Kelchiro Yasuda;

H. R. 3727. An act for the relief of the Professional Arts Building Corp.;

H. R. 3989. An act for the relief of Ivo Markulin;

H. R. 3990. An act for the relief of Paul Frkovic;

H. R. 4002. An act for the relief of Sandra E. Dennett;

H. R. 4250. An act for the relief of Ruben George Varga and Mrs. Ilena Varga;

H. R. 4396. An act for the relief of Elias Papadopoulos;

H. R. 4503. An act for the relief of Suzanne Marie Schartz;

H. R. 5004. An act for the relief of Terminal Warehouse Co.;

H. R. 5006. An act for the relief of Gallagher's Warehouses, Inc.;

H. R. 5095. An act for the relief of the estate of Edward B. Formanek, deceased;

H. R. 5515. An act for the relief of John H. Vogel;

H. R. 5581. An act for the relief of Yusuf (Uash) Lazar; and

H. R. 6761. An act for the relief of William Kipf and Darold D. Selk; to the Committee on the Judiciary.

H. R. 7241. An act to authorize payment to the Empire District Electric Co. for reasonable costs of protecting its Ozark Beach power plant from the backwater of Bull Shoals Dam; to the Committee on Public Works.

H. R. 7302. An act authorizing the Secretary of the Interior to issue patents in fee to certain allottees on the Blackfeet Indian Reservation; and

H. R. 7305. An act to authorize the sale of certain land in Utah to the Bench Lake Irrigation Co., of Hurricane, Utah; to the Committee on Interior and Insular Affairs.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 214) to commend Mr. and Mrs. Donald D. Dunn, from the State of Washington, and for other purposes, was referred to the Committee on Interior and Insular Affairs.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. MARTIN:

Citation awarded Senator WILLIAMS by Wesley Junior College, Dover, Del.

Article entitled "The Thin Blue Line Fades but Veterans March On," written by John M. Cummings and published in the Philadelphia Inquirer of May 30, 1952.

By Mr. GILLETTE:

Editorial entitled "Tidelands Oil Is a National Resource," published in the Des Moines (Iowa) Register of May 31, 1952.

By Mr. WILEY:

Article on the Children's Fund and an editorial from the Anniston (Ala.) Star.

By Mr. MORSE:

Statement entitled "The Faith and Hope of an American," written by former Senator Frank P. Graham.

By Mr. CAIN:

Article entitled "All Around the Town," written by Fred C. Koch and published in a recent issue of the Wenatchee (Wash.) Journal.

PUBLIC HOUSING—LETTER FROM MAYOR OF LOS ANGELES, CALIF.

Mr. MAYBANK. Mr. President, yesterday in the discussion of the bill which was then before the Senate there was discussion about the situation in California. I am in receipt of a letter dated May 7, 1952, from Hon. Fletcher Bowron, mayor of the city of Los Angeles, Calif., on the subject of public housing. Personally I do not know of the exact political situation and other situations which exist in Los Angeles. In order to make clear the RECORD of yesterday, which is somewhat ambiguous, I ask unanimous consent to have printed in the RECORD the mayor's letter to me and my reply to him under date of May 15, 1952, which makes more clear my views on the matter which was discussed last night on the floor.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE MAYOR,

Los Angeles, Calif., May 7, 1952.

HON. BURNET R. MAYBANK,
Chairman, Committee on Banking and
Currency, United States Senate,
Washington, D. C.

DEAR SENATOR MAYBANK: At the State primary election on June 3 the electors of the city of Los Angeles will have an opportunity to express themselves on the subject of public housing. The result will have no legal effect other than a preferential vote, but much public interest is being manifested. In the campaign considerable reference is

made to certain statements made by you on August 15, 1951, and recorded in the CONGRESSIONAL RECORD, relating to a proviso of the Officers Appropriation Act of 1952 to the effect that public-housing administration shall not authorize construction of public-housing projects where such projects are rejected by the voters or the governing body of the localities in which they are to be built.

I am aware that you clarified this statement in a letter dated December 5, 1951, addressed to Charles Navarro, a councilman of the city of Los Angeles. However, Mr. Navarro, a newly elected councilman who is opposed in principle to public housing, did not make your letter public. I would appreciate a letter from you that may be used to correct erroneous or deliberate misstatements being made locally.

Among other things I would appreciate it if you would express yourself with reference to an opinion that the Supreme Court of California handed down only a week ago holding that the Federal act has no application to the situation in which the city of Los Angeles now finds itself, having made application under the Housing Act of 1949 pursuant to Federal and State laws and having been allocated 10,000 units, the property rights of numerous persons having been affected in securing sites, the selection of which were formally approved by the city council, and over \$12,000,000 having been expended, representing obligations guaranteed by the United States Government.

Referring to the Independent Offices Appropriation Act of 1952, Eighty-second Congress, first session, chapter 376, approved August 31, 1951, the opinion concurred in unanimously by the justices of the California Supreme Court reads in part as follows:

"That proviso, after the date of its approval, prohibits authorization of the construction of projects initiated before or after March 1, 1949, in any locality in which such projects have been or may thereafter be rejected by the governing body of the locality or by the public vote, unless the projects have been subsequently approved by the same procedure through which the rejection was expressed. This proviso does not purport to grant a power to the city. It was dealing with the authority of the Federal agency.

"As material here the proviso prohibits that agency's authorization of construction where the city had validly disapproved the project pursuant to State law. It does not purport to validate action of the city council which is invalid under State law. It is quite apparent that the local rejection referred to is that by which the city might withhold approval of the project. It deals with future action of the agency. It does not contemplate a case where, as here, the city has approved the project and the Federal agency has authorized the construction. It does not give the agency power to rescind prior authorization of construction or repudiate the obligations incurred thereunder. This view is in accord with the opinion of the acting general counsel for the Public Housing Administration in a circular issued February 8, 1952."

-Notwithstanding this construction of the law by our State Supreme Court, a statement of the opponents of public housing quoted in the public press of this date reads as follows:

"The action of the city council canceling the housing agreement clearly conforms to Public Law 137 passed August 31, 1951, authorizing such cancellation. The council has declared its intention to carry the case to the Supreme Court of the United States, if necessary, to establish this fact.

"In the CONGRESSIONAL RECORD of August 16, 1951, is this statement by Senator MAYBANK regarding the intent of Public Law 137: 'If a community desires, through its governing body, to vote not to have housing projects, it may do so, and provided further, that they may, if they wish, (and I desire to make this perfectly clear), cancel a contract which has been made for public housing. But of course they will have to be responsible for any money which the Government has put into the project.'

"In the light of this plain language it would seem that imposition is being made on the local rights of Los Angeles. The issue in proposition B has become, primarily, 'Do the people of Los Angeles have the right to rule themselves in local matters?'"

In an editorial appearing in this day's issue of the Los Angeles Times, the statement you made in Congress relating to Public Housing Law 137 is quoted and with the editorial declaration that the Federal Public Housing Authority "ought to act according to the will of Congress."

I would appreciate a statement from you that may correct the misinterpretation and misuse of your verbal statement in Congress on October 18, 1951, in an exchange with Senator Wherry. In order that effective use may be made of it, I would appreciate a reply at your earliest convenience.

Very truly yours,

FLETCHER BOWRON,
Mayor.

MAY 15, 1952.

HON. FLETCHER BOWRON,
Mayor, City Hall,
Los Angeles, Calif.

MY DEAR MAYOR BOWRON: This will acknowledge and thank you for your letter of May 7 in which you inquire about the proviso included in the authorizing language for the Public Housing Administration in the Independent Offices Appropriation Act, 1952, which reads as follows:

"Provided further, That the Public Housing Administration shall not, after the date of approval of this act, authorize the construction of any projects initiated before or after March 1, 1949, in any locality in which such projects have been or may hereafter be rejected by the governing body of the locality or by public vote, unless such projects have been subsequently approved by the same procedure through which such rejection was expressed."

I believe that, first of all, I should indicate the background of this proviso. It will be recalled that, when the Senate Committee on Appropriations reported the bill to the Senate, this proviso, which originally had been inserted by the House, was stricken from the bill. When the bill was considered on the floor of the Senate, an amendment was offered to restore this proviso, but it was defeated. Subsequently, however, as a result of the conference between the two Houses, the language of this proviso was included in the Independent Offices Appropriations Act, 1952, as finally passed by the Congress. Of course, the Senate Appropriations Committee had felt that the inclusion of this proviso could create some serious legal difficulties, and it was for that reason that the committee had stricken it from the bill, and the Senate itself had refused to restore it. As a matter of fact, I had sought to point this out in a colloquy with the late Senator Wherry at the time the Senate was considering the conference report on the bill.

After the Independent Offices Appropriation Act, 1952, became law, I received an inquiry from Councilman Charles Navarro of the Los Angeles City Council, referring to my colloquy with the late Senator Wherry concerning the language of this proviso. In reply to Councilman Navarro's inquiry, I

indicated very clearly that I had not intended to imply that the language of the proviso would permit a community, without liability, to cancel its contract for a low-rent public housing project after work had begun on the project or expenditures had been made in reliance on the contract. I indicated further that where, as in the case of the city of Los Angeles, large sums of money had been obtained from the Federal Government and expended for work on low-rent public housing projects on the basis of a cooperation agreement, duly approved, authorized, and executed by the city, the cancellation of such a contract by the city would naturally result in substantial damages and also would seriously involve the matter of an impairment of the obligation of contract contrary to the constitutional prohibitions. I also indicated that I had sought to point this out during the Senate consideration of the conference report in the course of my discussion of the matter with the late Senator Wherry.

In its recent decision with respect to the cooperation contract between the city of Los Angeles and the Housing Authority, the Supreme Court of California, in its determination of the effect and meaning of the proviso said:

"The city also looks to a proviso in the Independent Offices Appropriation Act, 1952 (supra, Public Law 137, 82d Cong., 1st sess., ch. 376, approved August 31, 1951). * * * This proviso does not purport to grant a power to the city. It was dealing with the authority of the Federal agency. * * * It deals with future action of the agency. It does not contemplate a case where, as here, the city has approved the project and the Federal agency has authorized the construction. It does not give the agency power to rescind prior authorization of construction or repudiate the obligations incurred thereunder."

In my opinion, the decision of the Supreme Court of California correctly interprets the effect of this proviso as being inapplicable to existing contracts—that it can only apply to future contracts and to future actions by the Federal agency responsible for the administration of the law, namely, the Public Housing Administration. I have always understood the law to prohibit any actions which would impair the obligation of a valid contract, and that legislative action which would impair the obligation of valid contracts may not be taken. Once a contract is validly entered into, I do not understand that it may be terminated by the unilateral action of only one of the parties to the contract and without the consent of the other. A valid contract between a city and a local housing authority cannot be terminated and canceled by the unilateral action of the city, and without the consent of the other party to the contract, any more than a valid contract between a local housing authority and the Public Housing Administration could be terminated or canceled by the unilateral action of the Public Housing Administration and without the consent of the other party to the contract. Unless there is mutual consent of both parties to a termination, then both parties must abide fully by the terms of their contract. That is what I understand the law to be, and that is what the Supreme Court of California has said in this case.

As you know, I have always been a strong advocate of the fundamental right of the States and the local communities to make their own determinations as to State and local matters. My feelings in such matters are clearly expressed in the report which I filed in the Senate of the United States when the Senate Committee on Banking and Currency favorably reported the Housing Act of 1949 which authorized the present low-rent public housing program. Under the

heading "Philosophy of the bill," the report of the of the committee (S. Rept. 84, 81st Cong., 1st sess.) states:

"The bill now being favorably reported by your committee is based upon the firm foundation that, although the housing problem is obviously national in scope, it is fundamentally a local problem, and that first responsibility for its solution therefore rests with the local community. This bill leaves that primary responsibility with the local communities where it belongs. It recognizes that the need for any kind of housing action should be determined locally. * * * It therefore provides that Federal assistance for low-rent public housing shall be available only for projects where there has been a local determination, by the governing body of the community, that such housing is required * * *"

Two specific provisions were included in the law authorizing the present low-rent public housing program in order to carry out this basic philosophy. First of all, we provided that the Public Housing Administration could not make any contract for preliminary loans with a local housing authority "unless the governing body of the locality involved has by resolution approved the application of the Public Housing Administration for such preliminary loan." In the case of Los Angeles, the governing body of the locality—whose members are the elected representatives of the people—did adopt a resolution specifically approving the application of the Los Angeles Housing Authority for a preliminary loan to finance the present program of 10,000 units.

In the second place, we specifically provided in the law that the Public Housing Administration should not make any contracts for annual contributions "unless the governing body of the locality involved has entered into an agreement with the Public Housing Administration providing for the local cooperation required by the authority pursuant to this act." In the case of Los Angeles, the governing body of the locality—whose members are the elected representatives of the people—did enter into the required agreement with the local housing authority providing for the local cooperation in connection with the present 10,000-unit program.

It is perfectly true that, if before the governing body took these valid actions, all of which are authorized by law, the governing body had decided to first hold a referendum for the purpose of ascertaining specifically the wishes of the people in this matter, all parties would then have been entirely free to abide by the vote of the people whatever the results happened to be. However, in this case, the governing body—whose members are the elected representatives of the people—did not hold any referendum before it took the actions (which, by law, they were fully authorized to take) which resulted in valid contractual commitments with respect to the present 10,000-unit program of low-rent public housing. I point this out simply to make it clear that the provisions of the Federal legislation did not in any way prevent or militate against a governing body of a locality which desired to ascertain the wishes of the people on such matters before taking any authorized actions to enter into valid contracts with respect to a local program of low-rent public housing.

Sincerely yours,

BURNET R. MAYBANK.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of

1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The committee amendment is open to amendment.

The Secretary will read the unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, That beginning at the hour of 10 o'clock a. m. on Wednesday, June 4, 1952, debate upon the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, be limited as follows:

1. One hour on any amendment proposed to the so-called Walsh-Healey or the Stabilization Board provisions of the bill, and 30 minutes upon any other amendment or motion (including appeals): *Provided*, That no vote shall be taken before 12 o'clock noon on said day on any amendment or motion to the Walsh-Healey provisions: *Provided further*, That no amendment that is not germane to the subject matter of the said bill shall be received;

2. That the time on any amendment or motion (including appeals) shall be equally divided and controlled by the mover of any such amendment or motion and Mr. MAYBANK, in the event he is opposed to such amendment or motion; otherwise by the minority leader or someone designated by him; and

3. One hour on the question of the final passage of the bill, to be equally divided and controlled by Mr. MAYBANK and Mr. BRIDGES.

The VICE PRESIDENT. The committee substitute is open to amendment.

Mr. IVES. Mr. President, while Senators are waiting to find out what amendments are to be offered, I should like to offer one, with respect to which I am sure there will be no controversy. I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 8, after line 11, it is proposed to insert the following new section:

SEC. . Section 403 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsection:

"(c) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency or any successor agency, to stabilize and to coordinate the relationship between prices and wages."

Mr. MAYBANK. Mr. President, I have no objection to the amendment. As I told the distinguished Senator from New York, I am glad to accept it, because I think it represents the intention of the committee. However, I wish the Senator would enlarge upon it for the record, so that there will be no misunderstanding as to the intention.

Mr. IVES. Mr. President, I believe it was the understanding of every member of the Banking and Currency Committee, and presumably of Members of the Senate who voted in favor of the Defense Production Act initially and in favor of its extension last year, that the function of the Economic Stabilization Agency was to coordinate all the activities which come under it. In other words, wage control and price control, which are the

chief functions in which the Agency is engaged should be coordinated in such a way as to avoid the confusion and sometimes the seeming contradictions which have existed.

As a matter of fact, at the time the Committee on Banking and Currency was holding its hearings on the subjects of price control and wage controls, it became very obvious, as the result of the testimony before the committee, particularly by former Governor Arnall, that there had been no effort made whatever to coordinate the price structure and the wage structure. That was not the intent of those who framed the act, as I recall the discussions and debate at the time. Therefore, Mr. President, the sole purpose of the amendment is to express specifically in the act what presumably is the intention of the act.

I believe that explanation covers the situation.

Mr. LEHMAN and Mr. CAPEHART addressed the Chair.

The VICE PRESIDENT. Does the Senator from New York yield; if so, to whom?

Mr. IVES. I yield first to my colleague.

Mr. LEHMAN. Mr. President, I ask the senior Senator from New York to yield to me so that I may suggest the absence of a quorum. The only reason I ask it is that I am not completely familiar with everything that has happened.

Mr. IVES. We just had a quorum call.

Mr. LEHMAN. I am not familiar with everything that has happened in the committee. I believe that the amendments are so important that there should be a substantial representation on the floor of the Senate.

Mr. IVES. Mr. President, I am perfectly willing to yield for the suggestion of the absence of a quorum if I do not lose any of the time allotted to me and if I do not lose my right to the floor.

The PRESIDING OFFICER. The senior Senator from New York would lose all of his time if he yielded for that purpose.

Mr. IVES. Then I decline to yield. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I see nothing wrong with the amendment. I think it is a good amendment. I believe, however, it should be modified, and I would modify the amendment so as to read:

It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency, to stabilize and to coordinate the relationship between prices and wages, and to stabilize prices and wages.

Mr. IVES. Mr. President, I am perfectly willing to accept the modification if it expresses more clearly what I have in mind.

The VICE PRESIDENT. The Senator from New York can modify his own amendment.

Mr. IVES. I so modify my amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment, as

modified, offered by the Senator from New York [Mr. IVES]. As many as favor the amendment will say "aye." Opposed—

Mr. LEHMAN. Mr. President, I ask—

The VICE PRESIDENT. No Senator can be recognized unless he is yielded time by a Senator who is in control of time.

Mr. MAYBANK. Mr. President, I yield to the junior Senator from New York. I understand he wants to suggest the absence of a quorum. I understand that the amendment offered by the senior Senator from New York has been adopted. It may be a good idea to have a quorum call at this time. There are a good many amendments which have not yet been returned by the Printing Office. I understand that they are running a little behind. The amendments should be here shortly. I am informed they have not yet been received in the Senate.

The VICE PRESIDENT. In order to enforce the unanimous-consent agreement, the Chair would like to suggest to all Senators that no Senator is entitled to recognition unless he is yielded time by one of the Senators who is in control of time. Any time yielded for the purpose of having a quorum call will be charged to the Senator who yields the time.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Arizona will state it.

Mr. McFARLAND. There is no amendment pending at this time, as I understand.

The VICE PRESIDENT. The amendment offered by the Senator from New York [Mr. IVES] is pending.

Mr. McFARLAND. I thought the amendment had been adopted.

The VICE PRESIDENT. The Chair was in the act of putting the question, but the Senator from New York [Mr. LEHMAN] asked recognition.

Mr. LEHMAN. Mr. President, will the Senator from South Carolina yield me 3 minutes? He has plenty of time remaining.

Mr. MAYBANK. I yield 3 minutes to the junior Senator from New York.

Mr. DIRKSEN. Mr. President, a parliamentary.

Mr. MAYBANK. Mr. President, I yield 3 minutes to the Senator from New York [Mr. LEHMAN].

The VICE PRESIDENT. The junior Senator from New York is recognized for 3 minutes.

Mr. LEHMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from New York cannot suggest the absence of a quorum. A quorum cannot be developed in 3 minutes. All the time taken for the purpose of calling a quorum would be charged to the Senator from South Carolina.

Mr. McFARLAND. Evidently Senators desire to have a quorum call. I ask the Senator from South Carolina to yield to me.

Mr. MAYBANK. Mr. President, I yield to the Senator from Arizona.

Mr. McFARLAND. I ask unanimous consent that a quorum call may be had and that the time be charged to neither side.

Mr. CAPEHART. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is: Is there objection to the request of the Senator from Arizona?

Mr. CAPEHART. I object.

Mr. DIRKSEN. Reserving the right to object—

The VICE PRESIDENT. The Senator from Indiana objects.

Mr. DIRKSEN. Mr. President, reserving the right to object—

The VICE PRESIDENT. The Senator from Indiana has already objected. The question is on agreeing to the amendment, as modified, offered by the senior Senator from New York [Mr. IVES]. The junior Senator from New York [Mr. LEHMAN] is recognized for 3 minutes, if he wishes to use the time.

Mr. LEHMAN. The only reason I asked that some time be yielded to me was so that I could suggest the absence of a quorum. Many amendments are before us. Many others were sent to the desk yesterday, but they have not yet been printed.

The VICE PRESIDENT. There are a great many amendments lying on the desk. Twenty-two amendments have been printed. Any of those amendments could be called up.

Mr. LEHMAN. Mr. President, on a bill of this importance I believe we should have a quorum call.

Mr. CAPEHART. We just had a quorum call.

Mr. LEHMAN. Mr. President, I have no objection to the pending amendment, but I ask that when the next amendment is offered I be yielded sufficient time to suggest the absence of a quorum.

The VICE PRESIDENT. It seems difficult for Senators to understand that under the unanimous consent agreement entered into no Senator can be recognized to suggest the absence of a quorum without the time consumed in calling a quorum being charged to the Senator who yields time for that purpose, unless by unanimous consent one of the Senators in control of time obtains unanimous consent of the Senate that the time be not charged to either side.

Mr. MAYBANK. I am in control of a half hour on each amendment, as I understand.

The VICE PRESIDENT. A half hour for debate is allowed on this amendment; 15 minutes to each side.

Mr. MAYBANK. Fifteen minutes?

The VICE PRESIDENT. Fifteen minutes.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Arizona will state it.

Mr. McFARLAND. Mr. President, it would be strange, indeed, if before a vote is taken on an amendment, no Senator would have the right to suggest the absence of a quorum.

The VICE PRESIDENT. The Chair is not responsible for the agreement.

Mr. McFARLAND. The agreement does not provide for any such thing.

The VICE PRESIDENT. It provides that no Senator can be recognized without time being yielded to him.

Mr. McFARLAND. Time has been yielded to the junior Senator from New York on this amendment, and the Senate was about to vote on the amendment. We have a right to have a quorum call.

The VICE PRESIDENT. The Senator from New York has not yielded any of his time; neither has the Senator from South Carolina.

Mr. McFARLAND. Mr. President, will the Senator from South Carolina yield the remainder of his time for the purpose of having a quorum call?

Mr. MAYBANK. I may say on my own time that I will yield my 15 minutes when the next amendment is called up.

Mr. McFARLAND. I do not think that it should be necessary to yield time for the purpose of having a quorum call. We have a right to have a quorum call when a vote is to be taken, regardless of whether any time is left. The Senate was about to vote on an amendment, and we have a right to have a quorum call.

Mr. MAYBANK. I agree with the Senator from Arizona, but I am not going to yield time to have a quorum call which will take an hour to complete, when I have only 15 minutes.

The VICE PRESIDENT. The question is on the amendment, as modified, offered by the senior Senator from New York [Mr. IVES].

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Chair insists, after consulting with the Parliamentarian, who concurs in the Chair's insistence, that while all the time is not exhausted on the pending amendment the Senator from Arizona is not entitled to recognition, unless one of the Senators in control of time yields to him.

Mr. IVES. Mr. President, I should like to ask a question of the Chair on my own time.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the senior Senator from New York yield to the Senator from Arizona?

Mr. IVES. I was going to ask a parliamentary question myself.

The VICE PRESIDENT. The Senator will state it.

Mr. McFARLAND. Very well. The Senator from New York should be permitted to ask his question first.

Mr. IVES. I should like to ask the Chair whether it would not be advisable to adopt the pending amendment, which is virtually noncontroversial, and then obtain unanimous consent for a quorum call. Under such circumstances, I cannot understand how anyone could object to a unanimous-consent request.

The VICE PRESIDENT. The Senator's inquiry is not a parliamentary inquiry, but the Chair thinks it is a good suggestion.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McFARLAND. I cannot understand the ruling of the Chair. If the ruling of the Chair is to the effect that two Senators who control time can prevent a quorum call and thus control the affairs of the Senate, I cannot believe that that is the rule of the Senate, and I must therefore appeal from the ruling of the Chair.

Mr. CAPEHART. Mr. President, I ask for recognition.

Mr. MAYBANK. Mr. President, I have no intention of trying to control the action of the Senate on the 15 minutes allotted to me on this amendment or on the half hour or hour allotted to me on other amendments. I do not believe that the Senator from Indiana [Mr. CAPEHART] has any such intention either. He can speak for himself, but I am willing to ask unanimous consent, when this amendment is adopted, that there be a quorum call.

Mr. CAPEHART. Mr. President, I seek recognition in my own right.

The VICE PRESIDENT. Under the unanimous-consent agreement, the Chair cannot recognize the Senator from Indiana unless time is yielded to him by either of the Senators who have charge of the time.

Mr. IVES. Mr. President, how much time remains to me?

Mr. CAPEHART. Mr. President, I have charge of the time on this side.

Mr. McFARLAND. Mr. President, will the Senator yield for a parliamentary inquiry? I should like to have the parliamentary situation straightened out because it is important, not so much in regard to this debate, but as a general proposition. If the time available under the agreement has not expired, I wish to know whether the Senate can be compelled to vote upon an amendment or other pending questions and can be compelled to do so without having a quorum call.

The VICE PRESIDENT. The Senator from Arizona and all other Senators understand that whenever a unanimous-consent agreement is entered into for control of the time in regard to the consideration of amendments, the Chair has no right to recognize any other Senator except the two Senators in charge of the time, while the time under the unanimous-consent agreement is being used, unless such other Senator is yielded to by either of the two Senators then controlling the time. Frequently unanimous consent is requested in order that a quorum call may be had, without having the time required for the quorum call charged to either side. That is done so often that it is a part of the practice of the Senate.

Mr. McFARLAND. Mr. President, does the Chair rule that under such circumstances the two Senators having charge of the time under the unanimous-consent agreement could compel the taking of a vote simply because they had charge of the time, even though all the time had not expired, and could thus

compel the taking of a vote, regardless of the number of Senators then on the floor; and that the two Senators controlling the time could prevent a Senator from suggesting the absence of a quorum prior to the taking of the vote? I do not believe that is the Chair's ruling. If it is the Chair's ruling, I must appeal from the ruling of the Chair.

The VICE PRESIDENT. No; the Chair has made no such ruling.

The Chair has held, and the Chair believes he is correct, that if the time is controlled under a unanimous-consent agreement and if all the time available has not been exhausted, unless the Senators controlling the time yield it back, there cannot be a quorum call unless time is yielded for that purpose.

Mr. IVES. Mr. President, I have not yielded any time yet. How much time have I left?

The VICE PRESIDENT. The Senator from New York has approximately 9 minutes remaining.

Mr. IVES. Very well; then I yield 2 or 3 minutes, or whatever time he wishes to have, to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. Mr. President, I ask unanimous consent that a quorum call may be had at this time, without having the time required for it charged to either side.

Mr. McFARLAND. Mr. President, reserving the right to object, I wish to propound another parliamentary inquiry.

Mr. IVES. Mr. President, is all this being charged to my time?

The VICE PRESIDENT. Yes; it is being charged to the time available to the Senator from New York.

Mr. IVES. Then I object.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from South Carolina will have to yield time to himself, or else obtain time from the other side.

Mr. MAYBANK. Mr. President, how much time remains to me?

The VICE PRESIDENT. Approximately 9 minutes.

Mr. MAYBANK. I yield 9 minutes—

The VICE PRESIDENT. Just a minute; the Senator from Indiana has been yielded to by the Senator from New York.

Mr. McFARLAND. Mr. President, reserving the right to object, I wish to propound a parliamentary inquiry. I wish to know whether the situation is now such that a vote can be compelled and a quorum call cannot be had simply because only 1 minute is left under the unanimous-consent agreement and the Senators in charge of the time are not inclined to yield it. Would not such a decision by the Chair be subject to appeal?

The VICE PRESIDENT. If the Senators having charge of the time under the unanimous-consent agreement have any time left, and if they do not wish to use it before a vote is had on an amendment, the Chair will recognize—

Mr. McFARLAND. But suppose the Senator having charge of the remaining

time does not yield time, but simply wishes to have a vote taken at that point. Can that Senator compel a vote to be taken then, or can the absence of a quorum be suggested?

The VICE PRESIDENT. The Chair has just said that if two Senators have charge of the time, under a unanimous-consent agreement, and if neither side in charge of the time uses all the time available to it, and if unanimous consent is obtained for the call of a quorum at that point, without having the time required for the quorum call charged to either side, by unanimous consent that may be done and the quorum call may be had.

However, if a Senator who is in charge of the time in such a situation does not use all the time available to him and if the absence of a quorum is suggested, a quorum call can be had.

Mr. McFARLAND. That is a different situation than the one stated a moment ago, because just a few minutes ago the vote on the amendment was being taken, and the "ayes" had responded; and before the "noes" could respond, the absence of a quorum was suggested.

The VICE PRESIDENT. That occurred before the result of the vote was announced.

Mr. McFARLAND. But the absence of a quorum was suggested at that point; and the ruling of the Chair at that time was different from the ruling which had just been made by the Chair.

The VICE PRESIDENT. The RECORD will speak for itself.

The VICE PRESIDENT subsequently said: The Chair would like to clarify a ruling he made a while ago in connection with the flare-up on the point of no quorum.

It seems to the Chair that the situation is a very simple one. When the Senate makes an agreement providing for a limitation on debate, and Senators are designated to control the time, they have a right to control the time until it is exhausted. If a Senator in control of the time should yield 2 minutes to another Senator, and that Senator, while he is occupying those 2 minutes, should be entitled to make a point of no quorum, of course it is obvious that a quorum could not be obtained in 2 minutes. Sometimes it takes longer than 15 minutes, sometimes longer than a half hour, and all the time to which the Senator who had yielded 2 minutes was entitled would be exhausted.

When debate is exhausted and all the time has been used, of course, any Senator then, before a vote, has a right to suggest the absence of a quorum; or if the time is not so exhausted, and those in control of the time announce there is no further debate, before a vote any Senator would have a right to make a point of no quorum.

The Chair does not think a Senator who has control of time has a right to sit on it and not use it, or to prevent any Senator from being recognized to make a point of no quorum. The Chair feels that he has a right to ask any Senator in control of time whether there is to be

any further debate, and if the announcement is made that there is to be no further debate, then the Chair would assume that the same situation had been reached as if all the time had been exhausted. In that case, before a vote, a Senator would have a right to make a point of no quorum.

The Chair has no desire, of course, to prevent the Senate from having a quorum developed when there is to be a vote. Obviously, under the procedure when there is a limitation on debate, a limitation of 15 minutes to a side, or any other amount of time to a side, if a Senator controlling the time yielded to another Senator ostensibly to debate the question at issue, and then that Senator had the right to make it a point of no quorum, and did make it, all the time allotted to the Senator in control of time might be exhausted.

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McFARLAND. I have no criticism of the ruling of the Chair. I think it was a correct one. The situation was that the Senator from New York was on the floor. I do not think the Chair understood that the Senate had already taken a vote on one side of the question, and the Senator from New York rose for the sole purpose of suggesting the absence of a quorum. Then the Chair would not recognize him, because the Senator did not have any time. The Senator from South Carolina [Mr. MAYBANK] then yielded time to the Senator from New York, in order that the Senator from New York might be recognized. If the Chair does not recognize a Senator when he rises, and there is to be a vote, there could never be the suggestion of the absence of a quorum.

The VICE PRESIDENT. The Senate was in the process of taking a viva voce vote. The vote was not completed, and it could not become official until completed. The Chair did not put the question on the other side, because the Senator from South Carolina [Mr. MAYBANK] yielded 3 minutes to the Senator from New York. Obviously if the time for debate had about expired, and the Senator attempted to yield time for a quorum call, it could not be developed in 3 minutes.

Mr. McFARLAND. The Senator had not yielded that time until the Chair refused to recognize the Senator from New York for the purpose of suggesting the absence of a quorum.

The VICE PRESIDENT. The Chair sees no reason for any great controversy over the procedure.

Mr. MAYBANK. Mr. President, the only reason why I understood the Chair did not recognize the Senator from New York was that my time had not been exhausted, and the time had been limited between myself and the Senator from New York, whose amendment was being considered. That is what I understood.

Mr. CAPEHART. Mr. President, I ask unanimous consent that a quorum call may be had at this time, without having the time required for that purpose

charged to either side on this amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	Monroney
Anderson	Hendrickson	Moody
Bennett	Hennings	Morse
Benton	Hickenlooper	Mundt
Brewster	Hill	Neely
Bricker	Hoey	Nixon
Bridges	Holland	O'Connor
Butler, Md.	Humphrey	O'Mahoney
Butler, Nebr.	Hunt	Pastore
Byrd	Ives	Robertson
Cain	Jenner	Saltonstall
Capehart	Johnson, Colo.	Schoeppel
Case	Johnson, Tex.	Seaton
Chavez	Johnston, S. C.	Smathers
Clements	Kefauver	Smith, Maine
Connally	Kerr	Smith, N. J.
Cordon	Kilgore	Smith, N. C.
Dirksen	Lehman	Sparkman
Douglas	Lodge	Stennis
Dworshak	Long	Taft
Eastland	Martin	Tobey
Ellender	Maybank	Underwood
Ferguson	McCarran	Watkins
Flanders	McCarthy	Welker
Frear	McClellan	Wiley
Fulbright	McFarland	Williams
George	McKellar	Young
Gillette	Millikin	
Green		

Mr. JOHNSON of Texas. I announce that the Senator from Washington [Mr. MAGNUSON] is absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

Mr. MAYBANK. Mr. President, I yield 5 minutes to the junior Senator from New York [Mr. LEHMAN].

The VICE PRESIDENT. The junior Senator from New York is recognized for 5 minutes.

Mr. LEHMAN. Mr. President, the amendment proposed by my distinguished colleague, the senior Senator from New York, is not clear to me. As I interpret it—and I may be in error—it would appear that if an increase in wages of 10 or 20 or 25 cents an hour or in any other amount were given, it would be necessary for the Stabilization Board to take that into account in fixing the price of the finished product.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield to my colleague.

Mr. IVES. That could be done, of course, if coordination were required, but it would not necessarily have to be done. Coordination as I understand it means the recognition of a relationship between the wage authority and the price authority to the extent that they pay attention to one another.

Mr. LEHMAN. Mr. President, if that be the case, it would seem to me that this amendment is not a good one, because I can readily conceive that a product may already be selling at so high a price that the manufacturer could very easily afford to pay an increase in wages without increasing his price. Yet, under the amendment proposed by my colleague, the senior Senator from New York, it would be necessary to maintain the relationship existing at the time of giving the wage increase, between the price of labor and the price of the finished article. If that be the case, it seems to me the amendment is not a good one.

Mr. IVES. Mr. President, will my colleague yield?

Mr. LEHMAN. I prefer not to yield, but rather that my colleague offer his remarks in his own time.

Mr. IVES. Very well; I shall do so in my own time.

Mr. LEHMAN. Mr. President, it seems to me we have never considered that one agency should take into account both price-fixing and wages. After all, wages are stabilized by one agency, prices are fixed by an entirely different agency. To compel the Wage Stabilization Board—which I assume is the agency now under discussion—both to fix the wage of labor and the price of the finished article offered to the public or to the Government would seem to me to be poor policy.

Therefore, Mr. President, unless my distinguished colleague has some explanation to offer, I shall vote against the amendment. He may have an explanation; and, if so, I should welcome it now.

Mr. IVES. Is the Senator through?

Mr. LEHMAN. Temporarily I am.

Mr. IVES. Mr. President, how much time have I remaining?

The VICE PRESIDENT. The Senator has 9 minutes remaining.

Mr. IVES. I thank the Chair.

Mr. MAYBANK. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator from South Carolina has 6 minutes remaining.

Mr. MAYBANK. Since I have agreed to accept the amendment, I have no further use for my time. I understand the Senator's point. I yield the remainder of my time to the junior Senator from New York.

Mr. LEHMAN. I thank the Senator. I shall use the remainder of the time later.

Mr. IVES. Does my colleague, the junior Senator from New York, desire to continue?

Mr. LEHMAN. Not at this time.

Mr. IVES. Mr. President, I think it would be hard to deny that there is a relationship between wages and prices. From the standpoint of economics, I have never known of that theory having been questioned. We all know that wages have a strong and direct bearing on prices. Therefore, there is a relationship between wages and prices and that relationship, it seems to me, should be recognized in any measure pertaining to wage control and price control. That is the sole purpose of this amendment; that is, to have the Wage Stabilization Board and the OPS so related in their activities that one will know what the other is doing. At the moment, one of them at least apparently pays no attention to what the other is doing. Anyone who thinks that an agency may set a price in utter disregard of the wages which may be determined and paid is, from an economic standpoint, completely in error. The sole purpose of this amendment is to stabilize wages and prices so that their relationship will be recognized and so that the results of the efforts to preserve that relationship will be satisfactory.

Mr. LEHMAN. Mr. President, how much time have I remaining?

The VICE PRESIDENT. The Senator has 6 minutes. The Senator from South Carolina had that much time and he yielded it to the Senator from New York.

Mr. MAYBANK. Mr. President, I yield the 6 minutes to the Senator from New York [Mr. LEHMAN].

Mr. LEHMAN. Mr. President, I realize, of course, that there is a relationship between the cost of labor and the selling price of an article, and we now have agencies that would give consideration to that relationship. But to make it mandatory upon the Economic Stabilization Agency to take into account both the price of labor and the price of the article, it seems to me, would lead to difficulty.

At the hearings of the Committee on Labor and Public Welfare, at which both the Chairman of the Wage Stabilization Board and Governor Arnall appeared, it was testified that, whereas the Wage Stabilization Board recommended a certain increase in wages, the steel companies refused to accept it, and demanded that the price of steel be increased by \$12 a ton. That has since been denied by the steel companies, but I think the record pretty clearly shows it to be the case.

It would not seem to me that the Wage Stabilization Board should be charged with the responsibility of fixing both the cost of labor and the price of an article when there are separate agencies for that purpose. Undoubtedly Governor Arnall's agency would take into account the cost of labor in fixing the price of products of the steel companies. Even if the increase in pay which was recommended by the Wage Stabilization Board were granted, it would not affect the price of steel more than \$4 or \$5 a ton, at the most, whereas the steel companies demanded \$12 a ton. Governor Arnall is the man who is responsible for fixing prices in order to hold the line against inflation.

The function of the Wage Stabilization Board is twofold, to recommend wages and also make a determination with regard to such other matters as may have been voluntarily referred to the Board by contesting parties.

I yield the floor.

Mr. IVES. Mr. President, once more, on my own time, I merely wish to point out that the amendment does not do what my distinguished colleague seems to think it does. It does not provide that the Wage Stabilization Board is to fix wages and prices. It does provide, however, that the Economic Stabilization Agency, which is the overall and top agency of which both the Wage Stabilization Board and the OPS are operating units, shall in and of itself coordinate the activities of the subordinate agencies, so that the relationship between wages and prices shall be taken into consideration.

I think everyone knows that, in some cases, wages constitute practically 80 percent of the cost of production. So the purpose of the amendment is to provide that this relationship shall be recognized and that as a result we shall not have prices which utterly disregard the wage scale and the wage factor and we shall not have a wage scale utterly disregarding whatever price may finally be fixed. It is a question of coordination.

Mr. LEHMAN. Mr. President, will my distinguished colleague yield for a question?

Mr. IVES. I yield.

Mr. LEHMAN. I might say to my distinguished colleague that as I read his amendment it would imply, at least, that the differential between the cost of labor and the cost of the finished article which exists at the time the determination is made by the agency would be maintained. That is what I object to.

I realize, of course, that there is a relationship and there should be a relationship. No one wants industry to produce at a loss or to fail to make a reasonable profit. But, considering the way the amendment is worded, I think it would leave grave doubt as to whether the existing differential would not have to be maintained, in the event there was an increase in the price of labor.

Mr. IVES. Mr. President, I can only reply that that is not the intention of the author of the amendment. If anyone can improve the wording of the amendment so that it will not be subject to such an interpretation, that will be perfectly agreeable to me. I very much doubt that it can be so worded. The best we can do is to indicate on the floor of the Senate what the intention behind it is, and I have tried to do that in the remarks which I have already made.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. IVES. Certainly.

Mr. LEHMAN. That is what I wanted to establish. I wanted the RECORD to show it. As I understand, it is not the intention of the proposer of the amendment or the intent of the amendment itself to preserve a fixed differential.

Mr. IVES. No; that is not the purpose.

Mr. LEHMAN. In other words, while the Senator wishes to make certain that all the factors are taken into account in the fixing of prices, he does not mean to imply that if an increase has been given to labor it would necessarily mean a proportionate or any increase in the price of the finished product.

Mr. IVES. That is correct. What I do intend is to make sure that the OPS and the Wage Stabilization Board shall pay attention to one another, so that when one takes action in connection with a product the other will take action in connection with wages, which are a part of the product.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. IVES. I yield.

Mr. LEHMAN. Now that we have this explanation and a definite record, I have no objection to the amendment.

Mr. IVES. I thank my colleague.

Mr. LEHMAN. I wished to have a clear understanding of it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES], as modified.

The amendment, as modified, was agreed to, as follows:

SEC. . Section 403 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsection:

"(c) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages and to stabilize prices."

Mr. MAYBANK. Mr. President, I send to the desk an amendment which I should like to have the clerk read for the information of the Senate. It may have to be changed in some places, but I should like to have it before the Senate at this time.

The VICE PRESIDENT. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 9, after line 16, it is proposed to insert the following new section:

SEC. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"NATIONAL EMERGENCY PRICE AND WAGE BOARD

"SEC. 412. (a) Whenever the President finds that a threatened or actual work stoppage or lockout affecting an entire industry or a substantial part thereof will, if permitted to occur or to continue, imperil the national defense or defeat the purposes of this act, he may refer such dispute to the Board created in subsection (b) to inquire into the issues involved in the dispute and to make a written report to him within 113 days after such dispute has been referred to it. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position, and shall contain the Board's recommendations with respect to wage and price stabilization as well as other matters involved in such dispute. The President shall make the contents of such report available to the public.

"(b) There is hereby established the National Emergency Price and Wage Board (hereinafter referred to as the "Board") which shall be composed of a chairman and six other members to be appointed by the

President by and with the advice and consent of the Senate, and shall have power to sit and act at any place within the United States and to conduct such hearings either in public or private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute. Each member of the Board shall receive compensation at the rate of \$50 for each day actually spent by him in the work of the Board, together with necessary travel and subsistence expenses.

"(c) The provisions of sections 9 and 10 relating to the attendance of witnesses and the production of books, papers, and documents of the Federal Trade Commission Act, as amended (15 U. S. C. 49 and 50), shall be applicable with respect to any hearing or inquiry conducted by the Board under this section.

"(d) The President shall make such provision for stenographic, clerical, and other assistants and for facilities, services, and supplies, as may be necessary to enable the Board to perform its functions.

"(e) Whenever a dispute is referred to the Board the President shall immediately notify the parties to the dispute that the dispute has been so referred and until the Board makes a report to the President and for 7 days thereafter it shall be unlawful for the parties to engage in any work stoppage or lockout. The provisions of section 706 of this act shall apply in the case of any violation of this section.

"(f) Within 7 days after the Board has reported its findings and recommendations to the President, the parties to the dispute shall advise the President in writing whether or not they are willing to accept the recommendations of the Board for settlement of the dispute.

"(g) If all parties to the dispute agree to accept the recommendations of the Board for settlement of the dispute, the President shall take such action under this title as may be necessary to effectuate the recommendations of the Board.

"(h) If any party to the dispute refuses within the period specified in subsection (f) to accept the recommendations of the Board and as a result thereof a work stoppage or a lockout is threatened, the President shall take immediate possession of and operate all plants, mines, or facilities involved in the dispute subject to payment of just compensation therefor as required by the Constitution of the United States. During such period of operation the terms and conditions of employment which were in effect at the time possession of such plant, mine, or facility was taken by the President shall remain in effect.

"(i) Whenever any plant, mine, or facility is in the possession of the United States, it shall be unlawful for any person (1) to coerce, instigate, induce, conspire with, or encourage any person to interfere, by lockout, work stoppage, slow-down, or other interruption, with the operation of such plant, mine, or facility, or (2) to aid any such lockout, work stoppage, slow-down, or other interruption interfering with the operation of such plant, mine, or facility by giving direction or guidance in the conduct of such interruption or by providing funds for the conduct or direction thereof or for the payment of work-stoppage, unemployment, or other benefits to those participating therein.

"(j) At any time after the referral of the dispute to the Board or during the operation by the Government of any plant, mine, or facility the parties to the dispute may reach an agreement by means of collective bargaining. Such agreement must be within the framework of the stabilization policies then in effect.

"(k) Upon settlement of any dispute so referred to the Board, the President shall immediately return possession of the mine,

plant, or facility involved to the owners thereof in the event possession of such mine, plant, or facility has been taken by the President pursuant to the provisions of this section.

"(1) While this section is in effect, the provisions of sections 206 to 210, inclusive, of the Labor Management Relations Act, 1947, shall not apply in the case of any dispute referred to the National Emergency Wage and Price Board. In such case the provisions of the act of March 23, 1932, entitled 'An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' shall not be applicable."

Mr. CAPEHART. Mr. President, the chairman of the Committee on Banking and Currency has just had read an amendment which he says he may offer a little later. I strongly urge that the amendment be referred to the committee for hearing.

The VICE PRESIDENT. The Senate is proceeding under an agreement limiting debate, and there is no amendment pending. If there is an amendment to be offered, debate would be appropriate on it. But the Chair doubts whether this is a question which could be acted on at this time.

Mr. MAYBANK. Mr. President, I submitted the amendment—

Mr. CAPEHART. Mr. President, may I speak for 2 minutes on the proposed amendment?

Mr. MAYBANK. I submitted the amendment as a United States Senator.

The VICE PRESIDENT. The Chair so understands.

Mr. MAYBANK. The committee has never had a hearing on the amendment. The committee has not had time to hold a hearing on it.

The VICE PRESIDENT. The amendment is not pending. It was read only for the information of the Senate. Unless it is offered, there can be no debate on it.

Mr. MAYBANK. That is correct.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may speak for 2 minutes on the proposed amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Indiana may proceed.

Mr. CAPEHART. Mr. President, I do not wish to speak about the merits or demerits of the proposed amendment. It may well be a good amendment; I do not know. However, I strongly urge that the chairman of the Committee on Banking and Currency offer this as an amendment to the bill and have it referred to the committee for a quick hearing, so that all principals may be heard in respect to it. The amendment is far reaching. Possibly it has some very meritorious features; again, it may not have. Personally, as a Senator, I should not like to pass upon it without having had time to study it. I should not like to pass upon it without having heard from some of those who would be affected by it.

For example, with respect to one feature of the amendment, if the President should take over and seize a facility, he could operate it indefinitely, and wages would be frozen; there would be no op-

portunity for an increase or a decrease in wages.

I would not wish to say the amendment was not a good amendment; I would not wish to say it was. I urge the chairman of the committee to hold immediate hearings upon his proposal, because it may well have considerable merit.

The VICE PRESIDENT. The Senator's 2 minutes have expired.

Mr. MAYBANK. Mr. President, I ask unanimous consent to speak for 2 minutes on the amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from South Carolina may proceed.

Mr. MAYBANK. Mr. President, I did not submit this amendment as chairman of the Committee on Banking and Currency. I submitted it in my own right as a United States Senator. I submitted it for the reason that since the bill came before the Senate the Supreme Court has handed down its decision in the steel mill seizure case. It has ruled that the Congress is responsible for legislation. The Supreme court has cited certain acts written by the Banking and Currency Committee, the Selective Service Act, and the Taft-Hartley Act, as being available to the President in place of seizure.

Senators know that the bill before us is not permanent legislation. I submitted the amendment in connection with this bill because by its terms the proposed act will expire on March 1, so it is temporary legislation. I submitted the amendment in connection with the pending bill for the reason that every Senator knows that at any time, by concurrent resolution, without the necessity of going to the President, this provision can be done away with, just as any other section of the Defense Production Act can be done away with.

Another reason why I submitted the amendment is that there is no use in having a Defense Production Act when the main product to be produced is steel, and when hundreds of thousands of workers in steel factories are out of work. I do not blame management, and I do not blame the workers. The workers are entitled to certain cost-of-living increase in wages, and management is entitled to certain price increases.

I felt that it was our duty to do something, following the Supreme Court ruling. The Senate is now operating under a unanimous-consent agreement for the limitation of debate. I know that management will not like my amendment. I know that labor will not like it. However, after the Supreme Court ruled that Congress had the power to legislate, I felt that it was up to Congress to do something. The amendment which I have submitted represents an attempt to satisfy my own conscience, and to do something.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FERGUSON. Can an amendment such as this be adequately considered

under a unanimous-consent agreement limiting debate to 30 minutes?

Mr. MAYBANK. When I submitted the amendment my intention was to seek to have the unanimous-consent agreement suspended with respect to it.

Mr. FERGUSON. There ought to be unlimited debate on an amendment of this nature.

Mr. MAYBANK. Certainly. I do not believe that 15 minutes would afford opportunity adequately to discuss such an amendment. That is one reason why I asked to have it read for the information of the Senate.

The selective service is taking the young men of the country. Whose young men are they? They are the sons of miners, the sons of manufacturers, the sons of farmers. There is now a stoppage in production. I do not blame either side. I think it is about time for the parties to the dispute to get together, in the interest of the young men who are being drafted.

The VICE PRESIDENT. The time of the Senator from South Carolina has expired.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senator from South Carolina be permitted to proceed for 5 minutes more.

The VICE PRESIDENT. Without objection, it so ordered.

Mr. MAYBANK. My only purpose is to fulfill my obligation. What is the use of passing a Defense Production Act if we are not going to produce steel?

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McFARLAND. I commend the Senator for suggesting legislation on the important question to which the amendment relates. I do not know whether or not this is the correct approach. There is no time for extended hearings. The steel mills of the country are closed. Our boys are fighting in Korea. It is time for Congress to act. We should act, and not hold long hearings.

Mr. MAYBANK. The Supreme Court affirmed what Congress had done in the Taft-Hartley law, in the Selective Service Act, and in the Defense Production Act. We are considering amendments to the Defense Production Act. What is the purpose of the Defense Production Act? It is for the benefit of the armed services, for the defense of this country. The main item of production is shut down. I do not blame management, and I do not blame labor. I have submitted this amendment only in order that we may have something before us. Management will probably be disappointed with it, and labor will probably be disappointed with it. I do not care whether they are or not under the conditions which now exist. My conscience is clear in offering an amendment such as this to safeguard the defense of the United States.

I have been asked if I have talked with the President. Of course I have not. I have never discussed this question with him. I have acted on my own responsibility.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Personally I do not understand in what respect the proposed amendment is different from the Taft-Hartley law so far as the next 80 days are concerned. Am I not correct in supposing that under the terms of the proposed amendment the President would appoint a board which would sit for 121 days instead of 80 days?

Mr. MAYBANK. That is correct in general. The Board could have 113 days to reach a decision, but it could also act faster than that if it wishes. After the Board acts, parties to the dispute would have 7 more days to accept or reject the Board's recommendations.

Mr. TAFT. During that time it would be illegal to strike, or to change any of the terms of employment. It would mean that the Government could obtain an injunction, just as it can do under the Taft-Hartley law. Under the terms of the proposed amendment there could be no seizure until after 121 days. So what possible change in the legal situation would be brought about during the next 80 days if the proposed amendment were substituted for the Taft-Hartley Act?

Mr. MAYBANK. The Senator well knows that I supported the Taft-Hartley law. As the Senator knows, I was one of those Senators who voted to override the President's veto. If it had not been for the support of those of us who voted to override the President's veto, there would have been no Taft-Hartley law.

The proposed amendment would extend the waiting period in the Taft-Hartley law from 80 days to a possible 120 days. The proposed board, which would be subject to confirmation by the Senate, would have the right to make recommendations and to have them accepted. That is not true of the board under the Taft-Hartley law. It has only the right to make findings without recommendations.

Mr. TAFT. During the next 80 days, under the proposed amendment, as under the Taft-Hartley law, the President could obtain an injunction and compel the men to work for 80 days against their will, under exactly the same procedure that is provided in the Taft-Hartley law, except that the waiting period is extended 40 days. The proposed amendment would be infinitely more tough on labor than is the Taft-Hartley law. It would add an indefinite seizure feature. While the property remained under seizure, the Government could not change wages by 1 cent. A seizure might continue indefinitely, as was the case with the railroads.

Mr. MAYBANK. The law would expire, at the latest, on February 28. By concurrent resolution of Congress it could be done away with in 24 hours.

I do not wish to argue with the Senator from Ohio, or to ask him why the President did not use the Taft-Hartley law. I only ask that my proposed amendment be given consideration.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FERGUSON. Am I to understand that the Senator from South Carolina has in mind asking unanimous consent that the time limitation be suspended with reference to this particular amendment, and that if he does not obtain such consent he will not offer the amendment?

Mr. MAYBANK. I have never said that. I said that I expected to ask that the time be extended. The amendment has been read. There are probably errors in it. I know that labor may not like it. I know that management may not like it. But let us get together and amend it so that they will like it, once they recognize their responsibilities to the Nation in the defense effort.

We are working on the pending bill for only one reason, and that is that 1,000,000 of our boys are in military service in Korea and other parts of the world.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. MAYBANK. I yield.

Mr. FERGUSON. I think the Senator is right when he says that we ought to proceed to take some action. However, if we are to have no more than 30 minutes' debate on the amendment, how can we adequately consider it and amend it so that it may satisfy both management and labor?

Mr. MAYBANK. I will say to the Senator that that could never be done. I have never been able to do it; but I will do the best I can.

Mr. FERGUSON. At least they are entitled to know what is in the amendment.

Mr. MAYBANK. That is why I had it read.

Mr. FERGUSON. The Senate is operating under a limitation of debate. It seems likely that we may complete consideration of the bill today.

Mr. MAYBANK. I stated that I expected to ask for a suspension of the unanimous-consent agreement so that my amendment could be properly considered. Of course we could not complete adequate consideration of it today.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. HOLLAND. I wish to commend the Senator from South Carolina for having the courage to try to get something done. Like him I voted for the Taft-Hartley Act. I have never apologized for it. I think it is a good act. But the proposed amendment seems to me to also have merit, and I think there is ample time to study it. I suggest to the Senator that it be taken up as the last part of the discussion. Then if we cannot obtain unanimous consent for an extension of time for debate, we can offer amendments to make minor changes in the wording, without changing the substance, in order to provide sufficient time to discuss the amendment.

The VICE PRESIDENT. The time of the Senator from South Carolina has again expired.

Mr. HOLLAND. Mr. President, I ask unanimous consent to speak for 3 minutes.

The VICE PRESIDENT. Is there objection?

Mr. CAPEHART. Mr. President, reserving the right to object, I suggest to the Senator from Florida that he ask for 5 minutes, so that I may have a couple of minutes in which to ask him some questions.

Mr. HOLLAND. I am glad to amend my request and ask for 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Florida may proceed.

Mr. HOLLAND. Mr. President, in the first place I call attention to the fact that there is no time limit for the continuance of a seizure except for the ability of Congress to act by concurrent resolution, and except for the further fact that the act itself, to which the amendment would be attached, has a definite time limit.

I call attention to the further fact that there is no granting to either industry or labor of a clean slate to do anything they want to do. Under the terms of the amendment, there is the express condition that there shall be no change in wages, which would mean that the demands of labor in the Steel case, which the Wage Stabilization Board had intended to grant, could not be granted during a seizure.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment.

So far as industry is concerned, just compensation as allowed under condemnation proceedings and as required by our Constitution are afforded to industry.

Without attempting to give final and conclusive approval to the proposed amendment, it seems to me that it has the earmarks of a just approach. I again commend the chairman of the Committee on Banking and Currency for trying to get something done in an affirmative way. I believe that before we are through our friends on the other side of the aisle will be joining in some such approach.

I now yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I, too, commend the able Senator from South Carolina for taking some action looking to a solution of a serious problem. I said a moment ago that I do not know whether the amendment is meritorious. I like some parts of it. My position is that it ought to be studied at least for 1 day by the committee. We should hear from the interested parties. I am hopeful that the author of the amendment will take the same position. I must say that if he tries to tack it onto this bill I shall be forced to make a motion to recommit the entire bill to the committee.

Mr. MAYBANK. Mr. President, let me say to the able Senator from Indiana that I have no intention of tacking the amendment onto the bill without opportunity for fair discussion of it. I submitted the amendment this morning. I started to work on it with legislative counsel and the committee staff yesterday morning at 8:30. This morning I

telephoned to the Senator from Indiana [Mr. CAPEHART] and to the Senator from Virginia [Mr. ROBERTSON] at 9 o'clock, stating that I would ask for a unanimous consent agreement in connection with it.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. McFARLAND. Mr. President, I call for the regular order.

The VICE PRESIDENT. The bill is open to amendment. Is there any amendment to be proposed to the bill?

Mr. IVES. Mr. President, I send an amendment to the desk, identified as 5-25-52-C. I offer it at this time, but because of its length I ask that it be not read by the clerk.

The VICE PRESIDENT. Without objection, the amendment will not be read, but will be printed in the RECORD.

The amendment offered by Mr. IVES is as follows:

On page 6, beginning with line 10, strike out through line 11 on page 8 and insert in lieu thereof the following:

"(b) (1) There is hereby created, in the Economic Stabilization Agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.

"(2) The members representative of the general public shall be appointed by the President, by and with the advice and consent of the Senate. The members representative of labor, and the members representative of business and industry, shall be appointed by the President. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall terminate on March 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, ad-

vise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation. For the purposes of this act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise: *Provided, however*, That the Board may undertake to mediate and/or arbitrate labor disputes involving wages, salaries, and other compensation, if the Director of the Federal Mediation and Conciliation Service certifies to the Administrator of the Economic Stabilization Agency that all remedies available to the Service have been exhausted, and (i) the parties themselves request the Board to mediate and/or arbitrate, or (ii) the President requests the Board to mediate and/or arbitrate the dispute and the parties consent: *Provided further*, That in any effort to mediate and/or arbitrate a labor dispute referred to the Board pursuant to the terms of the foregoing proviso, a panel of the Board, the membership of which is constituted in the same proportion as is the Board itself, may act on behalf of the Board.

"(6) Paragraph (5) of this subsection shall take effect 30 days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order No. 10161, and reconstituted by Executive Order No. 10233, as amended by Executive Order No. 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted."

Mr. IVES. Mr. President, how much time am I allowed on this amendment?

The VICE PRESIDENT. Fifteen minutes.

Mr. IVES. I shall try to keep within the 15 minutes.

Mr. President, in line with the discussion which we have just had I am offering an amendment to section 106. I believe that by making the change proposed by my amendment we can go a long way in resolving labor disputes which may endanger the national safety.

In spite of protests to the contrary, the present Wage Stabilization Board is not soundly constituted with respect to both membership selection and scope of function. More than anything else, the critical controversy in the steel industry has demonstrated a fundamental weakness in the Economic Stabilization Agency, for which the operation of the Wage Stabilization Board has been in part responsible. It is significant, in this connection, that this Board is not a statutory agency.

The provision in the Defense Production Act, by which the creation of the Wage Stabilization Board has been construed to be authorized, is broad and indefinite. As we know, the Board itself was established by Executive order and the specific functions assigned to it were authorized by Executive order.

Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order. The Chair would suggest to the Senator from New York, after examining his amendment, that it seems

to come within the purview of the unanimous-consent agreement allowing 1 hour of debate on amendments affecting the Wage Stabilization Board. Therefore the Senator from New York is entitled to speak for 30 minutes.

Mr. IVES. That is why the Senator from New York inquired previously. I thank the Chair.

Because of its importance in our economic structure, however, this Board does possess the power to do much good—or much harm—to our economy. Recommendations it apparently is allowed to make are, to be sure, without the force of law, but they can and do have a far-reaching effect through their influence upon the thinking and action of all with whom they may be concerned.

Especially has this influence been noticeable when the Board's recommendations have not been confined to matters pertaining to wages, salaries, and other compensation.

I do not question the authority or the propriety of action by an appropriate governmental agency in dealing generally with questions and issues and controversies arising in the course of collective-bargaining negotiations. Permanent agencies of this type and for this purpose already exist.

But I do question seriously the general and unrestrained invasion of the field of labor-management relations by a governmental agency whose sole function presumably should be to set, or at least recommend, wage, salary, and other compensation ceilings, and otherwise to act in an effort to stabilize wages, salaries, and other compensation. I believe firmly that such an agency should not become involved in extraneous controversies arising during the course of the consideration of wage cases, which, of course, fall naturally and properly within the agency's jurisdiction.

However, to the extent that agency action may occasion a dispute between labor and management over wages, salaries, or other compensation, it seems to me most essential that the agency involved should be granted sufficient power to seek to effect a reconciliation between the parties in dispute, but only after the regular and permanent governmental agencies, which have been established to aid in resolving labor disputes, have exhausted unsuccessfully their own efforts to settle the dispute. In other words, before a Wage Stabilization Board should be permitted to attempt to mediate or arbitrate a labor dispute pertaining to wages, salaries, or other compensation, the Federal Mediation and Conciliation Service should have been fully utilized and its Director should certify that its efforts have been futile.

Therefore, I have prepared the amendment I have just offered, which amounts in effect to a substitute for section 106 of the pending bill—S. 2594. This amendment, it will be noted, not only specifies functions of the Wage Stabilization Board in line with the recommendation I have just made; it also changes the nature of selection of the Board's membership.

It seems to me, in truth, that, although the existing provision in the law under

which the Wage Stabilization Board has been created may have lent and may lend itself to unwise interpretation and even abuse, the pending bill's provisions, to which I am referring, would tend to stir up and increase, rather than reduce, labor-management controversy and strife. When I make this statement, in no way do I cast a reflection upon the purpose or motive of the authors and sponsors of section 106. Indeed, I join in their feeling that the Board in question is so vital to the country's welfare that it should have statutory status, with definite functions assigned to it, and not be the product solely of executive whim and fiat.

Nevertheless, I cannot, in the present critical circumstances, accept the idea that a Wage Stabilization Board, consisting only of public members—regardless of how able and fair-minded they may be—but deprived of the cooperation and support of either labor or management, can possibly accomplish as much or act as efficaciously as can a Board that is equitably tripartite in character and structure and favored with the wholehearted backing of both labor and management. After all, the present emergency does not require the application of any ideal theory—no matter how beautifully and perfectly conceived. Rather it calls for a plan which can bring about the greatest possible cooperation among labor, management, and government in an effort to stabilize the economy and in the interest of all the American people.

It would appear that, under prevailing conditions, there is need for the formal and specific representation of both labor and management on any board dealing with wages, salaries, and other compensation. It seems to me immaterial whether or not the public members constitute a majority of the total membership. In any case and under any condition of real controversy between labor and management, the ultimate decision would have to be made by the representatives of the general public. If direct representation on such a board by labor and management will induce greater cooperation by either of them, then, by all means, both of them should be thus represented. If an equal division of representation among labor, management, and the general public will induce still further cooperation on the part of either labor or management, then most certainly such equality in representation should be provided.

So it is that under the terms of my amendment, a tripartite Wage Stabilization Board would be established, and its members would be representative equally of the general public, labor, and management. All the members would be appointed by the President, and the appointment of the members representing the general public would require confirmation by the Senate.

In this connection it should be noted that both in section 106 of the bill and in my amendment, the requirements pertaining to the compensation and qualifications of members representing the general public are the same. Under my

amendment, however, the members representing labor and management would receive \$50 a day while engaged in the performance of their duties, together with their actual and necessary travel and subsistence expenses.

In both section 106 of the bill and in my amendment the chief functions of the Board are substantially the same, with the exception of my amendment's mediation and arbitration provisions, which conform to recommendations previously stated in these remarks.

These provisions would permit the Board to act as a mediation or arbitration agency in labor disputes involving wages, salaries, or other compensation, if the parties to the dispute should desire or agree to that kind of arrangement. In both section 106 of the bill and in my amendment the Board's jurisdiction is confined wholly to this type of case.

I believe the terms of my amendment would remove the danger inherent in section 106, as now written into the bill. I believe my amendment is workable and wholly practicable, and I urge my colleagues in the Senate to consider it favorably.

Mr. SPARKMAN. Mr. President, will the Senator from New York yield for a question?

Mr. IVES. Certainly.

Mr. FLANDERS. Mr. President, will the Senator from New York yield to me for a question?

Mr. IVES. I yield first to the Senator from Alabama.

Mr. SPARKMAN. Assuming that the amendment of the Senator from New York were adopted, what would happen to the case load now before the present Board? Would it be transferred?

Mr. IVES. It would have to be transferred; that would happen automatically, no matter what was done with the particular bill now before the Senate. The same would apply if section 106 as now written were adopted.

Mr. SPARKMAN. Let me state what troubles me in connection with the matter: There is to be a brand new Board—

Mr. IVES. It would be a brand-new board in status, but presumably not in membership.

Mr. SPARKMAN. Presumably in membership, too.

Mr. IVES. I would doubt that.

Mr. SPARKMAN. Under the present provision or the amendment submitted by the Senator from New York, what would happen to the great mass of cases which have developed during the existence of the present Board?

Mr. IVES. Earlier in these proceedings we have adopted an amendment which calls for coordination between the two subdivisions of the Economic Stabilization Agency. That being the situation, if there is proper coordination, which there must be if the entire set-up is to work satisfactorily and effectively, the whole case load will be taken care of adequately.

I would assume that for the sake of that very objective, the appointing of-

ficer, who would be the President of the United States, would name to the Board the same persons who now are on the existing Wage Stabilization Board. That should automatically take care of the present case load. They could take care of it as they saw fit; it would be a question of administration only.

Mr. SMITH of New Jersey. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I yield.

Mr. SMITH of New Jersey. Do I correctly understand that the proposed representatives of the general public, to have a salary of \$15,000 annually, would be permanent members?

Mr. IVES. They would be permanent until March 1, which would be the termination date of the Act.

Mr. SMITH of New Jersey. Whereas the labor and management members would be ad hoc members who would be appointed as special occasion arose. Is that correct?

Mr. IVES. They would not be appointed for a length of time greater than the length of duration of the act.

Mr. SMITH of New Jersey. Why is it proposed that the compensation differ, then?

Mr. IVES. For the reason that the members representing the general public, as named in my amendment, and also as proposed in section 106 of the bill, could do no other kind of work, but would have to confine their activities exclusively to the work of the Board, whereas the labor and management representatives, time permitting, would be able to carry on their regular work elsewhere. All the members would be full-time members, insofar as the requirements of the Board are concerned; but the public members could do nothing else.

Mr. SMITH of New Jersey. I assume from the long experience the Senator from New York has had in this field that he is familiar with the operations of tripartite boards.

Mr. IVES. I have never favored, as a matter of principle, the idea of tripartite boards. They are not a satisfactory way of handling controversial questions which arise in cases in which labor and management are concerned, although not merely cases of this particular nature. After all, the National Labor Relations Board is not tripartite or anything like it. Neither is the Mediation Board tripartite. Although their functions are not identical to those of the Board here proposed, they correspond in a general way.

In this case I am trying to do something which will gain the cooperation of the parties in interest. What is the point of setting up a public group if it is not to receive the cooperation of one of the great parties in interest in this case, namely, labor? And I understand that labor will not go along with a board which is constituted entirely of public members.

Mr. SMITH of New Jersey. That is the purpose of my question.

Mr. IVES. I am trying to bring peace in industrial relations.

Mr. SMITH of New Jersey. I understand from the answer given to my previous question that the Senator from New York does not generally favor tripartite boards.

Mr. IVES. Not as a general practice.

Mr. SMITH of New Jersey. But I also understand that in this instance the Senator from New York favors a tripartite board because he desires to obtain peace in this situation.

Mr. IVES. I certainly would favor anything else if I thought it would better secure the desired result.

Mr. FLANDERS. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I yield.

Mr. FLANDERS. One of the things which have troubled many persons, both those in Congress and those outside of Congress, has been the way in which labor questions not relating to wage stabilization or price stabilization have been taken up by the present Board and have been ruled upon by it.

In reading the amendment submitted by the Senator from New York, beginning on page 3, in line 20, and continuing to page 4, line 17, it would seem that the amendment would confine the activities of the Board to questions relating to wages and other remuneration. On the other hand, in line 6 it appears that the amendment provides that when the Mediation and Conciliation Service certifies that all remedies and other means available to the Service have been exhausted and (i) the parties themselves request the Board to mediate and/or arbitrate on these other matters or (ii) the President requests the Board to mediate and/or arbitrate the dispute and the parties consent.

That means that nothing except remuneration could be considered, unless both parties consented. Is that correct?

Mr. IVES. That is correct. The only matters in dispute which they could consider would be matters dealing with wages, salaries, and other compensation, as defined in the act.

Mr. FLANDERS. I wished to have that point stated clearly in the RECORD.

Mr. IVES. I do not think it is proper to have a Wage Stabilization Board, whose primary function presumably is to deal with the wage structure, given authority to expand its operations and to deal with everything under the sun.

Mr. FLANDERS. Does the Senator from New York feel that in going outside that field, the present Board exceeded the law; or does the Senator from New York feel that in the present law there is authorization for the Board to go outside?

Mr. IVES. The present law is a little vague in that respect. The amendment already adopted this morning will do a great deal to clarify that situation.

I do not think it was the intent of the Congress to have the wage agency deal with every kind of labor dispute under the canopy of heaven. I do not believe that was the congressional intent, and I am sure it was not the intent of those who drafted the law itself.

Mr. DOUGLAS. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I yield.

Mr. DOUGLAS. Let me ask the eminent Senator from New York, following the questions which have been asked by the Senator from Vermont, the precise meaning of the language on page 4, lines 5 to 12. Do I correctly understand the Senator from New York to say that this Board could not deal with nonwage matters?

Mr. IVES. That is correct.

Mr. DOUGLAS. How would nonwage matters in dispute, such as union shop, seniority, and other matters be handled?

Mr. IVES. Those would have to be handled by the machinery we have at present, or by additional machinery to be provided by this particular act.

Mr. DOUGLAS. I may call the attention of my good friend from New York to the language at the bottom of page 3, beginning on line 22, continuing on page 4, which seems not to confine itself to wage matters but to include all wage disputes.

Mr. IVES. That is exactly what the language does.

Mr. DOUGLAS. It reads:

Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise.

I call the attention of the Senator from New York to the three concluding words, "and not otherwise." Would that mean that if a great national dispute were to arise involving seniority or the union shop, all the President could do in effect would be to use the conciliation services, and that he could not establish a special board to deal with those disputes?

Mr. IVES. It is not the intention of the Senator from New York to have it mean that, because it would be a grave mistake to prohibit the President from establishing a temporary board which he might select for the purpose of endeavoring to resolve a special situation of a critical nature. I can understand how that might be fundamental and necessary, vitally necessary. It is not the purpose of my proposal to prevent that being done. However, if it will straighten the matter out so that the senior Senator from Illinois would favor this amendment, I am perfectly willing to drop the three words "and not otherwise." The others are quite sufficient, since they indicate that as a first course of action the actually existing services provided by the Government must be utilized. That is the intent of the language. But if they are not sufficient, the President should then be empowered to appoint such board of a voluntary type as he might see fit.

Mr. DOUGLAS and Mr. AIKEN rose.

Mr. IVES. I yield first to the Senator from Illinois.

Mr. DOUGLAS. Under what laws would the President have power to cre-

ate independent boards to deal with nonwage matters?

Mr. IVES. Any laws that are now in existence, under which he would have such power.

Mr. DOUGLAS. Preceding the words "and not otherwise," appear the words "or other provisions of laws." In other words, the President can only move in such matters as the result of a congressional delegation of power, and by implication he cannot move under the executive powers of the President. I should like to ask the Senator from New York whether he means to foreclose the President from acting under his Executive powers.

Mr. IVES. No; whatever his Executive powers may be. I think they have been pretty well defined within the past 2 or 3 days by the Supreme Court of the United States. I think we now know much better what Executive powers are, and perhaps what inherent powers are.

Mr. DOUGLAS. The amendment refers to provisions of existing laws. Specifically, I should like to ask the Senator from New York this question: What are the powers of the President, granted to him by specific laws, to deal with nonwage matters which may be in dispute between the two sets of parties?

Mr. IVES. They are the laws which now exist, under which he could act.

Mr. DOUGLAS. What are they?

Mr. IVES. I do not know. Does the Senator mean to tell me that the President is going to proceed in such matters without legal authority?

Mr. DOUGLAS. No; but I am saying that the President should be free to move under Executive authority. It seems to me that the Senator from New York, for whom I have the greatest respect and who is a magnificent Member of this body, is depending upon a black cat—which is not there—in a dark room.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from Vermont.

Mr. FLANDERS. In view of the colloquy between the Senator from New York and the Senator from Illinois, I suggest that it seems to me that what this amendment does is simply to say that in respect to questions, which may be exceedingly important, outside the area of wages and salaries and other compensation, this particular Board shall not be used. That is what this says.

Mr. IVES. That is correct. That is the purpose of the amendment.

Mr. FLANDERS. It is, therefore, negative in that respect.

Mr. IVES. That is correct.

Mr. FLANDERS. The particular Board may not be used for those purposes. In that respect I think it a wise provision.

Mr. HUMPHREY rose.

Mr. IVES. I yield first to the senior Senator from Vermont, since he has been standing for some time.

Mr. AIKEN. I may possibly reiterate questions which have already been asked, though perhaps I shall change them somewhat in form. The Senator from New York proposes that labor disputes

be handled under the provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise. He uses those words advisedly.

Mr. IVES. I understand what the Senator means.

Mr. AIKEN. That would successfully preclude the Wage Stabilization Board from concerning itself with such matters as jurisdictional disputes, grievances other than grievances over wages, union shop, and other matters which do not directly concern the wage level which the Board is set up to determine.

Mr. IVES. That is the purpose of the amendment, namely, that those matters in and of themselves, should be dealt with in accordance with the provisions of acts to which the distinguished senior Senator from Illinois has referred.

Mr. AIKEN. I thank the Senator from New York. I would not have asked the question, but I have seen many laws deliberately misinterpreted by executive agencies, who always fall back on the excuse that it was not specifically stated in the record by anyone that they should or should not do certain things.

Mr. IVES. That is the sole purpose of this particular amendment. That is the sole purpose of section 106, anyway. I think the senior Senator from Illinois will attest to that fact.

Mr. HUMPHREY, Mr. BRICKER, and Mr. SALTONSTALL addressed the Chair.

The VICE PRESIDENT. Does the Senator from New York yield, and if so, to whom?

Mr. IVES. I yield first to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I should like to ask the Senator for purposes of clarification a few questions with reference to the difference between his proposed amendment and the present situation as outlined under Executive Order 10233. As I understand, the Executive order establishes the present Wage Stabilization Board to which, in case of a dispute, the parties may go, if they agree to do so, and if they also agree to accept the recommendations of the board. That is No. 1. Is that correct?

Mr. IVES. I believe that relates to any type of dispute. I am trying to get away from that.

Mr. HUMPHREY. No. 2: Under that Executive order, the President of the United States may certify to the Board a particular case.

Mr. IVES. On any subject, on any question?

Mr. HUMPHREY. No—whenever he believes that a labor dispute would vitally affect production.

Mr. IVES. Yes. The President of the United States, by interpretation of the present act, has greatly broadened the function of the Wage Stabilization Board in the handling of actual wage cases.

Mr. HUMPHREY. In other words, under the Executive order, the President may refer to the Wage Stabilization Board a case which in fact may not involve wages, but which might involve working conditions.

Mr. IVES. That is what I have been talking about. Hours and working con-

ditions, under certain circumstances, are inextricably tied in with wages, and to that extent and under certain circumstances they could be construed as appropriate matters to come before a board of this type, when they are tightly tied together.

Mr. HUMPHREY. I may say to the Senator that, as I understand, his amendment would empower the Board to mediate and/or arbitrate labor disputes involving wages, salaries, and other compensation, such as, I suppose, fringe benefits.

Mr. IVES. That is the law as it now stands.

Mr. HUMPHREY. Yes. But it would not permit the Wage Stabilization Board to handle, let us say, a case involving seniority.

Mr. IVES. Seniority, where wages would be involved, might come under it, but I cannot see where wages and seniority are tied together in that manner.

The VICE PRESIDENT. The Senator has one more minute remaining.

Mr. HUMPHREY. Under title IV of the Defense Production Act, section 401, there are set forth what are said to be the intentions of the Congress under the law, one of which is to prevent economic disturbances, labor disputes, interference with the effective—

Mr. IVES. But it does not say it shall be done by the Wage Stabilization Board.

Mr. HUMPHREY. I am not arguing with the Senator about that. If there were a labor dispute which involved something besides wages, salaries, and other compensation, would anything in the Senator's amendment prevent the President of the United States from setting up an ad hoc board?

Mr. IVES. I know of nothing in the amendment which would prevent him from doing so.

Mr. HUMPHREY. In other words, it is the view of the Senator from New York that the President's power to establish ad hoc boards to make recommendations and findings on other matters than wages, salaries, and compensation would in no way be impaired by his amendment?

Mr. IVES. That is correct.

The VICE PRESIDENT. The time of the Senator from New York has expired. The Senator from South Carolina [Mr. MAYBANK] is entitled to 30 minutes.

Mr. MAYBANK. I do not intend to use 30 minutes.

Mr. SALTONSTALL. Mr. President, will the Senator from South Carolina yield to me?

Mr. MAYBANK. For how many minutes?

Mr. SALTONSTALL. Time enough to ask the Senator from New York one question.

Mr. MAYBANK. I yield 5 minutes for that purpose.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from New York this question: Do I correctly understand that his amendment is offered primarily because he believes that the complexion of the Board as proposed by the committee will simply not be ac-

cepted, and, therefore, the provision is of no value?

Mr. IVES. I think section 106 as presently written will not be acceptable to all parties in interest, and will be not only useless but, perhaps, worse than useless. As I expressed it in my prepared remarks, I am sure it would create greater labor strife than would otherwise exist, and I look upon it with grave apprehension. I believe my amendment is so fair to all parties concerned that no one can direct a legitimate, reasonable criticism at it.

Mr. SALTONSTALL. Under the terms of the amendment, does the Board take jurisdiction when the Director—

Mr. IVES. The Board will take jurisdiction if the parties desire it and agree to it. Otherwise, the Board cannot take jurisdiction. There is no point in a governmental agency entering into a dispute when one of the parties objects strenuously to it.

Mr. SALTONSTALL. So the Senator believes that his amendment is more practicable than is section 106 of the bill?

Mr. IVES. I do not think that section will be workable. I think my amendment is workable.

Mr. MAYBANK. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. The Senator has 27 minutes.

Mr. MAYBANK. Mr. President, I yield 10 minutes to the Senator from Illinois [Mr. DIRKSEN], 5 minutes to the Senator from Ohio [Mr. BRICKER], and the remainder to the Senator from—

The VICE PRESIDENT. The Senator can yield to only one Senator at a time.

Mr. MAYBANK. I yield, first, to the Senator from Illinois [Mr. DIRKSEN].

The VICE PRESIDENT. The Senator from Illinois is recognized for 10 minutes.

Mr. DIRKSEN. Mr. President, the substitute offered by the Senator from New York [Mr. IVES] leaves me in something of a dilemma. We have to go back and pick up the stitches a little, I think, in order to get a good perspective of what is before us.

Long before the steel dispute, as a matter of fact, when the Defense Production Act of 1951 was pending, there was some doubt about possible bias on the part of the public members of the Board. In those days there was under discussion in the House of Representatives a type of proposal that would clarify the authority of the Wage Stabilization Board under the disputes section of the Defense Production Act.

After considering the matter, I offered an amendment which preserved the tripartite character of the Wage Stabilization Board, which gave it statutory authority, which provided, among other things, that the number of public members should not exceed, in the aggregate, the number of industry and labor members, and called for Senate confirmation of the public members of the Board.

The theory was that the public interest ought to be accented, for one thing, and, second, the matter was of such im-

portance that the public members should be confirmed by the Senate, so that we might examine into the background of those who would pass upon questions so delicate and so explosive as might come before the Board.

It was in that form that the bill was offered for consideration to the Banking and Currency Committee. When the bill was under discussion and was finally being marked up, the suggestion was made by a number of members of the committee that, perhaps, instead of preserving the tripartite character of the Board, all members should be public members.

I may say to my friend, the senior Senator from New York, that in our discussion of the matter in the Banking and Currency Committee—and I trust I do him no injustice, for I would not do so for the world—his notion at the time was that perhaps the members of the Board ought to be all public members. I know that was only informal discussion.

Mr. IVES. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. IVES. My colleague from Illinois will remember that I voted against an all-public-member board in the committee, and I pointed out, exactly as I pointed out to my distinguished colleague from New Jersey [Mr. SMITH] what my theory was. While, generally speaking, I am in favor of public members on a board of this type, in this particular instance I do not think that would work.

Mr. DIRKSEN. I make the point merely in order to indicate the transformation that took place in the amendment in the Banking and Currency Committee. Subsequently an amendment was offered by the Senator from Ohio [Mr. BRICKER], and that amendment prevailed.

Mr. IVES. That was the one against which I voted.

Mr. DIRKSEN. Mr. President, I said at the outset that I was left in a bit of a dilemma, because the amendment suggested by my friend from New York is substantially the same as the one which I originally offered. But I did go along with the proposal to provide that all members of the Board be public members to accent the public interest, and to require their confirmation by the Senate.

Mr. IVES. Mr. President, will the Senator from Illinois yield further?

Mr. DIRKSEN. I yield.

Mr. IVES. I should like to point out that the amendment, so far as the complexion of the board was concerned, is exactly as the distinguished Senator from Illinois had it in his original draft, except that it is now truly tripartite. However, I have found upon checking that that is not going to work, either.

Mr. DIRKSEN. I do not know that any of us can be sure whether or not it will work. I can understand some of the virtues and benefits that may accrue from a tripartite board. On the other hand, we have a tripartite board at the present time. They failed in the steel controversy—quite aside from the rea-

sons for which they failed. So I am disposed toward taking a chance with a board composed of all public members, to be confirmed by the Senate, in the belief that it might as nearly work out satisfactorily as the system we have at the present time.

After all, there are only two issues before the Senate in this matter. The first is the composition of the board. Shall it be composed of public members, or shall the tripartite character of the board, with labor, industry, and the public being represented, be preserved? Secondly, how far should the authority go? Shall we prescribe maximum limits beyond which the board may not go? Or shall we project ourselves into the same difficulty we are in at the present time, because, in connection with the steel controversy, involving something over 100 separate and distinct issues, the board undertook finally to pass upon all of them, and certainly in contravention of what I thought the authority of the board actually was? The controversy involved the union shop, geographical differentials, and a host of other things. I thought they were matters that should remain within the province and jurisdiction of the National Labor Relations Board, because, after all, that Board is responsible to Congress. When Mr. Herzog, Chairman of the Board, testified before the House Committee on Education and Labor, the hearings filled between 200 and 300 pages of testimony. There he asserted and reasserted his belief that nothing in the wage dispute section of the Defense Production Act in any way modified the character, authority, or jurisdiction which the Chairman of the National Labor Relations Board possessed.

So I simply emphasize that the two issues are: What shall the composition of the Board be in case a dispute of similar dimensions comes before it? Secondly, how far shall we go in conferring authority upon such a board?

Because of the strange transformation of the amendment I originally offered, I am content to go along with the provision presently in the bill under consideration.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. IVES. I should like to ask the distinguished Senator from Illinois if he does not appreciate the fact that there is a vast difference between the authority which would be granted to the Board where mediation and arbitration are concerned, and the authority given to and exercised by the National Labor Relations Board? The functions of the two boards are wholly different.

Mr. DIRKSEN. I suppose the Senator from New York is referring to the language on page 4.

Mr. IVES. The Senator from Illinois mentioned the National Labor Relations Board. I am pointing out that there is no relationship whatsoever between the functions of the National Labor Relations Board and the functions which would be given the Wage Stabilization Board by my amendment.

Mr. DIRKSEN. Mr. President, I believe everyone knows that this whole controversy was precipitated by the union shop issue. That is a matter that has been heretofore resolved, under the jurisdiction of the Taft-Hartley Act, by the National Labor Relations Board.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. IVES. The Senator realizes that the union shop issue as such could not be handled by the National Labor Relations Board, under my amendment, any more than it could be handled by the Wage Stabilization Board under his provision in section 6.

Mr. DIRKSEN. I am quite mindful of that, and I allude to it only to indicate that it was the rock upon which the matter finally split and brought the controversy before the Senate, necessitating remedial legislation in order to meet it.

Mr. McFARLAND. Mr. President, will the Senator from Illinois yield for a unanimous-consent request?

Mr. DIRKSEN. I yield.

Mr. McFARLAND. I have received a letter from Philip Murray in regard to the bill. I should like to ask unanimous consent that the clerk be permitted to read it, without having the time charged to the Senator, because the Senator may wish to comment on it, if that could be done.

The VICE PRESIDENT. The Senator has only one more minute.

Mr. DIRKSEN. Will the Senator indulge me for just a moment, in order that I may conclude?

Mr. McFARLAND. Very well.

Mr. DIRKSEN. In view of the fact that a majority in the committee took the position indicated by the amendment, and the amendment was initiated at my instance, I feel disposed to go along with the language reported to the Senate today by the Committee on Banking and Currency.

Mr. President, I yield the floor.

Mr. MAYBANK. Mr. President, before the Senator from Arizona makes his unanimous-consent request, which I am certain all of us desire to have granted, so that we may hear the letter, I desire to allot the 5 minutes following to the junior Senator from Ohio [Mr. BRICKER], to whom I have previously promised time.

The VICE PRESIDENT. Does the Senator from South Carolina yield time to the Senator from Arizona, so that the letter referred to by him may be read?

Mr. MAYBANK. I allot the next 5 minutes to the Senator from Ohio.

Mr. McFARLAND. Will the Senator from South Carolina yield for a unanimous-consent request?

Mr. MAYBANK. Yes.

Mr. McFARLAND. I ask unanimous consent that the letter may be read, the time to be charged to neither side. I am sure that all Senators, whether they agree with the letter or not, would like to hear it and comment on it.

Mr. WATKINS. Mr. President, whom is the letter from?

Mr. McFARLAND. Philip Murray.

Mr. WATKINS. To whom is it addressed?

Mr. McFARLAND. To myself.

Mr. BRICKER. Mr. President, if the letter is to be read in the Senate, is it to become a matter for the CONGRESSIONAL RECORD?

Mr. McFARLAND. If I read the letter in my own time, I will have to put it in the RECORD. I should have put it in the RECORD yesterday, so that Senators would have had an opportunity to see it.

Mr. BRICKER. I think that would have been far better. Does the Senator sponsor the letter?

Mr. McFARLAND. I am not going to say at this time, Mr. President. I am merely having the letter read for what it is worth.

Mr. BRICKER. I have no objection.

The VICE PRESIDENT. Without objection, the letter will be read.

The legislative clerk read as follows:

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., May 28, 1952.

Hon. ERNEST W. McFARLAND,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR McFARLAND: I want to take this occasion to inform you of the views of the Congress of Industrial Organizations with respect to the so-called Dirksen amendment to S. 2645, amending and extending the Defense Production Act of 1950.

This amendment, in the form reported by the Banking and Currency Committee of the Senate, would abolish the existing Wage Stabilization Board and substitute a new Board with different composition and responsibilities. It would drastically change not only the mechanics but also the substance of our national wage stabilization policy.

Before discussing the amendment in detail, I want to make it clear that the CIO feels that this amendment has only one basic purpose: To discredit the President of the United States and the existing Wage Stabilization Board and to undermine the recommendations of that Board in the current steel dispute, which have been endorsed by the President.

In the last session of Congress an amendment similar to the present Dirksen proposal was introduced in the House. That proposal—the Lucas amendment (H. R. 4552)—was defeated by more than a 2-to-1 vote. A similar amendment introduced in the Senate by Senator TAFT was withdrawn.

What has happened since that time? Up until March 20 of this year there was no dissatisfaction with the Wage Stabilization Board and its policies. Even our former Defense Production Administrator, Mr. Charles E. Wilson, has testified before the House Labor Committee that the Board performed its duties faithfully and well up until March 20. The companies in the steel industry responded with alacrity when the President asked them to submit their dispute with the steelworkers to the Wage Stabilization Board. They cooperated in the Board's proceedings and publicly announced their concurrence in the view that the Board had jurisdiction to issue recommendations on all issues in dispute between the companies and the union. They specifically agreed, in hearings before the Board's panel, that the Board had jurisdiction to issue a recommendation for the union shop.

Suddenly, on March 20, 1952, all this changed. Having willingly, and even anxiously, submitted their case to the Board, the steel companies and their allies suddenly discovered, after the Board's decision was

made on March 20, 1952, that the Board was illegal, that it was improperly constituted, and that it should be abolished. They all cried, "Kill the umpire."

The Dirksen amendment which will come before the Senate this week is the direct expression of this cry. Those who support it are simply carrying out the wishes of the reactionary segments of big business which insist upon maintenance of profits far in excess of normal, as defined by this very Congress, while the living standards of their employees continue to decline because of the increase in the cost of living.

The Dirksen amendment as reported by the Banking and Currency Committee would do these things, among others:

(1) It would destroy the benefits of tripartitism and thus insure labor's hostility and noncooperation with the stabilization program. It must be remembered that the principal function of the Wage Stabilization Board is not to settle disputes but to determine whether wage increases which employers have agreed to pay can be put into effect consistently with our stabilization policy. Such a program is difficult for labor to swallow at any time. It will be virtually impossible for unions to cooperate in such a program if they are to be denied any voice in the discussion and decision of stabilization issues. Even the industry members of the present Wage Stabilization Board have recognized, in a public statement issued on June 27, 1951, that a tripartite system is a highly desirable system of administering wage stabilization.

(2) The amendment prevents effective handling of emergency disputes. The current steel controversy has beclouded the fact that the Wage Stabilization Board has been remarkably successful in avoiding strikes in plants in which a stoppage of work would seriously threaten the progress of the national defense. The recommendations of the Board in the steel case did not succeed in settling the steel dispute only because of the adamant refusal of the industry to budge one inch from its predetermined position that its present excess profits be maintained intact. I think it would be most regrettable if the Congress of the United States were to become a willing party to the industry's deliberate attempt to wreck our stabilization machinery because it dislikes the results in the steel case.

The amendment goes even further than taking away the Wage Stabilization Board's disputes function. It appears to establish a blanket prohibition against any effort by the Federal Government to settle disputes other than through the Federal Mediation and Conciliation Service, the Taft-Hartley Act, and the Railway Labor Act. In a period of emergency, I think it is highly dubious for the Congress to place arbitrary limits upon the President's efforts to obtain uninterrupted production of materials necessary for the national defense.

(3) The amendment contains language which appears to limit the new wage stabilization board to the prescription of maximum limits on wages and salaries. While the purpose of this language is unclear, it would appear that the intention is to require the imposition of rigid and inflexible ceilings, without any possibility of adjustment to take care of hardships and inequities. If this is the purpose of the amendment it would completely undermine the existing wage stabilization structure.

The present Wage Stabilization Board has issued regulations which are not supposed to constitute absolute ceilings but rather to separate the cases in which wage increases can be put into effect without Board examination of the facts and cases in which Board examination is necessary to determine whether the increase can be placed into effect. Such increases as the 4 cents annual improvement factors negotiated by the

United Auto Workers (CIO) and other unions have been approved by the Board on a case by case basis, rather than by over-all regulations. If the effect of the bill will be to transform the Board's regulations into rigid ceilings rather than a dividing line between the cases which do not require approval and the cases which must be examined further, then either a tremendous injustice will be worked in thousands of cases or the Board's regulations will have to be revised upward to take care of matters which have been previously handled on a case by case approval.

(4) Finally, the effect of the amendment would be to disrupt completely the existing Board procedures and thus manifoldly increase the delays which even today are an unfortunate part of the stabilization process. Wage increases which eventually prove to be allowable under present regulations are often delayed for many, many months because of the tremendous backlog of undecided cases which the present Board has. Many workers are thus denied the benefits which their employers have agreed to give them and which are permissible under the law. If the present Board is to be scrapped entirely and an entirely new Board established, we may certainly expect that additional delay of at least several months will certainly be created. By the creation of additional delay, the legitimate rights of the employees of this country will be tremendously prejudiced.

SUMMARY

The amendment to the Defense Production Act of 1950 recommended by the Committee on Banking and Currency is a backhanded effort by the steel industry to use the Congress of the United States for its own purposes. It would substantially wreck our wage-stabilization program. It would destroy the tripartite system which served so effectively throughout World War I and World War II and which had continued to serve effectively in the present mobilization period up until the moment when the steel industry sought to destroy it. It would establish a method of wage stabilization administration which would be both impractical and unjust. Finally, it would remold our entire stabilization program into an antilabor, proindustry program. Certainly neither the CIO nor any other respectable labor organization will willingly submit to or cooperate with a stabilization program so designed.

On behalf of the CIO and all of its affiliated unions, I urge most strongly that this unwholesome and undesirable legislation be defeated.

Sincerely,

PHILIP MURRAY,
President.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York [Mr. Ives].

Mr. BRICKER. Mr. President—

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. BRICKER. Mr. President, I wish to commend the Senator from New York on his major purpose in this amendment, which is to limit and restrict the authority of the so-called Wage Stabilization Board within its proper province, and to do away with duplication as between that Board and any other board which might be established under the law.

The day before the steel seizure took place, and before a strike had been called, I stated that it was the practice of ranging in the field where there was no jurisdiction on the part of the Wage Sta-

bilization Board which was directly responsible for the strike. I still believe that to be true. Had the orderly processes of law been used, there would have been no steel strike; it would have been settled by negotiation between the parties.

I believe that the Board recommended by the committee is in the public interest. Union labor is a minority interest so far as the public is concerned. The steel companies are a minority interest so far as the public is concerned. But we in the Senate have a paramount duty to represent the over-all public interest. That may or may not be identical with the position taken by organized labor. It may or may not be identical with the position taken by industry, or by the steel companies.

First of all, the public interest is today represented by those who are fighting around the world, and who need continued production for their full support. I shall not vote on the floor of the Senate under promise of favor or under intimidation or threat of reprisal. As I see it, the only reason the Senator from New York advocates the tripartite board, which has proved its inefficiency and ineffectiveness, is that one segment has refused to accept it and has publicly asserted that it will not go along, but will wreck the program.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. IVES. Does not the distinguished Senator from Ohio feel that one of our chief purposes, if not our chief purpose, should be to do something to bring about peace and avoid controversy and conflict between management and labor?

Mr. BRICKER. I certainly agree with that purpose. However, the board proposed to be established under the terms of the amendment of the Senator from New York, a board of a tripartite nature, would give the power to labor or to industry to break down the operation of the board, just as labor broke down the operation of the first nonstatutory board created by the President, by walking out. If industry had not agreed with the board, it could have done the same thing. I feel that the paramount and overall public interest of the United States should be represented, but it cannot be done by a tripartite board which has a special minority segment.

Mr. IVES. The Senator from New York would like to inquire of his distinguished colleague from Ohio if he does not think that a public board, a board consisting entirely of public members, which would not be recognized, which would not be utilized, which would be absolutely ignored or boycotted by either labor or management, could not possibly be more effective than a tripartite board, even though one of the parties should refuse to cooperate.

Mr. BRICKER. I feel that if the public interest is properly represented by the vote of the Senate, no minority interest will have the power, the right, or the authority to break down the operation of law. When that is done, the very foundation of the Republic and the rep-

resentative system of government is destroyed. That I shall endeavor to prevent.

Mr. IVES. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. IVES. Does not the Senator feel that a board dealing primarily with two elements in society, management and labor, is, generally speaking, representing society as a whole, in view of the fact that it is dealing with questions which are of grave concern to society as a whole, but in which those two great bodies of society are primarily involved? How can the Senator intimate for one moment that if one side to a dispute refuses to cooperate and to work with the other side, a minority is attempting to sabotage the operation of the law, when it is a great body which has to do with the total defense effort of the country?

Mr. BRICKER. I recognize the great interest of labor and of industry in the operation of this Board and in the effect of the law. However, I say that no minority interest and no combination of minority interests should determine the over-all public policy, which ought to be the paramount consideration before the Congress.

The amendment of the Senator from New York places in the hands of a minority interest the power to say, "We will not go along." If we create a public board, appointed by the President and confirmed by the Senate, it will represent the paramount power of the Republic, expressed through its representatives in the Congress.

No segment or minority can try to defy the operation of law in this country for a great length of time because of public opinion and public support. I say again I shall not vote under threat. I shall not vote under promise. I represent no minority or segment of society, but I speak for the great public interest of the people of the United States.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. MAYBANK. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from South Carolina has 11 minutes.

Mr. MAYBANK. I yield 3 minutes to the senior Senator from Illinois.

TRIPARTITE COMPOSITION IS DESIRABLE

Mr. DOUGLAS. Mr. President, the Senator from New York [Mr. IVES] has made a very laudable attempt to reach a compromise between the present system under which the Wage Stabilization Board operates, under Executive order, and the so-called Lucas amendment, which was defeated in the House of Representatives last year, by a vote of 113 to 217. On the one hand, he retains the tripartite character of the present Board instead of the purely public body proposed by the Dirksen-Bricker amendment. He also retains equal representation for labor, industry, and the public. In this I think he is extremely wise.

It is necessary in a democracy to get the consent and understanding of the parties concerned; but it is impossible

to get their understanding or their consent unless they have representation. That is the price which must be paid in a democracy for understanding and consent. The parties to the dispute must feel that they are in on the hearing of cases and on the decision of the cases, and, although at times the parties break up in apparent disagreement and conditions appear to get no better as a result of the conferences, there are also a great many other times when, through a mutual discussion of issues, the parties come closer together and reach an understanding. The record of the Wage Stabilization Board substantiates this. On two specific cases, for example, the parties reached an agreement after the case had been referred to the Board, but without the necessity of formal Board recommendations, although they had not been able to reach an agreement before the case went to the Board. Frequently, moreover, they reach an understanding with each other although for a time they may be unwilling to declare that understanding to the public.

So, the tripartite character of the Board enables a better set of facts to be considered and enables a reconciling process to take place. In this respect the present composition of the Board is superior, in my judgment, to that provided by the so-called Dirksen-Bricker amendment, and I commend the Senator from New York for including that principle.

SENATE CONFIRMATION ADVANTAGEOUS

The Senator from New York, moreover, in my judgment, makes an improvement upon the present composition of the Board when he requires Senatorial confirmation of the public members. This, I believe, is advantageous. It would help to eliminate manifestly improper appointments on the part of the President and it would give to the office of a public member a solemnity and dignity which mere Presidential appointment without senatorial confirmation would lack. Up to this point I shall agree with the Senator from New York.

Now I come to two very important paragraphs in the amendment of the Senator from New York.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAYBANK. I still have some time remaining. If the Senator will permit me—

Mr. DOUGLAS. In order not to trespass upon the Senator's time, I should like to call my amendment 6-3-5-H. I offer it on behalf of myself and on behalf of the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. LEHMAN], the Senator from Connecticut [Mr. BENTON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Michigan [Mr. MOODY] in the form of a substitute for the amendment of the Senator from New York.

Mr. MAYBANK. Let me say to the distinguished Senator from Illinois that I desire to allow the remainder of my 8 minutes under the pending amendment to the distinguished Senator from Ohio [Mr. TAFT].

Mr. DOUGLAS. I am perfectly willing to yield now, or at the preference of the Senator from Ohio if he wishes to take 5 minutes now, to have this amendment in the form of a substitute considered.

Mr. TAFT. Perhaps I may as well proceed now.

Mr. DOUGLAS. Very well.

Mr. TAFT. Mr. President, I wish to make only a brief statement.

There are two questions involved with respect to the Wage Stabilization Board. One is as to the jurisdiction of the Board: Shall they merely have power to fix wages, that is, the maximum figure to which wages can go without violating the stabilization program, or shall they have power to settle disputes referred to them by the Mediation Service or otherwise?

The other question is whether the Board shall be made up of representatives of the public, management, and labor, or whether all the members shall be public members.

On the first question, as I see it, both the committee amendment and the amendment offered by the Senator from New York propose to eliminate the power of the Board to pass on labor disputes and confine it to the stabilization or wage-fixing function, except that the amendment of the Senator from New York would permit them to settle disputes if both parties agreed to the submission of a dispute to them. The real question at issue between the two amendments, therefore, is the question of the method by which the Board shall be made up.

It seems to me clear that the fixing of wages and the maintenance of the stabilization program is the function of the Government, just exactly as price fixing is a function of the Government. Those who do it ought to be representatives of the Government only, and should have a responsibility as Government officials. It seems to me, therefore, that they should all be public members of the Board.

The interest of labor and the interest of management may be to increase wages as the easiest solution, regardless of the inflationary effect on the general public.

The only argument made by the Senator from New York seems to be that an all-public board will not work because labor will not agree to abide by its decisions. The Senator from New York is saying, in effect, that there is no way in which the Government can enforce the fixing of wages.

I agree that that is a difficult task; but if we admit the premise that Government cannot fix wages without the consent of labor, we had better strike out all of the price-fixing and wage-fixing provisions of the bill, because I do not see how we can fix prices unless we can fix wages.

Questions in dispute ought to be determined on a scientific basis. It seems to me that is the one substantial difference between the committee amendment and the amendment offered by the Senator from New York, and the Senate should support the committee amendment.

Mr. DOUGLAS. Mr. President—

The PRESIDING OFFICER. The Senator from South Carolina is in charge of the two remaining minutes of time.

Mr. McFARLAND. Mr. President in behalf of the Senator from South Carolina, I yield the 2 minutes to any Senator who desires the time, the Senator from Illinois if he wishes to occupy the time.

Mr. DOUGLAS. Mr. President, I rise for the purpose of submitting an amendment in the nature of a substitute.

Mr. IVES. Mr. President, will the Senator yield before he submits the amendment? The Senator from New York would like to modify his amendment, if that is possible, and I assume it is, by striking out at the top of page 4, in line 2, the comma after the word "Congress", and the words "and not otherwise." I so modify my amendment.

The PRESIDING OFFICER. The Senator from New York has a right to modify his amendment.

Mr. MAYBANK. Mr. President, I yield the balance of my time.

The PRESIDING OFFICER. To whom?

Mr. MAYBANK. The Senator from Illinois, if he desires to offer his amendment, and he will have 30 minutes on the amendment after he offers it.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The Senator from South Carolina had 2 minutes, a considerable portion of which has elapsed.

Does the Senator from Illinois desire to be recognized?

Mr. DOUGLAS. I desire to be recognized in order to submit an amendment in the nature of a substitute for the amendment of the Senator from New York.

The PRESIDING OFFICER. Such an amendment is in order if the Senator from Illinois wishes to submit it.

Mr. DOUGLAS. Mr. President, I call up my amendment identified as "6-3-52—H." It is a printed amendment. The amendment is submitted by me, on behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. LEHMAN], the Senator from Connecticut [Mr. BENTON], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Michigan [Mr. MOODY], as an amendment to the amendment of the senior Senator from New York [Mr. IVES].

The PRESIDING OFFICER. The amendment to the amendment will be stated.

Mr. DOUGLAS. At this time let me request that the opening two lines of my amendment be changed, so as to read as follows, in connection with the amendment of the Senator from New York:

In the amendment of the Senator from New York [Mr. IVES], on page 1, beginning with line 3, strike out through line 25, on page 4, and insert in lieu thereof the following—

And then the text of my amendment, as printed, follows.

The PRESIDING OFFICER. Does the Senator from Illinois wish to have his amendment to the amendment of the Senator from New York read?

Mr. DOUGLAS. No, Mr. President; it lies on the desks of all Members of the Senate, and I think we can save time by not reading the amendment which I am submitting to the amendment of the Senator from New York. I shall ask, however, that it be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Very well. The amendment to the amendment will be printed in the RECORD.

The amendment submitted by Mr. DOUGLAS, for himself, Mr. HUMPHREY, Mr. HILL, Mr. LEHMAN, Mr. BENTON, Mr. PASTORE, and Mr. MOODY, to the amendment of Mr. IVES, is as follows:

On page 1 of Mr. Ives' amendment, beginning with line 3, strike out through line 25, on page 4, and insert in lieu thereof the following:

"(b) (1) There is hereby created, in the Economic Stabilization Agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of officers on the Board shall be established by Executive order.

"(2) The members representative of the general public shall be appointed by the President, by and with the advice and consent of the Senate. The members representative of labor, and the members representative of business and industry, shall be appointed by the President. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall terminate on March 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year when actually engaged in the performance of his duties as a member of the Board. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, pursuant to the provisions of this act, stabilize wages, salaries, and other compensation. The coordination of wage stabilization policies with other stabilization policies shall be the responsibility of the Economic Stabilization Administrator.

"(6) The Board shall, upon (i) the joint request of the parties to the dispute, or (ii) the request of the President, assume jurisdiction of any labor dispute, which is not resolved by collective bargaining or by the prior full use of conciliation and mediation

facilities, and which threatens an interruption of production affecting the national defense. In such cases the Board shall investigate and inquire into the issues in dispute, and shall advise the parties of its recommendations for fair and equitable terms of settlement. In any case where the parties to the dispute jointly agree to be bound by the decision of the Board, the Board shall render a decision on the issues in dispute, which decision shall be binding on the parties. Any wage action taken by the Board in any disputes case shall be fully consistent with the wage stabilization policies promulgated under paragraph (5) of this subsection.

"(7) Paragraphs (5) and (6) of this subsection shall take effect 30 days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order No. 10161, and reconstituted by Executive Order No. 10233, as amended by Executive Order No. 10301, is hereby abolished, effective at the close of the 29th day following the date on which this subsection is enacted."

Mr. DOUGLAS. Mr. President, as I have said, I think the forequarters of the amendment of the Senator from New York [Mr. IVES] are very good. They provide for a tripartite board, instead of an exclusively public board, and that will aid in securing the cooperation of both parties and in helping them to understand each other.

It may be asked, Why should labor be represented on a board which deals with wages or why should industry be represented on such a board. It is said that this should be exclusively the concern of the public.

PRICE AGENCY NOT EXCLUSIVELY MADE UP OF
PUBLIC MEMBERS

Let me point out that the Price Stabilization Agency which fixes the prices and wages is not composed exclusively of public representatives, but it also includes industry advisory members, who assist the Administrator. There were 263 such advisory committees set up during the first 6 months of OPS. In other words, in that case it is judged to be all right to call in the employers to help fix prices, but apparently it is judged to be wrong to call in labor to help, along with the employers, to fix wages. I do not think we should draw that distinction. Since cooperation from both parties is needed, I believe they should be included in both cases—in the case of wages as well as in the case of prices.

DEFECTS IN DISPUTES SECTION OF THE
AMENDMENT

So the forequarters of the Ives amendment are very good, but the hindquarters are not so good. The defects in the hindquarters are these: In the first place, the Board would be limited strictly to wage matters, and it could not deal with nonwage matters.

The second defect is that if a labor dispute breaks out, the President can refer the dispute to the Board, even in the case of wage matters, only if both parties to the dispute consent. The President cannot operate on his own, so to speak, in regard to such matters.

Mr. IVES. Mr. President, will the Senator from Illinois yield on this point?

Mr. DOUGLAS. I yield.

Mr. IVES. The Senator from Illinois understands, does he not, that that pro-

vision refers exclusively to disputes over wages, salaries, or other compensation?

Mr. DOUGLAS. Yes.

Mr. IVES. I am sure the Senator from Illinois would agree with me that it would be perfectly futile to refer to the Wage Stabilization Board, for mediation or voluntary arbitration, any dispute to which one or the other of the parties to the dispute absolutely was in disagreement about the reference and absolutely refused to have the Board undertake such an assignment, and absolutely refused to cooperate with the Board in such a matter. There would be no purpose in that.

DISPUTES OFTEN INVOLVE NONECONOMIC ISSUES

Mr. DOUGLAS. Let me say to my good friend, the Senator from New York, that labor disputes commonly are not confined solely to wages. They involve, in addition to wages and hours, questions of seniority, questions of union shops and questions involving a wide series of variations of the union shop and many other issues as well. They involve a wide variety of strictly noneconomic questions; yet these are also parts of the disputes.

The proposal of the Senator from New York would mean that the President could send wage issues to the Wage Stabilization Board if both parties consented, but the Board could not deal with nonwage or nonremuneration aspects of the dispute, which would have to be settled in some other way.

I am afraid my good friend, the Senator from New York, is in earnest in the way in which Solomon behaved when he was not in earnest. My colleagues will remember that a child was brought to Solomon after two women claimed to be its mother. Solomon made the award by holding up the child and saying, "I will cut this child in two, at the waist; and I will give the top half to one mother and the bottom half to the other mother."

Mr. President, that is not a very good way to deal with such a question. Solomon did that, I may say, as my good friend, the Senator from New York, who studied at a Presbyterian college knows, in order to test and to determine which mother would show the most concern, and therefore to determine which one of the women was really the mother of the child.

Mr. IVES. Mr. President, will the Senator from Illinois yield at that point?

Mr. DOUGLAS. I ask my friend to wait a minute; I wish to finish the analogy. Let us not allow the Senator from New York to spoil a beautiful analogy.

The Senator from New York is proposing that the method he suggests should be used in earnest, namely, that labor disputes should be cut off at the middle; that a wage dispute should be awarded to the Wage Stabilization Board, and that nonwage aspects of the dispute should be confided to some other board. Precisely what other board it would be, we cannot tell, because in the colloquy we had recently the Senator from New York was extremely vague as to the powers by means of which the

President of the United States could proceed in such cases.

So one group would be dealing with wages, and another group would be dealing with disputes other than wage disputes; and yet the two would have to be considered as integral parts of the whole dispute.

So I suggest to the Senator from New York that the hind quarters of his amendment are not so good as the fore quarters, and that the hind quarters are subject to the fallacy of Solomon.

Mr. IVES. Mr. President, will the Senator from Illinois yield to me at this point?

Mr. DOUGLAS. I yield.

Mr. IVES. Speaking of the hindquarters of my amendment, to which the Senator from Illinois has alluded in his reference to the question of determining the maternity of a child—

Mr. DOUGLAS. Of course, the analogy was a little mixed, but I tried to keep the two in separate paragraphs. [Laughter.]

Mr. IVES. I should like to inquire of the Senator from Illinois whether he really thinks a Wage Stabilization Board could have a legitimate offspring which would have nothing to do with wages, salaries, or other compensation?

Mr. DOUGLAS. I may say that in the defense-production bill of 1950, as the Senator from New York will see if he will examine title V of that act, we tried to provide a method not for settling wage disputes but for settling labor disputes. What we want is some machinery by means of which to obtain uninterrupted production in a period of national emergency, with justice to both sides and with the cooperation of both sides. I do not see how the Senator from New York can obtain that result by setting up a dual machine, with one part having to deal with wages and another part having to deal with nonwage economic matters or issues.

Mr. IVES. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. Is the Senator from New York really serious in making this proposal?

Mr. IVES. Yes; I am very serious about it. I should like to inform my distinguished colleague, the Senator from Illinois, that I am not trying to set up a dual piece of machinery. I am only trying to set up one thing, namely, the exact jurisdiction and function for the Wage Stabilization Board.

The other matters to which the Senator from Illinois is referring should be handled by some other agency. I did not see fit to include the other agency in section 106.

I should like to point out that there is implicit in the proposal made by the Senator from New York that either the noneconomic issues will not be settled at all or, if they are settled, they will have to be adjusted by some other board. In that way there would be a dualism which would wreck the structure.

Mr. President, at this time I yield 10 minutes to the junior Senator from New York [Mr. LEHMAN].

Mr. LEHMAN. Mr. President, I wish to support the pending substitute, of which I am cosponsor, and to express my total disagreement with the substance and purpose of section 106 of the committee bill, the section commonly referred to as the Dirksen amendment, affecting the Wage Stabilization Board.

This is a matter of great interest to me as a member of the Labor and Public Welfare Committee. I think I can refer to it with some authority because the Labor Committee held many hearings on this subject and, in fact, issued a report, Senate Report No. 1037, on the disputes functions of the Wage Stabilization Board. I commend this report to the attention of every Senator interested in this provision of the pending bill.

The Dirksen amendment, section 106 of the committee bill, is very obvious in its motivation. It is intended to strip the Board of the functions it exercised in the recent Steel case.

Mr. President, it is an old legal maxim that hard cases make bad law. The present attempt to pass a bill reflecting an adverse judgment on a particular decision of the Wage Stabilization Board is, as I see it, very poor legislative practice. Fundamentally, it is a kind of bill of attainder. It is an attempt to punish the present Board by abolishing it and by putting in its place a new kind of board—a board made up entirely of public members.

The easiest thing to say about section 106 as it now stands is that it would not work. It could not work. It is, in a sense, like organizing a ball game and then taking out all the players and putting in umpires in their places. If wage stabilization is to be effective the parties at issue—both labor and management—must participate in the decisions. This is so elementary a principle that I cannot see how we can overlook it in this instance.

A tripartite board may be somewhat cumbersome and sometimes arrive at decisions which are not wholly satisfactory to any one group, but they arrive at decisions which the parties at issue will honor and abide by. What the Dirksen amendment proposes is that we have wage stabilization by fiat—by executive dictation rather than by consultation, discussion, and compromise. At this point in my remarks, Mr. President, I ask unanimous consent to insert an article from the American Federation of Labor News Reporter which reflects the attitude of that great organization toward the Wage Stabilization Board and toward the legislation now under consideration.

The PRESIDING OFFICER (Mr. PATTORE in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFL WARNS CONGRESS LABOR WON'T TOLERATE WEAKER WSB

BOSTON.—The AFL executive council warned Congress that organized labor will refuse to play ball in the stabilization program if Congress "changes the rules in the middle of the game to give employers unfair and unjustified advantages."

In blunt and forceful language, the AFL leaders attacked two pending moves in Congress to rescue big business by (1) destroying the tripartite nature of the Wage Stabilization Board and (2) limiting the jurisdiction of the Board to wage issues only.

On the first point, the executive council told Congress that "organized labor cannot and will not participate in any wage stabilization program unless the Wage Stabilization Board is set up on a tripartite basis, as at present."

On the second point, the council served notice that if Congress "yields to the dictates of big business it will be impossible for organized labor to participate in stabilization policies."

RECALLS EARLY MOVE

Observers recalled that the entire labor movement withdrew from the defense program administrative set-up early in 1951 on similar grounds and returned only when President Truman corrected the objectionable conditions.

In its statement on the new crisis, the executive council said:

"Two moves are under way in Congress to destroy the basic structure of the wage-stabilization program.

"(1) The Senate Banking and Currency Committee, in voting to extend the Defense Production Act for another year, approved a 'ripper' amendment providing that the Wage Stabilization Board shall be comprised of 'public' members exclusively.

"(2) Various proposals have been introduced in both the Senate and the House of Representatives limiting the jurisdiction of the Wage Stabilization Board to the consideration of wage issues only.

"The executive council condemns both of these moves as hostile to the public interest in a period of national emergency. They are intended to rescue big business interests from the effects of decisions unacceptable to them. But the inevitable result of such unwise, impractical, and unjust changes in the law will be to wreck the entire stabilization program and expose the Nation's economy to the disaster of uncontrolled inflation."

DEMAND SELF-GOVERNMENT

"We wish to inform the Congress as clearly and as bluntly as possible that organized labor cannot and will not participate in any wage stabilization program unless the Wage Stabilization Board is set up on a tripartite basis, as at present.

"The workers of this country are willing to submit to wage controls because they realize the paramount importance of the success of the national defense program, but they will not consent to the regulation of their livelihood by a system of compulsory arbitration. They insist on self-government, in the American tradition. They want a direct voice in the regulation of their wages and salaries through a tripartite board on which labor, business, and the public are equally represented.

"No group of 'public' members can know enough about the intimate details of collective bargaining and wage setting under the diverse conditions of all American industries to handle these problems on a practical basis. An all-public board would result in compulsory arbitration by theorists and bureaucrats whose decisions ultimately would become as insupportable to industry as to labor."

CANNOT BE HEDGED

"Likewise, the executive council wishes to impress upon Congress that the jurisdiction of the Wage Stabilization Board in consideration of labor-management disputes cannot be hedged or confined without destroying its entire usefulness. This is not a new controversy.

"The Labor-Management Conference called by President Roosevelt shortly after Pearl Harbor agreed upon all points except whether the War Labor Board should have the authority to consider union security issues. President Roosevelt decided that since the primary objective was to assure full, uninterrupted production in the war emergency, obviously all disputes that might result in strikes or lockouts would have to be considered by the Board.

"Again, the same issue came up a year ago when President Truman undertook the reconstitution of the Wage Stabilization Board. The business organizations urged that the WSB be confined to money matters only. The AFL pointed out that the purposes of any wage program in a national emergency are both to stabilize the economy and to reduce industrial strife to a minimum. Such a program, organized labor insisted, must obviously include broad and flexible provisions for the settlement of all disputes arising during the emergency period.

"President Truman recognized the clear logic of this position and established the present Wage Stabilization Board with full jurisdiction to deal with disputes.

"Because of its broad jurisdiction, the Wage Stabilization Board has been successful in keeping industrial strife to a minimum. Its record compares well with that of the War Labor Board, even though there has not been a no-strike pledge and the Government has not asked for one during the current emergency.

"In effect, Congress is now being asked to veto this policy because the leaders of one industry are unwilling to comply with recommendations of the Wage Stabilization Board with regard to negotiating union-shop agreements.

"The executive council serves notice on Congress that if it yields to the dictates of big business on this crucial matter and changes the rules of the stabilization program in the middle of the game to give employers unfair and unjustified advantage it will be impossible for organized labor to participate in stabilization policies."

Mr. LEHMAN. Mr. President, the committee proposal and also the Ives amendment would also divest the Wage Stabilization Board of a critical phase of its substantial authority. Under the terms of these proposals the Wage Stabilization Board would have absolute power to impose wage ceilings, but no power to settle disputes between management and labor arising from, among other things, differences as to wages.

Mr. President, unless we are ready to pass legislation depriving labor of the right to strike we should not pass legislation weakening the functions of the Wage Stabilization Board in facilitating the settlement of disputes.

And I want to say at this point, Mr. President, that you cannot divorce economic issues in a labor dispute from certain other issues. It is unrealistic. It is impossible. We must recognize that during an emergency period such as this, when the national interest and the national security require that wages be stabilized and that there be a minimum of interference with production arising from labor disputes, the organ of Government which is given the responsibility to stabilize wages should also be given the authority to step in, where needed, to help settle disputes centered around wages. And, necessarily, Mr. President, the settlement of such disputes must include the settlement of

other subjects at issue. You cannot mediate part of a dispute in the Wage Stabilization Board and the rest of the dispute elsewhere.

These are abnormal times, Mr. President. In the Defense Production Act we have provisions granting tax-amortization privileges to certain businesses. We provide for allocation of raw materials. There is no argument about the necessity for these powers. They are emergency controls. But the emergency also requires other extraordinary steps that we would not contemplate in ordinary times. The vesting of authority for wage stabilization is one side of the coin. The vesting of authority to help settle labor disputes is the other side.

If we are going to establish a Wage Stabilization Board without the participation of labor and management, and if we are going to strip such a Board of any significant authority, we may as well eliminate the entire Board and save the taxpayers what such a Board would cost. It would be sheer waste.

Our substitute amendment, Mr. President, would meet this situation. It would establish a statutory Board; it would clothe the Board with authority given it by Congress; it would define the jurisdiction of that Board; it would make members of the Board subject to confirmation by the Senate.

The only sensible and realistic thing to do is to adopt this substitute and to strike the unrealistic, unreasonable, and impractical section 106 from the pending bill.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. I yield 8 minutes to the Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 8 minutes.

Mr. HUMPHREY. Mr. President, I rise, of course, to support the substitute amendment proposed by the Senator from Illinois [Mr. DOUGLAS], on behalf of himself and certain of his colleagues. The issue which is now under discussion is not a new one to those of us who have given some thought to the substitute proposal; and, of course, it is not new to the Senator from New York [Mr. IVES], who likewise has offered an amendment. Extensive hearings have been conducted on the whole subject of the Wage Stabilization Board and its program. Mr. President, I have in my hand a volume containing the hearings, consisting of 225 pages. The hearings were before the Committee on Labor and Public Welfare, and the subject of the hearings was the question as to the powers of the Wage Stabilization Board in labor-management disputes. It was very much because of those hearings that the Lucas amendment in the House of Representatives a year ago was defeated, and it is because of those hearings that a similar amendment was not brought up in the Senate of the United States.

We are not talking merely about terminology or emotional words when we refer to the public interest and when we refer to the continuance of production

through the use of a Government agency or with the assistance of a Government agency. We are talking about something we know about. Let us examine the present Board to see how it got to where it is.

First of all, every Member of the Congress knows that the entire wage-stabilization machine of the Federal Government was at dead center about a year and a half ago. As a member of the Committee on Labor and Public Welfare, it was my privilege, at the direction of that committee, to consult with almost every top official of the Government in reference to how we could properly adjust the difficulty among labor and management and the Government, and to get the Wage Stabilization Board on its feet as an operating agency. I discussed the question with Mr. Charles Wilson, who was then the head of the Defense Production Administration and with Mr. Arthur Flemming, the Director of the Office of Defense Mobilization. I discussed it with Mr. Eric Johnston, the former Economic Stabilizer, and with his associates. I want the Record to show that, to a man, they agreed that the Board should be tripartite, and they agreed that it should have not only wage functions, but also dispute functions. This is a matter of public record.

The men with whom I discussed this problem were not labor union officials. Mr. Eric Johnston is the former president of the United States Chamber of Commerce. Mr. Charles Wilson is president of General Electric Corp., and Mr. Flemming is an outstanding man in the field of public decision of manpower problems.

Mr. DOUGLAS. I believe he comes from Ohio and is an eminent Republican. Is that not true?

Mr. HUMPHREY. I have not investigated his political pedigree, but even with that on his record, I still respect his judgment. [Laughter.]

Mr. President, in their testimony before the committee the witnesses to whom I have referred who were working for our Government made their position perfectly clear. They felt that the jurisdiction of this board should include not only matters of wages, salaries, and other compensation, but also the disputes function. It is because of that evidence that we come forward with our substitute.

Mr. President, I ask those who oppose section 106, "What evidence do you have that the Wage Stabilization Board has not been effective? Upon what evidence can you base your case?" There have been 34 primary cases referred to the Wage Stabilization Board, cases affecting the national interest, within 13 months, which is less than 3 a month. There was no flood of important cases affecting production in defense industries. Of the 34 cases, 22 were voluntarily submitted by the parties. In other words, industry and labor had sufficient confidence in the Board in 22 vitally important cases to submit their problems to the Board for final adjudication, and in 22 cases the final adjudication of the Board was accepted voluntarily.

Mr. President, there have been 12 cases which the President of the United States has had to certify to the Wage Stabilization Board, because of the national interest and the national security, and those 12 cases have all been resolved except the Steel case. Those cases involved plants, such as Douglas Aircraft, so vital to the defense industry of this country; the packing industry of the United States; farm-machinery production; and I would remind the Senate that only recently the Wage Stabilization Board ruled upon the Oil case. Where is the hue and cry in the Senate about the Oil case? There was a strike, but the oil companies apparently were not so well organized as were the steel companies. As a matter of fact, the Wage Stabilization Board, at the direction of the President, ruled in the Oil case that the wages would be 3 cents an hour less than the parties themselves had already agreed upon, in some instances. In the Oil case the Wage Stabilization Board frankly admitted that its recommendations pierced the ceiling of the stabilization formula, and yet not a word of protest has been heard. They sent their recommendations to the Economic Stabilizer, under a special section, rule 13, regulation 13, which permits the Economic Stabilizer to take into consideration exceptional cases.

The Economic Stabilizer said the Steel case was not an exception.

All this hue and cry in the Senate about the Wage Stabilization Board not using good judgment in the steel case is just so much pure, unadulterated politics. It has been made a hot political issue.

The Wage Stabilization Board has worked in 34 cases. The fact that the steel case has not been properly settled is because it has been a hot political issue. The Wage Stabilization Board's record is better than that of most Senators. There are few Senators who have the reputation of being up to bat 34 times and having only one pending decision. What better public record do we want for an agency of the Government which has preserved production in aircraft, in electronics, in farm machinery, in oil, and has settled many disputes affecting the national security and defense?

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Would the Senator say that the batting average of the Board was better than that of Ted Williams or Joe DiMaggio?

Mr. HUMPHREY. In the big leagues, if a man bats .350 he is a hero, but the Stabilization Board has to be purer than Ivory soap, and Senators want it to float more than half the time. [Laughter.]

Mr. President, the burden of proof is not upon those of us who are opposing the substitute, because the record speaks for itself. The record of the Wage Stabilization Board is an enviable one. It is a record of continuous flow of production. I submit that there is not one eminent authority in America who will testify in behalf of a board such as is proposed by the Dirksen amendment.

Mr. Cole, an eminent member of the Mediation Board in New Jersey, a man of great renown in the field of labor relations, Dr. George Taylor, former Chairman of the War Labor Board; Dr. William Leiserson, Mr. William Davis, all of whom have testified before the committee, are men who have served their country with vigor and competence. They are in favor of a tripartite board.

Mr. President, we may lose this vote. But we shall not lose it on the basis of fact, but on the basis of partisan privilege, because the facts are on our side.

Mr. DOUGLAS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. DOUGLAS. I yield the remainder of my time to the junior Senator from Oregon.

I ask unanimous consent that the portions of my remarks interrupted by the Senator from Ohio [Mr. TAFT] be combined in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I shall speak very briefly at this time and shall later offer an amendment which will give me more time to discuss what I think is about as serious a problem as any before the Senate at the present time.

I think we should face the fact that we are attempting on the floor of the Senate this afternoon to pass what amounts to a labor bill for the settlement of labor disputes in defense industries during a period of time when no union and no group of workers, union or nonunion, have any moral right to strike in a defense plant and no employer has a moral right to lock out in a defense plant.

It seems to me that point should not be lost sight of as we consider this question, because, as the great Baruch said a few days ago, the over-all issue which confronts the American people is the issue of peril. Are we in peril or are we not in peril? If we are not in peril we should not pass this bill at all; we should simply proceed with so-called normal procedures for the handling of economic problems and labor problems as well. If we are in peril—and I believe we are—then it is of the utmost importance, from the standpoint of the security of the country, that there be a continuous flow of products necessary to build up our defense.

Mr. MAYBANK. Mr. President, will the Senator from Oregon yield for a parliamentary inquiry?

Mr. MORSE. I yield.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. How much time has the Senator from Illinois?

The PRESIDING OFFICER. He has 5 minutes.

Mr. MAYBANK. I yield the Senator from Illinois 15 minutes more.

Mr. DOUGLAS. Mr. President, we are dependent upon the generosity of the Senator from South Carolina. At the

end of the speech of the Senator from Oregon we shall proceed on our own time.

Mr. MAYBANK. It is not generosity on my part. I merely wanted to make certain of the time so as to know at what time we should speak, which will be at approximately 23 minutes from now.

Mr. MORSE. Mr. President, as I have said, if we are in peril—and I fear we are—it is of the utmost importance, from the standpoint of the national security, that there be a continuous flow, uninterrupted by work stoppages, of the products necessary to build up our defenses in the shortest period of time.

I desire to emphasize the advice which we have received from our military leaders. All our military intelligence seems to indicate that 1954 appears to be the potential target date of the Soviet Union of Russia in case it contemplates proceeding with an all-out war. At least, Mr. President, the military intelligence seems clearly to indicate to me, as a member of the Armed Services Committee, that we cannot afford to take a chance. If our military intelligence is correct in advising, yes, in warning us, that 1954 is the critical year which we must face so far as a potential threat of war on the part of Russia is concerned, then on the home front we had better close ranks and do those things which are necessary to create a continuous strengthening of the sinews of war.

If that be true—and I submit it as an assumption we cannot risk disregarding—then I move to my second premise, namely, that we should take away from employers and labor any moral right to strike or lock-out during this period. If we say to them, as we have a right to say, as a government, that their right to resort to economic action is only a relative right, and does not really exist in fact when its exercise jeopardizes the security of the Nation, then I think it is as clear as clearness can be that we must provide a procedure for the settlement of disputes in their totality. We cannot do this on a segment basis. We cannot divide labor disputes into different issue segments and send a part of a dispute to one board and a part to another. We cannot, for example, take up separately the question of grievance machinery from the other issues in a dispute.

One of the greatest causes of unrest in American industry today is that there are still many employers, such, for example, as a large number within the steel industry, who are far behind the times when it comes to adopting reasonable procedures for the settlement of grievances. We cannot take those issues involved in a given dispute and separate them from the other issues which have carried an emergency dispute. They must all be handled by the same tribunal at the same time.

Mr. President, whether we like it or not, if it be true that we are in great national peril, if it is sound to say to labor, "You cannot strike," and to employers, "You cannot lock out," then we ought to measure up to the clear problem before us, and recognize that we

must adopt a procedure and provide an organization for the settlement of labor disputes in their totality. I say that is not done even under the existing Wage Stabilization Board procedure and with the utmost respect for the point of view of the senior Senator from New York, of course it would not be done under his amendment.

Mr. President, I therefore suggest that we ought to come to grips for the duration of the emergency, with the task of setting up a tribunal for the settlement of labor disputes that arise in defense plants, recognizing that if we fall back upon existing procedures, such as those which exist under the Taft-Hartley law, the time factor will be causative of labor unrest, rather than causative of industrial peace, during the period of emergency.

I close with the statement that what we ought to have is a labor law for emergency disputes, one that will settle disputes before one tribunal on the basis of the totality of issues involved in each dispute. In other words, we might just as well face the fact that we need a defense period labor board for the settlement of disputes arising in defense plants. Until we come to grips with that reality, it seems to me we are going through a lot of false motions and gestures on the floor of the Senate which will be causative of labor unrest, rather than performing our job of establishing procedures that will bring about industrial peace.

The PRESIDING OFFICER. The Senator from South Carolina has control of one-half hour.

Mr. MAYBANK. I yield 15 minutes to the Senator from Minnesota, the Senator from New York, or the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I suggest that if the Senator from South Carolina desires to yield time, he yield it to the opponents. We have an amendment in the nature of a substitute, so I suggest that they be permitted to speak now.

Mr. MAYBANK. I yield 5 minutes to the Senator from Illinois, whose amendment is now being considered.

Mr. DOUGLAS. Is it the junior Senator from Illinois?

Mr. MAYBANK. The junior Senator from Illinois. As chairman of the committee, I may say that I am opposed to the amendment.

Mr. DOUGLAS. I understand.

Mr. MAYBANK. That is all I have to say. I am opposed because I do not think the amendment is a proper provision. I am opposed to it, and I hope the Senate will reject it. But I yield 7 minutes to the junior Senator from Illinois.

Mr. DOUGLAS. I may say that the junior Senator from Illinois is junior by a matter of only a few months.

Mr. MAYBANK. I do not like to be in between the two Senators from Illinois.

Mr. DIRKSEN. Mr. President, it is not necessary to labor this matter, so I am going to make only a few comments. First, I shall comment upon the message

which came this morning from Philip Murray. I believe Mr. Murray would have been in better grace, and I think perhaps he would enjoy a greater confidence on Capitol Hill, if he had confined himself to argument on facts, and had eliminated the portion of his statement that relates to motives of other people. Our motives are just as good as his in trying to find a solution for a problem that has precipitated a constitutional crisis in the country.

Secondly, I would comment very briefly upon what was said by my righteous friend, the Senator from Minnesota [Mr. HUMPHREY], concerning the record of the Board. I wish it had been possible for him to attend the off-record sessions of the Committee on Banking and Currency when Mr. Wilson testified. I am not at liberty to disclose what Mr. Wilson said, but I think I may say that it was quite at variance with what was stated by the Senator from Minnesota.

In connection with my old friend, Eric Johnston, I remember some private conversations which do not square with the statement that was made upon the floor today.

With respect to the record and efficacy of the Board, I wish only to say, Mr. President, that when the Board goes beyond the agreed demands in a labor dispute, how can a dispute be settled? I remember that the general manager of one of the largest companies in this country manufacturing military aircraft said to me that after they had agreed upon the substance of what was involved in the dispute, the matter was finally submitted to the Board, and the Board went away beyond what had been agreed upon. Of course, that was a violation of every conception of justice I know anything about, and every concept of equity, and it was probably on that account that the steel controversy reached such national dimensions as finally to become a constitutional crisis.

I hope the Senate will reject the amendment sponsored by my colleague, the senior Senator from Illinois [Mr. DOUGLAS], to the amendment of the Senator from New York, and that it will then vote down the amendment offered by my compatriot on the Committee on Banking and Currency, the senior Senator from New York [Mr. IVES], and finally approve the amendment reported by the committee.

As I read the language of the Douglas amendment, it restores the tripartite character of the Board, but the real issue involved in that amendment is the authority of the Board, and it will go so far as to put us right back into the same difficulty.

I think often of the motorist who got stuck in the Georgia mud. A farmer and his boy pulled him out. When he paid his fee, he said, "Do you always pull people out at night?"

The farmer said, "No, sir. At night we fill that hole with water again."

This amendment proposes to fill the mudhole with water again, because in subsection 6, page 3, of the Douglas amendment, we read:

The Board shall, upon joint request of the parties to the dispute, or request of the Presi-

dent, assume jurisdiction of any labor dispute.

It is that language which gives concern, because it is language which was written into title V of the Defense Production Act. There has not been agreement, certainly not in proportion as has been represented on the floor, as to how far that provision goes. That is the nub of the controversy here.

I submit to the Senate that there are two issues involved. The first is as to the character of the Board. Shall all the members be representatives of the public, or shall the tripartite character of the Board be preserved? Second, how far shall the Wage Stabilization Board go? It has failed. I do not say it has not done good work. It would be astonishing, indeed, that a board of 18 members could serve for a long period of time without their having done some good in behalf of the defense effort; but when the real crisis came, they failed.

I suggest that there be a careful and more leisurely reading, not only of the report which was finally rendered by the Board in the Steel case, but also of some of the ancillary comments made by both the labor and industry members.

It was represented to the committee that some of the members did not know, until an hour before the wage schedule was submitted, what it was going to be. That certainly is no judicial attitude. I think the time has come to deal with this question in the manner which has been suggested by a majority vote of the committee.

Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, I wish to make a few brief comments.

Mr. MORSE rose.

Mr. HUMPHREY. Does the Senator from Oregon wish to speak at this time?

Mr. MORSE. If there is any time left after the Senator has concluded, I should like to use it.

Mr. HUMPHREY. Mr. President, I should like to make this comment about what the Senator from Illinois said with respect to the position of the tripartite board. It is easy to talk about a public board, as thought it represented the public interest. But in matters which pertain to a labor dispute, more is involved in defining the public interest.

Actually, a board such as the Wage Stabilization Board must engage in the process of conciliation and mediation, and act as a liaison agency in the process of collective bargaining.

It is perfectly true that this is a skilled operation. I submit that there are only a few Members of this body who would be truly good arbitrators or mediators in a labor dispute of any complexity. It so happens that we are fortunate to have in this body a former member of the War Labor Board, who will testify as to the intricate nature of the dispute. I refer to the Senator from Oregon [Mr. MORSE].

Let it be clearly stated that collective bargaining, conciliation, mediation, and arriving at recommendations in order to adjudicate or settle a dispute are parts of a skilled operation. They call for labor-management experience.

Let me say a word as to the purpose of a tripartite board in a wage stabilization function. The recommendations of such a board affect the parties involved. They affect the industry. They affect the working people, and they affect the public in general. Therefore we must have a balanced operation. We must have an equal number of industry, labor, and public members. To be sure, the public members are frequently the balance of power, representing the public interest. I submit that the public members should be persons of competence and of background and experience.

One other word about Senator DIRKSEN's comments in order to keep the record straight. When I spoke of Mr. Eric Johnston favoring a tripartite board, I did not grasp that statement out of thin air. Eric Johnston's testimony is to be found at page 35 of the hearings before the Subcommittee on Labor and Labor-Management Relations, of the Committee on Labor and Public Welfare, held on May 17, 22, 29, and 31, and June 1, 6, and 7, 1951. Mr. Johnston is on record.

I ask the Senate to take my word for it that in a lengthy private conversation in 1951 with Mr. Charles E. Wilson in my office, which conversation I reported to the Senate committee, Mr. Wilson concurred in the tripartite arrangement.

Furthermore, the membership of the National Defense Advisory Council, which the President established, representing agriculture, industry, labor, and the public, unanimously concurred in the establishment of a tripartite board. I submit that there was no dissent on the part of either the Economic Stabilizer or the Defense Production Administrator. But whether Mr. Johnston or Mr. Wilson likes such an arrangement has really very little to do with it.

The fact of the matter is that the old War Labor Board, which did an admirable job, was a tripartite board. The most successful boards which have been used for purposes of adjudication, or for handling labor disputes, have been tripartite boards.

A further fact is that men who are skilled and experienced, and who have a valuable background in this field, men who can stand the test of critical cross-examination, testify as to the validity of a tripartite board.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Michigan.

Mr. MOODY. I commend the Senator from Minnesota for his very brilliant exposition of this subject. It seems to me to be perfectly clear that if the function of the Board is to get the two sides of a dispute together, it is elementary that both sides must be represented, along with neutrals who will help to nail the issue down.

I ask my colleague from Minnesota whether he has ever heard of any impartial leading expert in this field who took any other position than that the tripartite board was the wisest plan if what was desired was results and real collective bargaining.

Mr. HUMPHREY. I answer the Senator from Michigan by saying that the distinguished senior Senator from New York [Mr. Ives], who has had great experience in the labor-management relations field, has in his own amendment proposed a tripartite board. I take my hat off to the Senator from New York. I have great admiration for his judgment and decision. I happen to be somewhat in disagreement with him as to whether or not he has properly outlined the functions of the Board. I presume the Senator from New York will send me another quarter. [Laughter.]

Mr. IVES. The Senator from New York has just sent a quarter to his distinguished friend, the Senator from Minnesota.

Mr. HUMPHREY. This token gift from the Senator from New York of 25 cents merely proves that the stabilization program has worked well, because even in the good old days the price of a compliment was still 25 cents, and the price remains the same.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. MAYBANK. I yield 2 minutes more to the Senator from Minnesota.

Mr. HUMPHREY. I yield the remainder of the time to the Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. To whom does the Senator from South Carolina yield?

Mr. MAYBANK. How much more time have I?

The PRESIDING OFFICER. Sixteen minutes.

Mr. MAYBANK. I yield 5 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, continuing my remarks of a few minutes ago, I wish to say that in my judgment the Wage Stabilization Board did not fail in the steel case. The Congress failed. To date Congress has failed to place on the statute books a law which would be effective in the settlement of emergency disputes in defense plants during this period of emergency.

The reason I am pleading here today that we vote for the status quo in the form of the Douglas amendment and then proceed to vote on a bill for the handling of labor disputes in defense plants during the period of the emergency in their totality, is that I believe that until we enact such legislation, we shall continue to fail, as a Congress, in our obligation in respect to this issue.

The Senator from Illinois [Mr. Douglas] seeks by his substitute only to continue the status quo, by retaining the present law on the books. I shall vote for his substitute only for the purpose of seeking to give the Senate the time which I think it needs to consider a bill directed to the entire question of labor disputes in defense plants during the period of the emergency. The only reason I will vote for the Douglas substitute is because it is our obligation to consider all phases of this issue, and not take the unrealistic attitude of thinking that one can separate the issue of wages from the rest of the issues involved in a labor dispute. In almost all of the major labor

disputes which arise in defense plants many issues are involved. In the steel case, as has been pointed out in debate, there were approximately 100 issues involved. What is to be done so far as procedure is concerned in those cases? If only the wage issue is considered, what will be done about the rest of the issues? What will be done to prevent a stoppage of work so far as the rest of the issues are concerned?

Mr. President, sometimes a grievance in a department of a plant will be more provocative of labor unrest in that plant than the issue of wages.

If we are to take away from labor the right to use economic force and from employers the right to use economic force in these plants, the production of which is so vital to the security of our country, and if we are to meet the peril, which I assume we generally recognize is ours for the immediate future, what procedure is there in the Dirksen amendment or in the Ives amendment or in the Douglas substitute for coming to grips with the real problem? I say none. Why do I say that, Mr. President? I say it because if we take away the power of economic force from the party litigants, the only thing that they can fall back on is existing legislation, such as the Taft-Hartley law.

From the standpoint of the time factor alone, Mr. President, in my judgment, it is not a successful solution to the problem. I would that it were. However, I say that what we ought to do before the week is over, as soon as we pass the pending bill, which should maintain the status quo for the time being as to the Wage Stabilization Board, with respect to its powers, jurisdiction, and prerogatives, is to pass a labor bill for handling all of the issues that arise in a dispute that threatens national security. Before the week is over we should pass a bill for the handling of emergency disputes in their totality, and not make the grievous mistake today of thinking that it is possible to departmentalize cases, issue by issue. It just will not work that way, human beings being what they are.

The PRESIDING OFFICER (Mr. Gillette in the chair). The time of the Senator from Oregon has expired.

Mr. MAYBANK. Mr. President, I yield 5 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I find myself in a rather weak position on this whole matter, in that I can appreciate the arguments made on the part of each Senator who has spoken. I should like to say that I am not particularly stiffnecked about this matter at all. First of all, it was the intention of the framers of the Defense Production Act to establish a board with flexible powers, to control prices and wages, and to permit the President, of course, to create a price board, which was to establish fair and equitable prices. The intention was to establish a labor board, consisting of a group of men, which, in determining wages, would arrive at a formula which would be fair and equitable, in coordination with prices.

We have the Price Stabilization Board, now headed by Mr. Arnall, formerly headed by Mr. DiSalle. We have the Wage Stabilization Board. It was certainly the intention of the original legislation that both Boards would sit and listen to qualified witnesses from labor and management. It was the intention that the members should listen to the facts, and that the members would be disinterested parties. It was the intention that on the basis of the facts they would come to their conclusions. I do not believe that it was ever the intention of Congress—perhaps it should have been, as the able Senator from Oregon has stated—that the Labor Board should deal with anything other than what is necessary to arrive at maximum wages, in order to arrive at maximum prices.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CAPEHART. I have heard the argument made that the Board did not fail in the steel case. I shall not say whether it did or did not fail. The members of the Board arrived at their conclusion by using a certain formula. I think they pierced their own formula.

Mr. IVES. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. IVES. I believe that the Senator from Indiana will agree, however, that it was not our fault at the time the legislation was formulated that a board which might be established to deal with wages should consist wholly of public members.

Mr. CAPEHART. I was coming to that point. I do not think that the framers of the legislation or the committee cared particularly who was on the board; whether it was a tripartite board consisting of six labor members, six industry members, and six public members. I do not think we cared then and I do not think we care today particularly. In my opinion, what we want is 18 men who are unprejudiced and unbiased, who will sit and ascertain the facts, and whose decision will be based 100 percent on the facts as presented to them. I believe that is what we wanted. That is what we want today. I am one Senator who does not believe that merely because 18 men representing the public are appointed the result will not be that 6 of them will get into one corner, 6 of them into another corner, and the other 6 in still another corner; or that 5 of them will not get into one corner, 3 of them into another corner, and the others into still another corner. I do not believe it is possible to find 18 men who will think alike. I do not think that we ought to have 18 men who think alike.

I do not have any particular fixed ideas on this subject. I voted for the committee amendment, and I shall support it. I will vote for it on the floor, as I did in committee, because I do not think that we are going to change human nature. I do not think that we are going to improve the situation particularly by appointing 18 public members.

I do not think we would go particularly wrong in having six members appointed from labor, six from industry,

and six generally representing the public. I believe that what we ought to do is to create a board on the basis that we will have 18 honest, unprejudiced, and unbiased men who will deal 100 percent with the facts and then deal only with matters that have to do with wages, and permit industry and labor to solve their problems themselves.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. MAYBANK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes.

Mr. MAYBANK. Before I use any more of the time I would say that this is a very important amendment. It is my purpose to suggest the absence of a quorum. However, before doing so, I should like to ask for the yeas and nays on this amendment. I hope other Senators will agree with me that we should have the yeas and nays.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Mr. President, is the substitute which is offered by the Senator from Illinois subject to amendment?

The PRESIDING OFFICER. It is an amendment in the second degree and therefore is not subject to amendment.

Mr. MAYBANK. Mr. President, I have nothing more to add to the discussion. As chairman of the committee I intend to stand by the committee amendment.

Mr. MORSE. Mr. President, will the Senator from South Carolina yield me 2 minutes?

Mr. MAYBANK. Yes; but first I should like to complete my statement. I feel that the Ives amendment is a compromise between the committee amendment and the substitute amendment.

I have nothing further to say except that the remainder of my time is now—

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. MAYBANK. I was going to yield, but in the first place I was trying to ascertain how much time remains to me.

The PRESIDING OFFICER. The Senator from South Carolina has 3 minutes remaining.

Mr. MAYBANK. I now yield 2 minutes to the Senator from Oregon [Mr. MORSE].

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 minutes.

Mr. MORSE. Mr. President, I wish to say that I think that if we make any change at this time in the present law, in connection with the handling of labor disputes, particularly in view of the recent decision of the Supreme Court of the United States, such action on our part would be most unfair to the Senate Committee on Labor and Public Welfare. That committee has been meeting now for a great many days, taking testimony

on various bills which have for their purpose the settling of emergency labor disputes. In all probability I think we shall report a bill from the committee this week.

My attitude has been the open-minded one of being willing to accept any amendment to the so-called Morse bill or to any other bill before the committee that would be designed to give us a really effective and fair method of settling emergency disputes.

But, Mr. President, just as surely as we sit here today, if we adopt, as a part of the pending bill, the proposed section dealing with disputes, the argument then will be made, "We have already adopted something, so let us see how it works before we proceed to adopt anything else."

Under the Supreme Court's decision, I think a clear obligation rests upon us to provide a legislative blueprint for the handling of emergency disputes, including all the issues in them, not just the wage issue.

In this instance we have a committee which has jurisdiction over labor disputes, and which has been working faithfully and conscientiously in an endeavor to reconcile the differences over this matter. The committee will be ready in the next few days to bring a bill on that subject before the Senate.

In view of that situation, I think the status quo should be allowed to continue; in other words, I think we should adopt the Douglas amendment to the amendment of the Senator from New York [Mr. Ives], inasmuch as the Douglas amendment to that amendment simply provides for a continuation of the present powers of the Wage Stabilization Board. Thereafter, later this week, let us take up a bill which deals with the over-all problem of handling emergency disputes. In that way I think we shall do our duty.

Mr. MAYBANK. Mr. President, I now yield 1 minute to the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, simply for the purpose of clarification in connection with the pending question, I wish to refer to the Defense Production Act of 1950, and in particular to title V of that act. I point out that it says nothing about a tripartite board. The language at that point of the act is as follows:

The President may designate such persons or agencies as he may deem appropriate to carry out the provisions of this title.

I do not know whether that matter was discussed in the conference, but certainly the act is silent on that point.

In the second place, I point out that there is nothing in any of these amendments that would call for the appointment of an 18-man board. The board could be composed of 5 members, 10 members, 20 members, or 50 members, because the appointing power would remain in the hands of the President of the United States. So the size of the board is not involved in this instance.

I merely repeat at this time what I have said before, Mr. President, namely,

that in my judgment the amendment submitted by the Senator from Illinois [Mr. DOUGLAS] to the amendment of the Senator from New York [Mr. Ives] would put us right back into the same hole in which we find ourselves at the present time.

I can see nothing wrong with an all-public-member board, for the very reason that a strike exists at the present time and the present Board having failed in a very critical hour and situation.

The PRESIDING OFFICER. The time yielded to the Senator from Illinois has expired.

Mr. MAYBANK. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Moody
Anderson	Hayden	Morse
Bennett	Hendrickson	Mundt
Benton	Hennings	Neely
Brewster	Hickenlooper	Nixon
Bricker	Hill	O'Connor
Bridges	Hoey	O'Mahoney
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Robertson
Byrd	Hunt	Saltonstall
Cain	Ives	Schoeppel
Capehart	Jenner	Smathers
Case	Johnson, Tex.	Smith, Maine
Chavez	Johnston, S. C.	Smith, N. J.
Clements	Kem	Smith, N. C.
Connally	Kerr	Sparkman
Cordon	Lehman	Stennis
Dirksen	Lodge	Taft
Douglas	Long	Thye
Dworschak	Martin	Tobey
Eastland	Maybank	Underwood
Ellender	McCarran	Watkins
Ferguson	McCarthy	Welker
Flanders	McClellan	Wiley
Frear	McFarland	Williams
Fulbright	McKellar	Young
George	Millikin	
Gillette	Monroney	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment in the nature of a substitute, offered by the Senator from Illinois [Mr. DOUGLAS], for himself and other Senators, to the amendment of the Senator from New York [Mr. Ives]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Colorado [Mr. JOHNSON] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business at one of the Government departments.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

I announce further that if present and voting, the Senator from West Virginia [Mr. KILGORE], the Senator from Wash-

ington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The result was announced—yeas 26, nays 56, as follows:

YEAS—26

Anderson	Hennings	Monroney
Benton	Hill	Moody
Chavez	Humphrey	Morse
Clements	Hunt	Neely
Douglas	Johnston, S. C.	O'Mahoney
Fulbright	Kerr	Pastore
Gillette	Lehman	Sparkman
Green	McFarland	Underwood
Hayden	McKellar	

NAYS—56

Aiken	Frear	Nixon
Bennett	George	O'Connor
Brewster	Hendrickson	Robertson
Bricker	Hickenlooper	Saltonstall
Bridges	Hoey	Schoeppel
Butler, Md.	Holland	Smathers
Butler, Nebr.	Ives	Smith, Maine
Byrd	Jenner	Smith, N. J.
Cain	Johnson, Tex.	Smith, N. C.
Capehart	Kern	Stennis
Case	Lodge	Taft
Connally	Long	Thye
Cordon	Martin	Tobey
Dirksen	Maybank	Watkins
Dworshak	McCarran	Welker
Eastland	McCarthy	Wiley
Ellender	McClellan	Williams
Ferguson	Millikin	Young
Flanders	Mundt	

NOT VOTING—14

Carlson	Kilgore	McMahon
Duff	Knowland	Murray
Eaton	Langer	Russell
Johnson, Colo.	Magnuson	Seaton
Kefauver	Malone	

So the amendment of Mr. DOUGLAS, in the nature of a substitute for the amendment of Mr. IVES, was rejected.

The PRESIDING OFFICER. The question recurs on the amendment offered by the senior Senator from New York [Mr. IVES].

Mr. IVES. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is the Ives amendment subject to amendment?

The PRESIDING OFFICER. It is.

Mr. MORSE. I send to the desk an amendment to the Ives amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Oregon.

The CHIEF CLERK. On page 2, lines 2 and 3 of the Ives amendment, it is proposed to strike out the words "by and with the consent of the Senate."

Mr. MORSE. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. How many minutes do I have on this amendment?

The PRESIDING OFFICER. The Senator has 30 minutes.

Mr. MORSE. Mr. President, I intend to continue with the remarks I started earlier this morning in setting forth my views as to the legislative problem which I think confronts the Senate.

For the purpose of a brief summary, so that there will be some continuity and logical development of my thesis in the RECORD, I want to summarize my previous remarks by pointing out that it seems to me we are confronted in the Senate with the overriding issue as to whether this Nation stands in great peril so far as our national posture is concerned. If that be true, Mr. President, and I believe it is, then we must take the steps necessary so to mobilize the defense forces of the Government in such a show of strength that by 1954, which our military advisers tell us is the expected target date so far as a possible attack by Russia is concerned, that we shall be able to absorb the first shock of that attack and proceed quickly to knock Russia out of the war.

That means, Mr. President, that the American people, I think, have to come to grips with reality more than they have up to this time in regard to the crisis confronting us.

My second premise is that if we are in peril, then we must make clear to American employers and American workers that in defense plants producing those goods which are essential to the protection of the security of this country, they must live up to their moral obligation to keep production flowing without stoppage of work on the part of either or both. In other words, their right to resort to economic action has become a very relative right and must be denied to them for the duration of the emergency.

My third premise is that if we take the position that economic action must be denied employers and workers for the period of the emergency, the Congress has an obligation to place on the statute books a law which will provide a fair procedure for the quick settlement of labor disputes which arise in defense plants.

I think that means, Mr. President, that we have to be objective about it and recognize that the laws on the books will not provide and do not provide for a quick settlement of labor disputes arising in defense plants.

It is one thing, Mr. President, to have the type of legislation which we have on the books, although I think it needs to be materially amended, in fairness to all parties concerned, leaving to the parties the right to use economic action against each other in order to bring about an agreement between the parties as to a collective bargaining agreement, which is, of course, the purpose of economic action in a labor dispute, but it is quite a different thing, Mr. President, to say to the parties to the dispute, "You will have to wait for whatever period of time it takes the law presently on the books to

operate in its tedious way in the settlement of the dispute."

I think it is perfectly clear, on the basis of the testimony before the Committee on Labor and Public Welfare, Mr. President, that if our only means of settlement of labor disputes is to be the existing legislation, it will be a matter of many months in most cases for the law to run its course. We then place a tremendous tax of credulity on human nature if we make the assumption—and I think it would be a very false assumption—that even in the time of emergency, human beings being what they are, the provocations which develop within a defense plant that lead to emotional reactions, will not result in stoppages of work. Unless we have a procedure handy and ready for a quick disposition of such cases I am convinced there will be many work stoppages. We can say all we want to say about what men should do under those circumstances, and I have never condoned, under those circumstances, workers or employers resorting to direct action interfering with the production of necessary goods for the protection of our country or the successful prosecution of a war; but that does not stop them from taking economic action. I think that economic action was kept to a remarkable minimum during World War II and during World War I but that was because there existed a tribunal for settling all of the issues in emergency disputes. In both those wars, Mr. President, with American men dying in defense of their country, there were some stoppages of work, but they were not of long duration.

I think it is remarkable, Mr. President, that during World War I, under the War Labor Board, headed by the cochairmanship of William Howard Taft and Mr. Walsh, the strikes which occurred were of very short duration. During World War II, Mr. President, under a tripartite War Labor Board, there were relatively few strikes in proportion to the many hundreds of cases we handled, but not a single one of those strikes was of what could be called long duration. The reason why they were not of long duration was because the tripartite board went into action the moment there was a threat of a work stoppage.

Mr. President, my testimony, for what it may be worth, is that for more than 18 months some of us on the War Labor Board worked the clock around, 24 hours of the day and night, on the average of once every 11 days, because we knew how important it was for speedy action in a major case, in order to prevent stoppage of work.

A case that comes first to my mind is the International Harvester case, which I remember so very clearly. In that case we did not cease work for some 30 hours, until we finished writing the decision for submission to the board. It was a historic case, but it was an example of the type of energy and work we devoted to our labors, because we knew the importance of a quick decision in the handling of a major labor dispute. Time is of the essence in any labor dispute, but particularly so when an emer-

gency situation is involved, in which the parties have been denied the use of economic action under a no-strike, no-lockout agreement, such as prevailed during World War II.

So, whether we like it or not, we shall not fulfill our obligations as a Congress if we do not immediately proceed to the adoption of a labor law for the emergency period, restricted in its jurisdiction and application to so-called defense plants, as determined by the President of the United States upon the basis of reports made to him by appropriate departments of the Government, to the effect that a labor dispute existing in one plant or segment of industry is jeopardizing the security and safety of the Nation. It is necessary to start with that premise.

My objection to the Ives amendment and the Dirksen amendment primarily is based upon the fact that neither amendment imposes upon any tribunal the breadth of jurisdiction it must have in order to settle labor disputes. Adopting those amendments would be running a risk that would be bound to result in serious disaster to individual cases, if it is assumed that a work stoppage can be terminated, when tempers are high and emotions are running amuck, by waving the flag or speaking patriotic phrases. It makes a nice case on paper, but it has never worked, and it will not work now.

So my plea, for whatever it is worth, is that we come forward with a labor law for the defense period, to be applied to emergency disputes, disputes decreed by the President of the United States to be such as to threaten the security of the Nation. There should be a law that will give to someone, some tribunal, or some board, jurisdiction to do what, Mr. President? To render a decision.

Oh, yes. The parties do not like that little provision. Of course, one defect of the present Wage Stabilization Board law is that it does not provide the Board with power to render a decision. It may only make recommendations, which to all intents and purposes are looked upon by the victorious party to a particular issue as, in effect, a decision. But believe me, Mr. President, one gets an entirely different reaction from the parties when there is a procedure that vests jurisdiction in a body, and empowers that body not only to recommend to the parties, but also to make clear to them what the decision will be a very short time after the recommendation is handed down, if they, by collective-bargaining negotiations forthwith, do not reach a voluntary agreement for settlement of the dispute between themselves.

Oh, certainly, I know that when this suggestion is made, there will be thrown back the charge that, in the last analysis, what is proposed is compulsory arbitration. What I am proposing is that in the last analysis, after the gates of voluntarism have been kept wide open to the parties for the settlement of disputes between themselves through collective bargaining, based upon the aids that flow from conciliation and mediation services of an appropriate body of the Federal Government, and finally from a list of recommendations based upon facts ap-

proved by a Government tribunal through appropriate hearing, there be a final step, which says to the parties, "Having had all this time and opportunity, the benefit of Government aids that have been rendered to you by way of mediation and conciliation, and now recommendations based on a hearing, we tell you, party litigants to this dispute, that in the interest of the all-important public interest, your Government now tells you that, in order to protect the security of the country for the period of this emergency, the decision on wages and every other issue of your dispute shall be as follows."

When we reach that state of facts, Mr. President, I shall not worry about compulsory arbitration. When we get to that state of facts, I say here, as I said last month in the great labor temple in the city of Portland, Oreg., "There is not a labor leader on the floor of this convention who can stand up and justify an argument that, at the point of crisis where the choice is either to let you go out on strike, to the detriment of the security of this country, or to have the Government enforce a decision which it has found through judicial processes, found to be a fair and equitable decision, labor should have the right to strike."

Every labor leader in the convention knew I was right, and many of them came to me afterward and said, "Although we cannot argue with you about it, because we know you are right, we hope you will stand firm on that position."

Why do many labor leaders take that position? I will state why. I think I know something about labor leaders, and something about the psychology of employers, too. They will do a lot of "beefing," as we say in the field of labor relations. They will squawk loud and gesture vehemently, but in an emergency dispute they frequently want a decision enforced because that provides them with a face saver. Oh, I am not primarily interested in providing labor or employers with a face saver. Just in passing, I make note of the fact that face savers are important in settling labor disputes. It happens to be one of the rather important elements of a possible settlement of a labor dispute. I am stressing the fact that unless there is a procedure that keeps the gates of voluntarism open as long as possible, so that the parties will have ample opportunity by collective bargaining to settle their dispute, and then finally have the power of decision vested in some board, the defense effort will be jeopardized, because a time will come when there must be enforcement of a fair settlement of a dispute.

In spite of all the criticism we hear from labor and management under such circumstances, Mr. President, there would be relatively few cases which would ever reach the point of decision if we should adopt the procedure which I have been suggesting in connection with the Morse bill. Of course, it is difficult to prove, but I am willing to venture the prophecy that if we have that kind of procedure for the settlement of disputes in defense plants for the period

of this emergency, 95 percent of them will be settled by the time the point of recommendation is reached. Not more than 5 percent of them will ever go through to what I call enforceable decision. But I want that gun behind the door, to protect the security of my Nation, if necessary, in a major labor dispute.

The next point I wish to make is that the Taft-Hartley law is not the answer. The adoption of the Ives amendment or the Dirksen amendment and reliance on the Taft-Hartley law for settlement of issues other than the wage issue is not the answer. It is not the answer in any case. It is particularly not the answer in such a case as the steel case. Why? Because there is not a line in the Taft-Hartley law which is aimed at preventing the stoppage in the first place. The procedure of the law itself is time-consuming, and the time which is consumed in the operation of the procedure of the Taft-Hartley law itself permits a stoppage of work to continue for days, the number of days being dependent upon the complexity of the case.

In the steel case, for example, it would unquestionably mean many days. I do not know how long a board of inquiry in the steel case would require to make the findings necessary to report to the President of the United States; but we know the kind of record which was made in the steel case before the Wage Stabilization Board. I assume that if a board of inquiry were appointed under the Taft-Hartley law procedure, it would make a conscientious study of the facts of the case. It would not send a report to the President before it had completed its study. There is not a chance of obtaining an injunction under the Taft-Hartley law until the report is before the President, and the President sends his recommendation to the Attorney General, the Attorney General lays his case before a judge, and the judge takes the case under advisement and subsequently decides whether or not to issue an injunction.

It is very difficult to bring about a public understanding of the ineffectiveness of the procedure of the Taft-Hartley law in emergency disputes; but I say that we have an obligation to do something about it. Moreover, it seems to me that under the Ives amendment or the Dirksen amendment there would be a great many disputes which would have a serious effect on the defense program and which would be a long time in reaching the point of litigation.

Let me stress at this point another phase of the problem. It is easy, particularly for lawyers, to assume that the human problems involved in labor disputes can be settled by legalistic formulas. That procedure does not work. Why? Because in the main we are dealing with matters which are not legal in nature. They are economic; they are social; they are psychological. I find nothing in the Ives amendment which is broad enough to take care of all the issues which I think must be settled in a labor dispute in a defense plant, if we are to carry out what should be our objective; namely, to make this

country strong enough fast enough so that it can meet any crisis which may arise during the target year of 1954. If we do it fast enough, I think the possible dangers of that target year will never come to pass. But we cannot do it unless we have dispute-settlement machinery for the continuous flow of production into the military pipelines necessary to provide the defense with which to meet the crisis.

That leads me to the next point which I wish to make. Let us assume for the sake of argument that we adopt either the Ives amendment or the Dirksen amendment. What do Senators suppose would be the reaction in the Senate if, before the end of the week, or at the first of next week, the Committee on Labor and Public Welfare should report a labor bill aimed at handling emergency disputes in defense plants. Unless my colleagues in the Senate completely change their patterns of normal reaction between now and then, I will tell the Senate what we would hear. We would hear Senators saying, "We have just finished making a complete change in the procedure of the Wage Stabilization Board. The President has not yet even appointed the members of the Board. Now the Committee on Labor and Public Welfare brings forth a new bill which would seek to change what we have already changed by our action of last Wednesday."

Of course, we cannot bring forth a labor bill which will really do the job which needs to be done, that of encompassing all the issues in a labor dispute, without changing in many particulars what would be done if we were to adopt either the Ives amendment or the Dirksen amendment. With the defeat of the Douglas amendment, which was the one proposal which permitted a continuation of the status quo until we could pass an all-encompassing defense labor bill, what I fear is that we shall get nowhere in the Senate with a bill which seeks to come to grips with disputes involving all the issues in emergency cases. If we do not, I respectfully submit that in my judgment the Senate, particularly in view of the Supreme Court decision in the Steel case, will have walked out on its obligation.

I wish to close with a few references to what I think are the implications of the decision in the steel case with respect to our obligation to enact legislation relating to emergency disputes.

It is well known in this body that my views, so far as the powers of the President of the United States are concerned, coincide much more nearly with the dissenting opinion in that case than with the majority opinions. The other day I stated that if I were reversed I would not feel the slightest embarrassment in admitting that I had been reversed. I have been reversed.

But, Mr. President, in my judgment, the majority opinion in that case leaves no room for doubt as to the clear obligation of this Congress, under the separation-of-powers doctrine, to enact legislation which will not leave the President in a position in which he cannot exert

his executive authority to protect the security of the United States until the Congress first acts. I say that under that Supreme Court decision it is now more than ever the clear duty of the Congress to enact legislation which will lay down a blueprint to govern any President of the United States as to what he shall do under article II of the Constitution in handling, under legislative mandate, an emergency dispute which threatens the security of the country. It was my view that the President had the power to act subject to the immediate checking by Congress of his actions. Now, as I read the decision of the majority of the Supreme Court, which majority opinion I consider to be a very static interpretation of the Constitution of the United States, it is the constitutional duty of Congress to get on the statute books legislation which will guide a President in the meeting of these emergencies before the fact, rather than after the fact. The security of our country demands it. The security of our country calls for the ending of what I think is the most serious and costly strike in the country, namely, the strike of the Congress of the United States against carrying out what I think is its clear duty in this hour of emergency. Its clear duty is the passing of legislation for the handling of all the issues involved in an emergency dispute which threatens the security of our country.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MAYBANK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirty minutes.

Mr. MAYBANK. I do not intend to take more than a few minutes. I should like to say a few words before I yield the remainder of the time to the Senator from New York. I wish again to make clear what I have proposed to do. I hope the Senate will understand that what I propose to do is in substance what the Senator from Oregon suggests. I agree that it is the sons of the union leaders who are fighting the war; it is the sons of the union workmen who are fighting the war; it is the sons of the owners of the steel mills who are fighting the war; and it is the farmers' sons, and others who are fighting the war. Therefore my amendment, which was read earlier today which is in keeping with what the Senator from Oregon says that the Committee on Labor and Public Welfare should do. We are not dealing with permanent legislation. Insofar as title IV and title V are concerned, they expire on the first day of March. If the pending bill were to take effect, next week by concurrent resolution, and without approval by the President of the United States, entire sections of the bill could be wiped out.

I repeat that the amendment which I submitted this morning—and it will be the last amendment to be called up, and will be considered under unlimited debate—provides only for a temporary handling of the situation. Again I ask: What is the use of having a National Production Act when the workers, whose

sons are fighting in Korea, and the owners, whose sons are fighting in Korea, cannot produce the tools with which to fight the war?

I congratulate the Senator from Oregon on his statement with reference to permanent legislation. However, these amendments have nothing to do with permanent legislation. The amendments are tied to sections of the Defense Production Act which, except those dealing with allocations, expire on March 1. By concurrent resolution Congress can repeal any of the sections.

Mr. President, I desire to make the RECORD clear that I believe the amendment offered by the Senator from New York is a better amendment than the one which was offered on this side of the aisle by the Senator from Illinois (Mr. DOUGLAS) and other Senators. Again I wish to say that I do not intend at this time to propose permanent labor legislation. Such legislation should be considered first by the Committee on Labor and Public Welfare.

I am glad the distinguished Senator from Arkansas worked out with the Secretary of Labor certain amendments which we had before us. Again let me say that unless something is done now the steel strike will continue, and steel production will decline. Who will suffer? The American people will suffer. As a result, the sons of those who work in the steel factories and the sons of those who own the stocks in the companies will suffer.

The Senator from New York attempts to correct the Dirksen amendment for which I voted in committee. Naturally I shall stand by the committee, but I believe that the amendment of the Senator from New York is far better than the amendment offered by the Senator from Illinois.

My main purpose in speaking again is that tomorrow, as the Senator from Oregon has said, may be too late, for, Mr. President, we cannot allow management and labor to continue to tie up production in the steel industry. Beyond national defense there is also involved the production of bridges and roads, for which steel is needed. I believe it is about time that Congress should take some constructive action in the light of the fact that the Supreme Court has stated Congress alone has legislative power. In other words, Congress can enact legislation this week, such as this bill, place in it any provision it desires, and next week repeal the law.

I hope that the suggestion of the Senator from Oregon to delete the provision requiring confirmation by the Senate of the appointments of members of the Board will not be adopted.

I again express my appreciation of what the Senator from Oregon has said. It is our duty to legislate. The Supreme Court has so declared. I never felt that the President should seize the steel plants. I never raised my voice against the CIO or those who are on strike. They are entitled to a cost-of-living wage, and the steel companies are entitled to a certain commensurate raise in prices to take care of the stockholders.

What that figure is, I do not know. But the time for Congress to act, following the Supreme Court's decision, is now.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Illinois.

Mr. DIRKSEN. I want to be sure that the RECORD does not indicate that we are walking on a one-way street. I am always willing to assume my responsibility as a Member of this body under any circumstances. But the chairman of the subcommittee, my good friend the affable, the honorable, and the very fair Senator from South Carolina, knows that in the long testimony which Mr. Wilson gave before our committee it was made clear that this body has no responsibility for the difficulty in which we find ourselves.

Mr. MAYBANK. Yes; and the Supreme Court has so declared. The Supreme Court said we passed the Selective Service Act. It said we passed section 230. The Supreme Court said we passed the Taft-Hartley law. I am one who voted for the Taft-Hartley law, and I am not ashamed of it.

Mr. DIRKSEN. The President had the responsibility of appointing the members of the Board. He could have ascertained the fact that three of the public members of the Board, when the Taft-Hartley veto message was sent to the Congress in June of 1947, expressed themselves in no uncertain language to the effect that the law was unworkable, and had other discrediting things to say about it.

Mr. MAYBANK. I am not here to condemn the President of the United States for what he does or does not do. I only express my own opinion. Someone asked me if I had talked to the White House about my amendment. I said I had not and that is true. I assume my own responsibility. The President of the United States assumes his responsibility. The President may make mistakes.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. DIRKSEN. I conclude by saying that the difficulty and dilemma in which we find ourselves was not initiated by any action or lack of action on the part of Congress.

Mr. MAYBANK. The Senator is correct. The Supreme Court has said so. What I wish to bring out again is that I think that in the Defense Production Act we are not legislating against labor and we are not legislating for management. We are not legislating for either one of them. We are passing a law which is to be effective only temporarily until March 1, and until permanent legislation can be passed, after it has been reported by the Committee on Labor and Public Welfare.

Everyone knows that we cannot enact permanent legislation on this subject now. Perhaps I should not say everyone, but certainly many will agree with me that we cannot get permanent legislation from the Committee on Labor and Public Welfare and have the Senate adopt it before July 1, when Senators

are all set to go to Chicago, first to the convention of the Republican Party and then to the convention of the Democratic Party. I think most of the Members of the Senate will be absent from Washington during the time of the conventions. I am not a candidate for office, so I might be in Washington then.

However, frankly, Mr. President, until some action is taken by us in regards to this emergency situation, we should not leave Washington. It may be that what I favor doing is the wrong thing to do. If so, I hope some Senator who has in mind the correct solution will offer it, so that it can be approved.

Mr. HUMPHREY. Mr. President—

Mr. MAYBANK. I yield now to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I merely wish to say that the Senate Committee on Labor and Public Welfare has been consistently and methodically at its business of holding hearings on the bill introduced by the Senator from Oregon [Mr. MORSE].

Mr. MAYBANK. I appreciate that that is so, Mr. President.

Mr. HUMPHREY. Furthermore, Mr. President, the measure dealing with this subject is highly complex and affects the rights of both individuals and groups.

Mr. MAYBANK. Of course it does.

Mr. HUMPHREY. As I have said, I would not favor proceeding in haste.

Mr. MAYBANK. That is correct, for that measure will, when enacted, constitute permanent legislation.

In the present case, however, we are dealing with a temporary measure to protect the rights of both management and labor, and also to provide that in the interim, steel can be produced for the war effort. After all, what is the use of having a Defense Production Act if steel is not produced?

Mr. HUMPHREY. Our committee has completed the hearings on the so-called Morse bill, and we have had three drafts of that bill. The committee is now prepared to go into executive session to mark up the bill. I hope we shall be given an opportunity by the Senate to perform our duty conscientiously, to the best of our ability.

Mr. MAYBANK. Mr. President, I would never criticize the committee. I simply say that the pending bill proposes a continuation of the Defense Production Act; and the purpose of that Act is to enable us to have steel, copper, and aluminum produced. After all, the present war situation involves the production of heavy materials. If the steel mills are closed, how can steel be obtained?

Mr. HUMPHREY. I thoroughly agree as to the necessity of settling the dispute. On yesterday I offered, as an expression of the sense of the Senate, a resolution which would put the Senate on record as saying to both the steel companies and the steel workers that the Senate expects them to settle the dispute.

I recognize that the adoption of that resolution in itself would not settle the dispute, but the resolution would at least give an opportunity for an official, public expression on the part of the Senate.

I hope that in the course of the debate on the pending bill we shall be able to act on that resolution.

Mr. MAYBANK. Mr. President, if I correctly understand the situation, the public of the United States wants one thing done, namely, they want their children protected. The steel workers, the owners of steel stock, and the management are the fathers and the mothers of those children.

I yield the remainder of my time to the Senator from New York [Mr. IVES].

The PRESIDING OFFICER. The Senator from New York is recognized for 17 minutes.

Mr. IVES. Mr. President, I would respectfully remind the Senate that, after all, the amendment which now is proposed to be amended by the amendment of the Senator from Oregon is mine; and I should like to speak briefly on that point.

Before doing so, I wish to comment concerning the discussion which has just occurred in respect to emergency action. I subscribe 100 percent to the ideas expressed by the distinguished senior Senator from South Carolina [Mr. MAYBANK] and the distinguished Senator from Oregon [Mr. MORSE] to the effect that we need to have action taken now.

Mr. MAYBANK. Yes, now.

Mr. IVES. However, I might differ in part with both Senators in that I think the action we take now should be of a temporary nature. I do not believe that we should give to the Chief Executive of the United States broad powers to meet emergencies, and then put those powers on a permanent basis. To do so would be a mistake, I believe.

Mr. MAYBANK. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I yield.

Mr. MAYBANK. I agree with the Senator from New York. As he knows, I voted to limit to March 1 the emergency powers, even though a 2-year extension was requested in the committee.

Mr. IVES. That is the point to which I was coming. Of course, Mr. President, on that basis we would have a choice as between an amendment to be adopted to the Defense Production Act and an amendment or measure of a similar nature which would be in effect only during the life of the emergency. Personally, I think the measure we enact should go no further than that. Furthermore, I would have the measure we pass confined to the emergency existing in the steel industry itself and the controversy existing in connection with that situation.

In 1949, as may be recalled, I submitted an amendment to the Taft-Hartley Act, in an effort to meet such a situation.

In respect to the amendment now before the Senate, let me say that I think all of us agree that at least the public members of the Board, as proposed in my amendment, should be confirmed by the Senate. I believe it would be a serious mistake to take away from the Senate the power of confirmation.

Question has arisen, in connection with my amendment, in regard to the so-called fringe benefits and the amount of territory the amendment covers.

I read now subsection (e) of section 702 of the Defense Production Act, which is very brief, and defines the term "wages, salaries, and other compensation":

(e) The words "wages, salaries, and other compensation" shall include all forms of remuneration to employees by their employers for personal services, including, but not limited to, vacation and holiday payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

That is the end of that particular subsection.

I think everyone who has been listening to the reading of that subsection will agree that it covers a great deal of territory, and that a large part of all the disputes which might arise would have some bearing insofar as that particular subsection is concerned.

As a consequence, I firmly believe that the dispute powers which, under my amendment, would be given to the Wage Stabilization Board are sufficiently broad. I do not believe we should extend them beyond that point. They would, in my opinion, enable the Wage Stabilization Board to resolve a great many questions which might be in dispute, in relation to wages, salaries, and other compensation—questions which it is most necessary that the Wage Stabilization Board be permitted to resolve.

In submitting an amendment of this particular type, I wish to say that the provision for the particular function here provided was derived from our experience in New York State in connection with the New York State Labor Relations Board. At one time or another so many disputes arose over questions involving collective bargaining, which could have been mediated by the New York State Labor Relations Board, but which under the law could not be mediated under that process, that finally we amended the law, so as to permit more or less this same type of function on the part of the New York State Labor Relations Board. As a result of that change, which proved to be salutary, many controversies which otherwise might have arisen, never developed.

So the amendment is submitted for the purpose of confining the activity to the Wage Stabilization Board, and not to permit of a broad undertaking with respect to disputes generally.

If, as I suggest, such an undertaking is to be made, we should have for that purpose a strictly emergency type of set-up; but that endeavor should not be undertaken by the Wage Stabilization Board.

The PRESIDING OFFICER. The Senator from South Carolina has control of the time.

Mr. MAYBANK. Mr. President, how much time remains to me?

The PRESIDING OFFICER. Three minutes.

Mr. MORSE. Mr. President, will the Senator from South Carolina yield 1 minute to me for a parliamentary purpose?

Mr. MAYBANK. Yes; I yield.

Mr. MORSE. Mr. President, the submission of my amendment having given sufficient time to discuss the points involved in this controversy which I wished to discuss for the RECORD, I now withdraw my amendment to the amendment of the Senator from New York.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oregon to the amendment of the Senator from New York [Mr. IVES] is withdrawn.

The question now recurs on agreeing to the amendment of the Senator from New York [Mr. IVES].

The Senator from South Carolina has 2 minutes remaining.

Mr. MAYBANK. Mr. President, I desire to request the yeas and nays on the question of agreeing to the amendment of the Senator from New York.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. MAYBANK. Then, Mr. President, I shall suggest the absence of a quorum. However, first let me inquire how much time remains to me?

The PRESIDING OFFICER. The Senator from South Carolina has 2 minutes remaining.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Carolina will state it.

Mr. MAYBANK. Is it in order to offer at this time an amendment to the amendment of the Senator from New York?

The PRESIDING OFFICER. It is, inasmuch as the amendment submitted by the Senator from Oregon [Mr. MORSE] to the amendment of the Senator from New York has been withdrawn.

Mr. LONG. Mr. President, on behalf of myself and the Senator from Florida [Mr. SMATHERS], I offer the following amendment to the amendment of the Senator from New York [Mr. IVES]: On page 1, strike out lines 6 through 8 inclusive, and insert the following: "shall be composed of equal numbers of members representative of labor and members representative of business and industry, together with an odd number of representatives of the general public, which shall exceed in number that of either labor or business and industry, but which shall be less than the aggregate numbers of representatives of labor and business and industry."

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 30 minutes.

Mr. LONG. Mr. President, I do not desire to use the 30 minutes, because this is merely a change of the formula, and it is very easily explained, I believe. It seems to the junior Senator from Louisiana that if the Ives amendment were adopted, the representatives of the general public should exceed in number both the representatives on the part of labor and the representatives on the part of management. For example, if there were two for industry and two for labor, it would seem fair that there should be a number exceeding that—three, for example—to represent the general public. That would

prevent the Board's being deadlocked in tight votes. On the other hand, it would mean that when labor would take one view and management would seem to take another view, a majority of the members representing the general public would have the balance of power to decide the outcome, in the event there should be a close division between the representatives of labor on the one hand and the representatives of industry on the other.

It would also make it possible, as it is now, that in the event the representatives of management and the representatives of labor all agreed on a particular solution, they would have more votes than the representatives of the general public as a whole. Of course, if labor and management should agree in the first instance, usually there would be no labor dispute.

This seems to me to be a reasonable and fair modification of the amendment offered by the senior Senator from New York. I very much hope that the author of the Ives amendment will accept this modification.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Florida.

Mr. SMATHERS. Under the amendment as proposed, could there not be a situation in which, for example, two members represented industry, two represented labor, and three represented the general public?

Mr. LONG. That is true. On the other hand, there could be three representing management, three representing labor, and five, in that instance, representing the general public.

Mr. SMATHERS. Is not the difference between the amendment which the Senator from Louisiana has offered and the committee amendment that the Senator from Louisiana recognizes that this board would be meaningless unless there were cooperation on the part of labor and industry? This is a method of getting labor and industry representation on the board, but at the same time it is recognition of the interest of the general public, which after all is more important than the interest of any one of its parts, such as labor or industry. It is a recognition of the fact that the whole is more important than the parts. For that reason, the Senator from Louisiana proposes an amendment providing that the representatives of the general public shall always outnumber the representatives either of labor or of industry. Is not that correct?

Mr. LONG. That is correct. It seems to the junior Senator from Louisiana that this is a fair compromise between the one point of view, according to which there would be no representatives of either labor or industry, as such, and on the other hand, the point of view that each group should be represented equally.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Michigan.

Mr. FERGUSON. As I understand, it is a mandatory provision; that is to say,

it is mandatory upon the President to name more public members than are named on behalf of either of the two other interested groups. Is not that correct?

Mr. LONG. That is the intention of the junior Senator from Louisiana in offering the amendment.

Mr. FERGUSON. Would the members appointed to represent the public be subject to confirmation by the Senate, as under the amendment offered by the Senator from New York [Mr. Ives]?

Mr. LONG. Yes.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Is the Senator from South Carolina opposed to the amendment proposed by the junior Senator from Louisiana to the amendment offered by the Senator from New York [Mr. Ives]?

Mr. MAYBANK. I favor the amendment to the amendment of the Senator from New York.

The PRESIDING OFFICER. If the Senator from South Carolina is not opposed to the amendment offered by the Senator from Louisiana, under the unanimous-consent agreement the minority leader will be recognized for 30 minutes.

Mr. CAPEHART. Mr. President, as acting minority leader, may I say that I think there is no one on our side, or, in fact, on either side, who wishes to speak.

Mr. IVES. Mr. President, the amendment offered by the Senator from Louisiana is being proposed as an amendment to my amendment, and therefore I should like to have something to say about it, though I shall not say very much.

Mr. CAPEHART. How much time does the Senator from New York desire?

Mr. IVES. I do not want very much time—not over 5 or 10 minutes.

Mr. CAPEHART. The Senator would be entitled to 30 minutes. I yield 5 minutes to the Senator from New York.

Mr. IVES. Mr. President, I have discussed this matter with the distinguished Senator from Louisiana, who has offered the amendment. I appreciate very thoroughly the attitude he has expressed, and his argument has merit. But I point out that the very reason for making a tripartite arrangement with equal representation on behalf of labor, management, and the public, is that there should be a continuance of the general idea which now exists, namely, that labor should have representation equal to the representation of the general public, on the one hand, and of management or industry, whatever it may be called in the bill, on the other hand.

I doubt very much whether the proposal of the Senator from Louisiana would provide a satisfactory arrangement in the final analysis, and therefore I personally, shall have to vote against his amendment. I can see its merits, though I can also see its demerits. I think it would be a great deal better than to have equal representation on the part of labor and management with a representation on the part of the public greater in the aggregate than the number of representatives of both labor and in-

dustry combined. Certainly I would not agree to anything of that kind.

Mr. LONG. Of course, under the amendment of the Senator from New York, unless my amendment to it were adopted, there might be tie votes; one representative of the general public might side with industry while another representative of the public might side with labor, and thus the vote would be at an impasse, because of an equal number on both sides.

Mr. IVES. I agree with the Senator as to that. I agree that his amendment would prevent a tie of any kind in any controversy in which the representatives of labor and the representatives of industry were divided.

Mr. LONG. Of course it might seem to the Senator that it would be a fair proposal, in the event of a tie, with the management group on one side and the labor group on the other, that the proper person to break the tie would be a representative of the general public.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. (Mr. SMITH of North Carolina in the chair). The time of the Senator from New York is expired. The Senator from Indiana has control of the time.

Mr. CAPEHART. Mr. President, how much time do I have under my control?

The PRESIDING OFFICER. The Senator has 25 minutes.

Mr. CAPEHART. I will yield 25 minutes to anyone who wants it, or 5 minutes.

Mr. SALTONSTALL. Mr. President, will the Senator yield me 3 minutes?

Mr. CAPEHART. I yield 3 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from New York whether he would accept an amendment to his amendment, when it may be in order to offer it, on page 2, line 5, by adding the words "by and with the advice and consent of the Senate"—in other words, to make all members of the Board subject to confirmation by the Senate, and not merely those representing the general public?

Mr. IVES. Mr. President, how much time have I for reply?

Mr. CAPEHART. As much time as the Senator desires, and not exceeding 23 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. IVES. Mr. President, in my amendment I deliberately omitted a provision that members representative of labor and the members representative of business and industry should be confirmed by the Senate. My reason for that was a very simple one, namely, that I have no doubt that any President who may appoint members representing those groups would go out of his way to make sure that the appointments he made were approved by those groups. I doubt very much whether he would fail to do that. Certainly if he wanted to have peace in the Wage Stabilization Board, he would not fail to do it. I

thought it much simpler not to have them confirmed. At the same time, I thought that the general public should be represented by members appointed by the President, by and with the advice and consent of the Senate.

After all, the members representing the general public do nothing else. They can get no other remuneration of any kind from any other source, in return for which they devote their time to the work of the Board. In consequence of their occupying a slightly different roll and being in a slightly different status, I thought it advisable to have them confirmed. If, however, the Senate feels that it is desirable to have all the representatives confirmed, I have no objection.

I admit that, so far as labor and management are concerned, if they were to be confirmed by the Senate their own representatives would thereby have greater dignity in the positions they held than they would otherwise possess; there can be no doubt about that.

Mr. CAPEHART. Mr. President, I should like to take 2 minutes myself. I have enjoyed every word that has been said on this subject, but I call the attention of the Senate to the fact that it is now about 10 minutes of 3 o'clock, and the act upon which we are working is due to expire, in the event we follow the advice of the committee, on February 28, 1953. So by the time that the President concluded the task of appointing all these members, whether the number be 18 or 15, and by the time the Senate confirmed them, the law would have expired.

Furthermore, we are completely forgetting, it seems to me, that the President appoints them. He may appoint anyone he cares to appoint. He can designate a man as a representative of business, or as a representative of the public, or of someone else. It seems to me we are wasting a great deal of time on something that does not amount to too much, because the law will expire on February 28, 1953. By the time 18 or even 15 men have been appointed and confirmed by the Senate, the law will have expired.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the Senator from New York [Mr. Ives]. [Putting the question.] The "noes" appear to have it.

Mr. LONG. Mr. President, I ask for a division.

On a division, the amendment of Mr. LONG to the amendment of Mr. Ives was rejected.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The earlier amendment disposed of was the Douglas amendment as a substitute for the Ives amendment. As I understand, the yeas and nays are ordered on the Ives amendment which is an amendment in lieu of the committee amendment or the committee language.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. Then there will be a vote upon the committee language?

The PRESIDING OFFICER. That is correct.

Mr. SALTONSTALL. Mr. President, I offer an amendment to the Ives amendment, on page 2, line 5, after the word "President", where it appears the first time in that line, to insert the words "by and with the advice and consent of the Senate."

The PRESIDING OFFICER. Does the Senator desire time to discuss his amendment?

Mr. SALTONSTALL. All I want to say, Mr. President, is that it simply adds words to provide that the members representing the general public, the members representing labor, and the members representing business are to be appointed by the President and confirmed by the Senate, not simply the public members, as provided for in the original Ives amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL] to the amendment of the Senator from New York [Mr. IVES].

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES], as amended, on which the yeas and nays have been ordered.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Mr. President, as I understand, we are now about to vote on the Ives amendment. In case the amendment should not be adopted, will we then vote upon the section of the bill known as section 106? In other words, will there be another vote after this vote?

The PRESIDING OFFICER. The Chair understands that there will not be.

Mr. HUMPHREY. In other words, the only way in which we can again vote on the specific section is in connection with further amendments to the section if the Ives amendment is rejected.

The PRESIDING OFFICER. That is correct, as the Chair understands.

Mr. HUMPHREY. Would it be improper to offer an amendment to strike section 106?

The PRESIDING OFFICER. It would be in order.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEHMAN. Would it be proper to offer an amendment similar to those which have been voted on—an amendment to the Dirksen amendment?

The PRESIDING OFFICER. If a substantial change or changes were in the amendment previously offered and rejected, it would be in order; otherwise, it would not be.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES] as amended. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that if present and voting the Senator from Connecticut [Mr. McMAHON] and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is detained on official business.

If present and voting the Senator from Massachusetts [Mr. LODGE] and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The result was announced—yeas 41, nays 40, as follows:

YEAS—41

Aiken	Hoey	Monroney
Anderson	Holland	Moody
Benton	Humphrey	Neely
Clements	Hunt	Nixon
Connally	Ives	O'Mahoney
Cordon	Johnson, Tex.	Pastore
Douglas	Johnston, S. C.	Saltonstall
Flanders	Kefauver	Smathers
Gillette	Kerr	Smith, Maine
Green	Kilgore	Smith, N. J.
Hayden	Lehman	Sparkman
Hendrickson	Long	Thye
Hennings	McFarland	Underwood
Hill	McKellar	

NAYS—40

Bennett	Ferguson	Mundt
Brewster	Frear	O'Connor
Bricker	Fulbright	Robertson
Bridges	George	Schoeppel
Butler, Md.	Hickenlooper	Smith, N. C.
Butler, Nebr.	Jenner	Stennis
Byrd	Johnson, Colo.	Taft
Cain	Kem	Watkins
Capehart	Martin	Welker
Case	McCarran	Wiley
Dirksen	McCarthy	Williams
Dworshak	McClellan	Young
Eastland	Millikin	
Ellender	Morse	

NOT VOTING—15

Carlson	Langer	McMahon
Chavez	Lodge	Murray
Duff	Magnuson	Russell
Ecton	Malone	Seaton
Knowland	Maybank	Tobey

So Mr. Ives' amendment, as amended, was agreed to.

Mr. IVES. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. AIKEN. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the motion of the Senator from New York.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair cannot interrupt the yea-and-nay vote for a parliamentary inquiry. The Senator will submit his parliamentary inquiry later.

The roll call was resumed and concluded.

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator from South Carolina rise?

Mr. MAYBANK. I wish to propound a parliamentary inquiry at this time.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. During the progress of the last vote, before the motion was made to lay on the table the motion of the Senator from New York [Mr. IVES] to reconsider, the Senator from South Dakota [Mr. CASE] came over to ask me about a certain question which he intended to propound. I was talking with the clerk, seeking to obtain the information requested. I spoke to the Senator from Arkansas [Mr. FULBRIGHT], about bringing up his so-called compromise amendments later. I spoke to the Chair. The Senator from North Carolina [Mr. SMITH] was presiding at that time. When my name was called I was speaking with the Chair. I distinctly said "No." I think the Senator from North Carolina heard me. I feel certain that the Senator from Nevada [Mr. McCARRAN] heard me, and other Senators heard me. Afterward I was called to the door by a representative of the Mutual Broadcasting System, and I went out to talk with him. So, amid all that confusion, my vote was not recorded. The present distinguished Presiding Officer was not present at that time. I wish merely to relate the facts as to how I voted. I had stated that I intended to vote "nay." I so voted, but my vote was not recorded.

The VICE PRESIDENT. Does the Senator from South Carolina state, upon his responsibility as a Member of the Senate, that he vote "nay" on the previous roll call?

Mr. MAYBANK. I do.

The VICE PRESIDENT. And that the vote was not recorded?

Mr. MAYBANK. That is correct.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the Senator from South Carolina be given permission to vote.

The VICE PRESIDENT. It is not necessary to obtain unanimous consent. The vote of the Senator from South Carolina will be recorded.

Mr. McFARLAND. Mr. President, of course that will result in a tie vote. Re-

gardless of that fact, these votes should be accurately recorded. If we have not a sufficient staff to record them accurately, we should obtain an adequate staff.

Under the circumstances, I ask unanimous consent that all subsequent proceedings be set aside, in order that the vote of the Senate may be accurately recorded.

Mr. SMITH of North Carolina, Mr. THYE, and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. The Senator from South Carolina has stated that he voted in the negative on the previous yea-and-nay vote, and that because of the confusion in the Chamber his vote was not recorded.

Mr. MAYBANK. That is true. I had stated that I intended to vote in the negative, and I so voted. The distinguished Senator from North Carolina [Mr. SMITH] was in the chair at the time. I asked for order, because there was so much confusion.

The VICE PRESIDENT. If the Senator states that he voted—and the Chair does not doubt the Senator's word about it—he is entitled to have his vote accurately recorded.

Is there objection to the request of the Senator from Arizona that all subsequent proceedings be vacated? The Chair hears none, and it is so ordered.

Mr. IVES. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator from New York rise?

Mr. IVES. Mr. President, I do not wish in any way to prevent my distinguished colleague the Senator from South Carolina from having his vote properly recorded. But what will happen to the amendment?

The VICE PRESIDENT. The result is that the vote is a tie vote. It will be up to the Chair, and the Chair will vote when the time comes.

Mr. IVES. I thank the Chair.

Mr. JENNER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JENNER. On the yea-and-nay vote I did not vote. If all the proceedings are to be set aside, will it be necessary for me to vote?

The VICE PRESIDENT. No; it is not necessary for the Senator to vote. It would be set aside anyway.

The vote of the Senator from South Carolina [Mr. MAYBANK] will be recorded in the negative, and the clerk will report the revised result to the Chair.

The result of the vote—yeas 41, nays 41—was reported to the Chair by the legislative clerk.

The VICE PRESIDENT. The vote being 41 to 41, a tie, the Chair, in the exercise of his constitutional authority, votes in the affirmative, and the amendment of the Senator from New York [Mr. IVES] is agreed to.

Mr. IVES. Mr. President, I now renew my motion to reconsider the vote by which my amendment was agreed to.

Mr. AIKEN. I move to lay that motion on the table

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Vermont [Mr. AIKEN] to lay on the table the motion of the Senator from New York [Mr. IVES] to reconsider the vote by which the Ives amendment was agreed to.

Mr. TAFT, Mr. IVES, Mr. AIKEN, and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

The VICE PRESIDENT. The Chair suggests to Members of the Senate that the inaccurate recording of votes is not the fault of the staff. If Senators would keep better order, so that they could hear their names called and hear the recapitulation, they would not be in such a state of confusion as that through which the Senate has just passed. Therefore, the Chair insists that the Senate be in order. If any Senator thinks he must converse, he will please retire.

The roll call was resumed.

The VICE PRESIDENT. The calling of the roll will cease until the Senate is in order. The clerks at the desk cannot hear the responses of the Senators. All other persons in the Chamber, in the galleries, or on the floor, will observe the same rule.

The legislative clerk resumed and concluded the call of the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Iowa [Mr. GILLETTE] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Connecticut [Mr. McMAHON] and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER] and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] and the Senator from New Hampshire [Mr. TOBEY] are detained on official business, and, if present, would each vote "yea."

Also, if present and voting, the Senator from Massachusetts [Mr. LODGE] would vote "yea."

The result was announced—yeas 42, nays 39, as follows:

YEAS—42

Aiken	Hennings	McFarland
Anderson	Hill	McKellar
Benton	Hoey	Monroney
Chavez	Holland	Moody
Clements	Humphrey	Neely
Connally	Hunt	Nixon
Cordon	Ives	O'Mahoney
Douglas	Johnson, Tex.	Pastore
Flanders	Johnston, S. C.	Saltonstall
Frear	Kefauver	Smathers
Fulbright	Kerr	Smith, Maine
Green	Kilgore	Sparkman
Hayden	Lehman	Thye
Hendrickson	Long	Underwood

NAYS—39

Bennett	Ellender	Morse
Brewster	Ferguson	Mundt
Bricker	George	O'Connor
Bridges	Hickenlooper	Robertson
Butler, Md.	Jenner	Schoeppel
Butler, Nebr.	Johnson, Colo.	Smith, N. C.
Byrd	Kem	Stennis
Cain	Martin	Taft
Capehart	Maybank	Watkins
Case	McCarran	Welker
Dirksen	McCarthy	Wiley
Dworshak	McClellan	Williams
Eastland	Millikin	Young

NOT VOTING—15

Carlson	Langer	Murray
Duff	Lodge	Russell
Ecton	Magnuson	Seaton
Gillette	Malone	Smith, N. J.
Knowland	McMahon	Tobey

So Mr. AIKEN's motion to lay on the table the motion of Mr. IVES to reconsider was agreed to.

Mr. FULBRIGHT. Mr. President, I call up my amendment "6-3-52-B" and ask that it be stated.

Mr. McFARLAND. Mr. President, will the Senator from Arkansas yield for an announcement, without the time being taken from his time and without his losing the floor?

Mr. FULBRIGHT. With that understanding I yield to the majority leader.

Mr. McFARLAND. Mr. President, I have been asked whether we would have a night session. I believe that we should continue in session until late tonight. How late will depend on whether we can conclude consideration of the bill. We made good progress yesterday in disposing of two bills. I have had a number of requests from Senators that we go ahead and try to dispose of the pending bill today, if possible, if it is agreeable to the distinguished chairman of the Committee on Banking and Currency.

Mr. MAYBANK. I wish to say that there are now left 32 amendments. My belief is that the controversial amendments on which extensive time for debate was allotted have already been disposed of, except for the amendment which I submitted this morning. It will be the last amendment to be offered, with ample time allowed for its consideration. We now have before us the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT], which is an amendment of the Walsh-Healey Act. According to what the Secretary of Labor has told me—and I shall not go into it in detail, except that Senators know we have had long conferences with him—the situation has been worked out satisfactorily to the best interests of all concerned.

My thought is that if we could dispose of the 32 amendments that remain, and carry my last amendment over un-

til tomorrow, under a unanimous-consent agreement limiting debate to perhaps 1 hour to each side, I believe it would serve the best interest of the Senate to do so. I know that the 32 amendments are very important to many Senators. But the national issues involved have been settled, with the exception of the amendment dealing with the Walsh-Healey Act, which is now before the Senate, and the amendment submitted by me.

Mr. McFARLAND. It will take us until quite a late hour to finish consideration of all the amendments even without the amendment which the Senator from South Carolina has mentioned.

Mr. MAYBANK. I believe we can finish by 8 o'clock.

Mr. McFARLAND. If we can finish by 8 o'clock, we will be lucky.

Mr. MAYBANK. We can finish with all the amendments by 8 o'clock, I believe, with the exception of the amendment I submitted this morning.

The VICE PRESIDENT. The Senator from Arkansas is recognized for 30 minutes. Senators opposed to the amendment are entitled to the same time.

The Chief Clerk proceeded to read the amendment submitted by Mr. FULBRIGHT.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with, because I intend to explain the amendment, which is technical in nature.

The VICE PRESIDENT. Without objection, the further reading of the amendment will be dispensed with, and the amendment will be printed in the RECORD.

The amendment offered by Mr. FULBRIGHT is as follows:

On page 11, beginning with line 3, strike out all through line 16, on page 12, and insert in lieu thereof the following:

"SEC. 301. The act entitled 'An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (41 U. S. C. 35-45), is amended (1) by redesignating sections 10 and 11 as sections 11 and 12, respectively, and (2) by inserting immediately following section 9 a new section 10 as follows:

"SEC. 10. (a) Notwithstanding any provision of section 4 of the Administrative Procedure Act, such act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this act.

"(b) All wage determinations under section 1 (b) of this act shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination, may be had within 90 days after such determination is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

"(c) Notwithstanding the inclusion of any stipulations required by any provision of this act in any contract subject to this act, any interested person shall have the right of judicial review of any legal question which might otherwise be raised, including, but not limited to, wage determinations and the interpretation of the terms "locality," "regular dealer," "manufacturer," and "open market." "

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. Only if the time required for that purpose is not charged to the time available to me.

The VICE PRESIDENT. The Chair has no control of that situation.

Mr. FULBRIGHT. In any event, Mr. President, I yield for 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I should like to ask the Vice President whether it is possible at this time to offer an amendment to the amendment submitted by the Senator from New York [Mr. IVES], which amendment was adopted just a few minutes ago.

The VICE PRESIDENT. No; that is not possible, for that amendment has been disposed of.

Mr. FULBRIGHT. Mr. President, under the unanimous-consent agreement, 1 hour is available for debate on amendments to this section of the bill, as has been announced by the Chair.

However, I intend to take only a few minutes, because I think the Members of the Senate who are interested in this amendment have reached a point of agreement, so that consideration of the amendment will not take much time.

This amendment would strike out title III of the bill as reported by the committee. That title contains the amendments which I offered to the Walsh-Healey Public Contracts Act, which were adopted by the committee.

The first of these amendments dealt with the so-called open-market exemption of the Walsh-Healey Act, to require that it be interpreted in the manner which I and a majority of the committee believed to be in accordance with the intention of Congress when it passed the Walsh-Healey Act.

The second portion of the committee amendment would require the Walsh-Healey Act to come under the procedural and judicial review provisions of the Administrative Procedure Act, in order that those affected by the act might have an opportunity to challenge the interpretations the Secretary of Labor has made of the provisions of the Walsh-Healey Act.

The amendment I now have called up is a substitute for both those amendments, and is in the nature of a compromise. It also provides for the procedural and judicial review safeguards of the Administrative Procedure Act, insofar as they can properly be applied to the Walsh-Healey Act. In my opinion and in the opinion of counsel for the committee, this amendment will afford protection against arbitrary misinterpretation or misapplication of that act.

In offering this amendment, I do so with the understanding that the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Oregon [Mr. MORSE], the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from New York [Mr. IVES], and the Senator from Massachusetts [Mr. LONGE] will withdraw their amendment, which proposes to strike out the entire committee amendment. I also understand that they will support the amendment I have offered.

Furthermore, I understand that the Secretary of Labor will support this amendment, if any question arises as to its acceptance by the House conferees.

In other words, Mr. President, it is my understanding, after conferences yesterday and today, that the persons who had evinced some opposition to the amendment as it is carried in the bill, have agreed to support this amendment.

This amendment accomplishes the major objective of affording judicial review of interpretations of the Walsh-Healey Act by the Secretary of Labor.

It is my view that the Secretary of Labor has misapplied the Walsh-Healey Act in such a way as to erect artificial obstructions to the development of industry in the small communities throughout the country. Of course, that is especially prejudicial to the West and to the South, and also to small towns in the East and Northeast. Obviously, the West and the South are not as highly industrialized or as highly urbanized as are the eastern and northeastern sections of the country. However, I believe that the misapplication of the act by the Secretary of Labor has been as prejudicial to communities in the Northeast as it has been to communities in the South or in the West.

The long-time effect of the mistaken interpretation made by the Secretary of Labor is, in my opinion, to tend to freeze the industrial status quo. It is an effort on the part of the great industrial urban centers to obtain, through Government action, protection from competition. That effort is very similar to the effort made in the early days when England sought to prevent the American Colonies from developing industries.

However, I do not think that was the purpose of Congress in enacting this measure. I believe the purpose was primarily to prevent sweatshops from obtaining a large part or a considerable part of the Government business.

On the other hand, I am perfectly willing to leave the interpretation of this measure to the courts.

Under the existing law it has not been possible to obtain a review by the courts of the question of the proper interpretation of the terms of this act. Therefore, in view of the willingness of Senators to go along on this matter, and the willingness on the part of the other members of the committee to leave to the courts the decision as to what is the proper interpretation to be made of the act, I offer this amendment, which, simply stated, provides for judicial review and compliance with the Administrative Procedures Act in the interpretation and administration of the Walsh-Healey Act.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. The Senator from Arkansas had an amendment to the original act, and his amendment comprises the two parts he has just described. He now proposes an amendment which will change the administrative procedure only, as I understand.

Mr. FULBRIGHT. Let me clarify that point. Those two amendments are

now in the committee bill. They were adopted by the committee.

Mr. SALTONSTALL. That is correct.

Mr. FULBRIGHT. My amendment is a substitute for them. My amendment would strike out those two amendments and would substitute a single provision relating only to judicial review and the Administrative Procedures Act.

Mr. SALTONSTALL. That is correct. I hope the amendment will be an improvement of the administrative procedure in connection with the Walsh-Healey Act. It will be in effect for 9 months, the duration of the bill. Thereafter we can change it again, if that is necessary.

Mr. FULBRIGHT. No; it would not be in effect for only 9 months. This amendment is offered to the Walsh-Healey Act, and it is not limited to 9 months.

Mr. SALTONSTALL. However, it is an amendment to the administrative procedure in connection with the Walsh-Healey Act.

Mr. FULBRIGHT. That is correct; the amendment has that effect. It applies the Administrative Procedure Act to the Walsh-Healey Act, but not only for 9 months; it applies permanently.

Mr. SALTONSTALL. That is correct. Under those circumstances, the amendment which was to be proposed by myself and my colleagues, the Senator from Massachusetts [Mr. LODGE], the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from New York [Mr. IVES], and the Senator from Oregon [Mr. MORSE], will not be submitted.

Mr. FULBRIGHT. That is my understanding.

Mr. SALTONSTALL. I believe this amendment will correct the situation. Personally, I hope the amendment of the Senator from Arkansas will be adopted.

Mr. FULBRIGHT. I thank the Senator from Massachusetts.

Mr. BRIDGES. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. BRIDGES. I simply wish to reiterate the sentiments expressed by the Senator from Massachusetts as to his understanding of the situation.

I would say, in addition, that I hope the amendment now proposed will meet the problem the Senator from Arkansas has stated, and at the same time will protect the parties in interest, whom the Senator from Massachusetts and the Senator from New Hampshire are attempting to protect.

Mr. FULBRIGHT. I appreciate the statement made by the Senator from New Hampshire.

Mr. President, I believe that everyone who has been interested in this matter could well accept the amendment, as it does not constitute any change whatever in the substantive law. In view of the long history of the Walsh-Healey Act—in other words, it has been on the statute books since 1936—I realize that there will be some resistance, no matter whether I am correct with respect to my interpretation of the original intent of Congress.

Nevertheless, I am perfectly willing to allow the courts to determine the cor-

rectness of the interpretation of the act, as made by the Secretary of Labor.

Mr. PASTORE. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield.

Mr. PASTORE. After reading the amendment, I should like to ask a question about a part of it.

Mr. FULBRIGHT. Which part?

Mr. PASTORE. I refer to section 10, subsection (b), on page 2 of the amendment; and the part I have in mind is about four lines following the beginning of the subsection. I read the part to which I refer: "may be had within 90 days after such determination is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in," and so forth. Does the Senator from Arkansas understand that to mean that "any person adversely affected or aggrieved thereby" might include a union which feels that it might be aggrieved by an order which was being issued in another locality, insofar as its welfare might be concerned in another part of the country? Do I make my question clear?

Mr. FULBRIGHT. I think the question is clear, but I cannot conceive that those circumstances would cause a union to be aggrieved. However, if it was, I see no reason why it could not challenge the ruling. In other words, certainly nothing is intended to prevent a union from taking advantage of this provision.

The court would have to say they are aggrieved. If the court says they are aggrieved—and there might be circumstances in which they could be aggrieved, and if so, I see no reason why they should not take advantage of the review provisions to have the determination challenged.

Mr. PASTORE. To give a more specific case, let us assume that a union in a textile plant in Rhode Island felt that an interpretation was to be made of a contract to be granted, let us say, in some Western State. The Rhode Island union is not directly aggrieved by that particular decision, but indirectly it might feel that its standard of living was being lowered, or the standard of working conditions in its own State of Rhode Island. Could that union in Rhode Island consider itself an "aggrieved person," and thus bring the case to a judicial review on a matter that is being decided with reference to a Western State? Do I make myself clear in this question?

Mr. FULBRIGHT. The Senator's question is clear, but I think the answer has to be within the discretion of the judge, as to whether the union is to be considered to be an aggrieved person. I think it is a little far fetched to think the members of the union would be aggrieved—upon the facts, I mean—and as to how they would be able to show to a reasonable person that they had been aggrieved, because a contract has been let in California. I realize the position of all the New England States has been that any contract let outside of

New England is an insult to them. Apparently they have a God-given right to all industry in this country. I think that is a matter the judge would have to decide. I do not think they would be aggrieved, but I am perfectly willing that the court should determine that.

Mr. PASTORE. The Senator is the framer of this particular amendment, and I should like to know what is in the Senator's mind as constituting an aggrieved person, because it may well be that the court, in establishing jurisdiction over a matter upon review, would have to determine what was meant by the Congress of the United States when it employed the term "an aggrieved person." I assumed the case of a Rhode Island union only as an example, not because I felt that we in Rhode Island have any God-given rights that are superior to those of any other Americans.

If the Senator desires to do so, he may reverse the situation and suppose it to be a union in his own State, feeling aggrieved as to a contract that had been made in Rhode Island. But I am trying to find out what the intention of the Senator, as the framer of this amendment, is so that his statement may appear in the RECORD as indicative of the intention of the Congress as to who shall be considered to be an aggrieved person.

Mr. FULBRIGHT. Let us see whether this would answer the question. The Senator's example is difficult for me to follow. Perhaps this might be simpler. Let us suppose that a wage determination were made, and that the union felt that on the clear facts in the matter the wage should have been set at \$1.50, but that, as the result of ignoring certain facts or in some other unjustified manner, the Secretary should say, "No, it should be only \$1.25." Can they in such a case come in to challenge it upon the ground that it is an arbitrary and capricious judgment? They would be affected in such a situation, because it applies to them. I can see no reason why they could not make out a case. I am unable to see how a contract made in Rhode Island would affect people in the State of Arkansas. The effect of it would be too remote for them to be able to show any injury. It would be necessary for them to have a case, in other words.

Mr. PASTORE. If I read correctly subsection (c) of the Senator's amendment, the court of review is to pass upon interpretations made by the Secretary of Labor with reference to the terms "locality," "regular dealer," "manufacturer," and "open market." With reference to the case which was given by the able Senator, the question might arise as to whether it should be \$1.25 or \$1.50. I can well see where the connection might be too far removed. But under the interpretation of "locality," "regular dealer," "manufacturer," or "open market," it might be a question vitally concerning a union or workers in another State, because, after all, what is meant by "locality" under the Walsh-Healey Act, and what is meant by an "open market," under the Walsh-Healey Act has been the bone of contention throughout this entire contro-

versy. It occurs to me that if we are to standardize working conditions throughout the entire country—and that was the original purpose of the Walsh-Healey Act—it might be of vital concern to certain people in one locality as to what interpretation is made of a provision of the particular law.

Mr. FULBRIGHT. The Senator has stated that that was the original purpose, of course, I deny that that was the original purpose. The Senator has raised one of the points of controversy, namely, the question as to what is the meaning of the word "locality" in the act under the compromise that very question to be decided by a court, it being contended that we should not decide it, that we cannot decide it properly on judicial grounds. The act has been passed. The Secretary of Labor has decided that the law means a certain thing. I say he is in error about it. He says he is right. All that I am endeavoring to do, and all that it is intended to do is to afford a means whereby that question can be decided by the court.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. As I understand, it is to be a decision by the court in the same manner as that provided by the Administrative Procedure Act, whereas the present Walsh-Healey Act is an exception to the Administrative Procedure Act.

Mr. FULBRIGHT. That is correct. There has been no reasonable means by which interpretations might be challenged. It was tried in the Lukens steel case, in which it was held that the parties seeking to challenge the interpretation had no standing in court to do so. It is our purpose, by this amendment, to overturn that decision.

Mr. SALTONSTALL. So, the amendment of the Senator from Arkansas, we hope, will provide a fairer procedure than the procedure now in effect.

Mr. FULBRIGHT. That is correct. That is the intention. It is simply intended to give a judicial review of the questions referred to by the Senator from Rhode Island, and others which may arise.

The application of the provision in question to the specific set of circumstances outlined by the Senator from Rhode Island is something to be decided by the court, in the light of the facts. Whether there has been an injury or not would depend, I suppose, upon the facts of the particular case.

Mr. PASTORE. I was hoping that the author of this amendment would really give a liberal construction as to what might be meant by "an aggrieved person." I think I understand the Senator correctly, that anyone who feels himself aggrieved, even though he may not be directly connected with the particular case, might go to court and have the question determined by the court upon review.

Mr. FULBRIGHT. The Senator gets into a very technical question, there, as to whether there is a controversy in-

involved, under the Constitution. I do not think I could shed much light upon that. But that matter would be submitted to the court for decision as to whether there was a sufficient set of circumstances to support a case.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the distinguished Senator from Kansas, either for a question or, if he wishes time, for any remarks he may desire to make. I may say the Senator from Kansas has been very much interested in these questions and has followed them very closely. He deserves much credit for that. I yield to the Senator. Does the Senator wish me to yield for a question?

Mr. SCHOEPPPEL. I should like to take a few moments.

Mr. FULBRIGHT. I yield the Senator whatever time he desires.

Mr. SCHOEPPPEL. Mr. President, I appreciate the explanation by the able Senator from Arkansas, who has in my judgment presented this matter most fully to our committee. I happen to be one of the members of the committee who supported the position taken by the Senator from Arkansas when the matter was first brought to the attention of the Committee on Banking and Currency. I felt then, and I still feel, that certain practices have been indulged in by the Labor Department which go beyond what I think was the intentment of the act.

I note the changes the distinguished Senator from Arkansas has made in his proposal, limiting it to a court review, and providing procedure whereby an interpretation of the act may be obtained by means of a court decision. While I should have preferred to go along with the original approach made by the Senator from Arkansas, I am entirely willing to accept the situation and the circumstances which have developed.

I am happy to support the amendment as it is presently offered by the Senator from Arkansas, because I think it is a very vital and important step in correcting some of the practices which I developed. I hope the amendment will be adopted and sustained in conference.

Mr. FULBRIGHT. Mr. President, I appreciate the attitude of the Senator from Kansas. We should all like to have our own way, but any other approach, it seems to me, would have involved a long difficult and uncertain controversy, which might not have been successful. But when this approach was suggested, it seemed to me wiser to follow it. After it has had an opportunity to work, if the courts do not interpret it in the way Congress thinks they should, we of course, would have an opportunity to change the basic law. I hope also, that it will serve as some restraint upon the Secretary of Labor.

I agree entirely with the Senator from Kansas with reference to the interpretations of the Secretary of Labor. I think the Secretary of Labor has misinterpreted the concept of "locality" set out in the original act. I think he has gone entirely contrary to the legislative intent as shown by the legislative history of the act. I think the same is true as

to section 9 of the original act with regard to standard articles purchased in the open market. However, I trust the judgment of the courts. I think my case is so strong that the courts cannot help but interpret it in the proper manner; at least, that is the way I feel.

Mr. SCHOEPPPEL. I appreciate the Senator's statement, and I thoroughly agree with him. I feel that the interpretations made by the Labor Department with reference to eliminating the locality consideration with reference to wages have inured to the detriment of small business. That was the thing about which I was most fearful.

Mr. FULBRIGHT. I think the worst effect has been in preventing the operation of ordinary economic forces enabling the smaller communities, non-industrialized areas, to develop industry, freezing the existing economic pattern.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MAYBANK. Mr. President, several Senators have asked me with respect to the amendment. As I told the distinguished minority leader, I have no intention of speaking on it. I voted for the amendment in the committee, but I am wondering whether the Senate wants to show by a vote exactly what it feels about the amendment.

Mr. FULBRIGHT. I do not think anyone opposes it.

Mr. MAYBANK. I wanted to make clear that practically every Senator is in favor of the amendment.

Mr. CAIN. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield.

Mr. CAIN. If the amendment offered by the Senator from Arkansas is not adopted, what agency can determine such questions as were recently raised by the Senator from Rhode Island [Mr. PASTORE]?

Mr. FULBRIGHT. If it is not adopted, the Secretary of Labor will determine them.

Mr. CAIN. It is the wish of the Senator from Arkansas, is it not, that there should be a judicial rather than an administrative review in the future?

Mr. FULBRIGHT. A judicial review of administrative action.

Mr. CAIN. I thank the Senator.

The VICE PRESIDENT. Does the Senator from South Carolina wish to use any of his time?

Mr. MAYBANK. No; I do not.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. On page 10, line 13, it is proposed to strike out "June 30, 1953," and insert "February 28, 1953."

The VICE PRESIDENT. The Senator from Illinois is recognized for 15 minutes.

Mr. DIRKSEN. Mr. President, I shall take just a minute. Price control terminates on February 28. Rent control terminates on June 30. I see no reason why the terminations should not fall on the same date. That is all the amendment provides for, and that is all the time I wish to use.

Mr. MAYBANK. Mr. President, this is a very important amendment. It has to do with rent control. Rent control has been turned over to States and municipalities. Some of the larger communities will be in a serious situation if the amendment shall take effect. The able Senator from Illinois says his amendment puts rent control on the same basis as price control. Wages and prices are not determined by sovereign States or localities under ordinances passed by city councils. The rent-control provision of the bill merely continues the present rent controls, leaving the termination to communities or States to decide by action of the legislature or by action of the city council. There was a motion made in the committee to do away with rent control—

Mr. DIRKSEN. That was the motion which I originally offered.

Mr. FULBRIGHT. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. I do not quite understand the purpose of the amendment.

Mr. MAYBANK. It is to terminate rent control on a certain date.

I think there should be a full discussion of the amendment. I shall insist upon the yeas and nays, because the amendment would affect situations in New York, Chicago, Philadelphia, Pittsburgh, and so forth. While we do not have rent control in South Carolina, except in critical areas as defined by either the Secretary of Defense or the Stabilization Director himself after public hearings and after a showing that it is necessary, I think that in the large cities which cannot have the States pass laws for them, with the exception of New York State, this amendment would cause a great deal of trouble, having in mind Detroit, Wilmington, Del., and other cities.

So, Mr. President, I ask for the yeas and nays on this amendment.

Mr. DIRKSEN. That is agreeable with me.

The VICE PRESIDENT. There is obviously a sufficient number seconding the request, and the yeas and nays are ordered.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. The able Senator from South Carolina makes the best argument in the world for changing the date and having rent control expire when price and wage controls expire. He says rent control is going to be handled by the States and cities. Of course it is. Every State and every city has the right to impose rent control upon its

citizens if it so desires, and many of them have done so.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I do not yield.

The VICE PRESIDENT. The Senator from Indiana declined to yield.

Mr. CAPEHART. The State of New York has its own rent control law. If Illinois wishes to control rents, that is its business. If North Carolina wants to impose rent control, that is its business, and it has a right to do it.

The big question mark in my mind is whether the Federal Government has a right to control rents, inasmuch as that subject is certainly not a form of interstate commerce. The States can control their own rents, if they desire to control them. Why should we extend Federal control of rents any longer than we extend the control of prices and wages? By what reasoning can it be justified? I wish someone would give me one good reason why we should single out rents and say, "We are going to control rents longer than we will control prices and wages." Give me one reason why we should do it.

Furthermore, when the States have a right to control their own rents, I think they ought to control them, if circumstances warrant. Evidently the State of New York believes that circumstances warrant rent control, because it has it. I think Illinois ought to control rents if the people of that State believe rents should be controlled. But, for the life of me, I cannot see the reasoning for having price and wage controls expire at one time, and rent controls expire 3 months later.

The cities, towns, and States control their own rents. For example, the State of New York does not care at all what we do here. New York has its own law. Indiana could pass a law tomorrow if it so desired. Illinois could pass a law tomorrow if it wished to do so—and it ought to do it if, in its own personal opinion, it believed rents should be controlled. If there is anything which ought to be considered as a local matter, it seems to me it is rent control. I never knew of houses being moved from day to day from one State to another. It is not an interstate matter at all; it is 100 percent a local matter.

I think possibly there should be rent control as long as price and wage controls are continued. But I do not know why we should continue rent control any longer than we do price and wage controls. Under this bill, as written, price and wage controls will expire on February 28. Why should not rent control expire on the same date? If at that time the Senate wishes to extend price and wage controls for another year, they might then extend rent control for another year. But why single out rent control and say that it must continue 3 months longer than price and wage controls? I do not understand that. I do not know why we should not be consistent.

Why should we single out property owners of America and treat them differently from the way we treat those who

operate grocery stores or drugstores? We say to merchants, "We are going to control your businesses; but we are going to let you off the hook on February 28." But here we are proposing that the fellow who owns a little house be kept on the hook 3 months longer than February 28.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CAIN. I seem to recall that 1 year ago the Committee on Banking and Currency said to the Senate for the first time that it was putting wage, price, and rent controls together because it wanted all of them to expire at the same time, when they did expire. Does the Senator from Indiana recall that?

Mr. CAPEHART. The Senator is 100 percent correct. I am not arguing whether we should or should not have rent control. All I am saying is that we ought to treat property owners the same as we do the owners of any other property.

Mr. CAIN. I remember that a year ago every assurance was given to the Senate that that was going to be done.

Mr. CAPEHART. Again the Senator is 100 percent correct. Formerly we had a separate rent-control bill, and it was incorporated into the Defense Production Act on the promise to property owners of America that when price and wage controls were eliminated, rent controls would also be eliminated. We made that promise.

Mr. CAIN. Will the Senator from Indiana then please suggest to those of us who are not members of the Committee on Banking and Currency what reasons were advanced within the committee to separate price and wage controls from rent control?

Mr. CAPEHART. Frankly, my memory is poor about that. I do not believe we gave any consideration to it. Perhaps it was just one of those things as to which, if it had been considered, we might have applied the same date. I may be wrong about that.

The VICE PRESIDENT. The time of the Senator from Indiana has expired.

Mr. DIRKSEN. I yield one additional minute to the Senator.

If the Senator from Indiana will yield, I may simply say that actually the issue was never discussed. The bill contained divergent dates, and we merely let it run as such, without trying to correct it.

Mr. CAPEHART. I think that is a proper interpretation of the situation. Perhaps I am wrong. If I am, will somebody correct me?

Mr. MAYBANK. I must say to the Senator that when the junior Senator from Virginia [Mr. ROBERTSON] called up his amendment—and the Senator from Virginia is not here to bear me out—the matter was discussed, and the Senator from Indiana knows that we put on allocations and priorities along with the extension of rent control.

The Senator from Indiana says this is a local matter. It is not a local matter in the Savannah Valley, when the Federal Government sends 62,000 people there to work. It is not a local mat-

ter in Gary, Ind., when steel plants are going to be expanded. The only places where rent controls can be applied by the Federal Government are in national critical defense areas.

Mr. CAPEHART. That is just the point.

Mr. MAYBANK. The Senator from Indiana says that South Carolina should pass a rent-control law. I shall not quarrel with the Senator about that. But certainly the legislatures of Indiana and South Carolina, when they meet next January, cannot put such a law into effect by the end of December.

The matter was discussed at length last year, and those who rent property were given a 20-percent increase. However, I do not wish to discuss that question.

Mr. CAPEHART. Mr. President, will the Senator from Illinois yield me additional time?

Mr. DIRKSEN. Mr. President, I yield the Senator from Indiana three more minutes.

Mr. CAPEHART. We are not asking to have rent control eliminated; we are asking that it carry the same expiration date as do price and wage controls.

The able Senator from South Carolina speaks about atomic plants and says that 62,000 people are going to be sent to them. Of course, the State of South Carolina has a right to pass a law controlling rents in that State, and it ought to do it, in my personal opinion, because it is a local matter. Perhaps in Mississippi rent control is not needed.

Mr. MAYBANK. Perhaps Indiana should do the same thing, but it has not done it. Why should the workers there suffer?

Mr. CAPEHART. They are not suffering.

Mr. President, we are not arguing whether we ought to have rent control; we are arguing whether rent control should carry the same expiration date as price and wage controls. Rent control is in the bill and we are for keeping it in the bill. But why have one date for price and wage controls and another date for rent control?

Mr. HUMPHREY. Mr. President, I will tell the Senator why I believe we should have one date for one and another date for another. It is because it takes a little longer to build a house than it does to produce a can of tomatoes.

Mr. MAYBANK. We have to put prices on commodities from the Belgian Congo before they get here.

Mr. HUMPHREY. As the Senator knows, the reason for rent control is that there is a shortage of housing facilities in certain areas. The fact of the matter is that the shortage cannot be overcome overnight. Furthermore, if rent control were taken off as a Federal enactment, it would be at time when many State legislatures were not in session. It would be at a time when it would impair the whole stabilization

program, because a part of the stabilization program is rent control.

I wish to say to the Senator from South Carolina that I think the recommendations of his committee are entirely proper and should be supported.

Mr. MAYBANK. Let me repeat what I have already said, that rent controls are applied only in national critical defense areas.

Mr. HUMPHREY. That is correct.

Mr. MAYBANK. If local people take over defense plants, they cannot be re-controlled until public hearings have been held.

Mr. HUMPHREY. Insofar as public interest is concerned, there is plenty of opportunity in defense areas for local rent control. The Senator from South Carolina is proposing only that where critical areas are affected, and where there is critical defense production or construction, rent control be continued. I think he should be supported.

Mr. FREAR. I should like to ask the chairman of the committee whether it is true or not true that even under the present act, whether the extension be 8 or 12 months, anything now under control can be decontrolled by action of local government?

Mr. MAYBANK. The city council could meet tonight and decontrol by action of the council, approved by the mayor.

Mr. FREAR. I should like to say that the distinguished Senator in his remarks mentioned the fine city of Wilmington, Del.

Mr. MAYBANK. I only knew of the problem that the distinguished Senator from Delaware was confronted with, as a member of the Banking and Currency Committee, and of how that great industrial city and its workers would be affected.

Mr. FREAR. I very much appreciate the Senator's statement. The city of Wilmington, Del., although it has had the prerogative of decontrolling, has never seen fit to do so in all this time.

Mr. MAYBANK. It can be done under local self-government, in which the Senator believes, I am sure.

Mr. FREAR. That is true.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LEHMAN. I think the Senator from Delaware has covered a part of my question. As I understand, rent control covers only such areas as are considered to be critical.

Mr. MAYBANK. That is correct.

Mr. LEHMAN. And with respect to which local government has not taken action to decontrol.

Mr. MAYBANK. That is correct. The great State of New York has its own law. However, in that State there are many persons who are interested in other parts of the country, and who are trying to protect the economy of the entire country.

Mr. LEHMAN. That is quite true. In my State of New York many of the localities have not decontrolled. They feel very definitely that further control is essential to the welfare of the people.

Is it not a fact that even though New York and certain other States have rent-control laws of their own—

Mr. MAYBANK. I may be mistaken. If so, I am subject to correction. However, I believe that New York is the only State which has a rent-control law. That is my understanding.

Mr. LEHMAN. I was not sure about that. I understood the distinguished Senator from Indiana [Mr. CAPEHART] to refer to some sort of rent-control law in his State. Probably I misunderstood him.

Mr. MAYBANK. New York is the only State which has such a law.

Mr. LEHMAN. I am very glad, of course, that we have it, because it has certainly protected the people and will continue to protect the people for a long time. But is it not a fact that even though a legislature has the right to enact such legislation, as the Legislature of the State of New York has done, in a great many States—possibly in the majority of the States of the Union—the legislatures meet only biennially, or the sessions really begin to operate at such a late date that they could not possibly take action by February 28, regardless of the urgency of the situation?

Mr. MAYBANK. The Senator is correct. The Senator from Indiana [Mr. CAPEHART] stated that many of the States have been negligent in not taking action. I do not intend to defend such inaction.

Mr. LEHMAN. Perhaps they have been negligent—

Mr. MAYBANK. Two wrongs do not make a right.

Mr. LEHMAN. Perhaps the politicians have been negligent. I have frequently found that to be the case. But there is no reason to make the people of a State or community suffer because the politicians have been negligent or self-interested. I think the proposal contained in the committee bill is sound, and I shall certainly support it. I hope it will be adopted.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

Mr. CAIN. Mr. President, will the Senator withhold for a moment his suggestion of the absence of a quorum?

Mr. MAYBANK. Certainly. I merely wish to make certain that Senators have an opportunity to vote on this question.

Mr. CAIN. I understood the distinguished chairman of the Committee on Banking and Currency to say that any community in the Union which is presently under Federal rent control can decontrol itself through an appropriate legal act of the local government.

Mr. MAYBANK. I did not say that. I said that the action must be approved by the Governor of the State.

Mr. CAIN. Following affirmative action at the local level.

Mr. MAYBANK. No; it does not require approval by the Governor of the State. It is accomplished by local action, such as a vote of the city council. I will say to the Senator that there are some complications in the case of city and county governments, as well as local subdivisions. However, the decontrol is

accomplished by the local law of the community.

Mr. CAIN. But it is true that a local determination can be made to decontrol American counties, cities, and States.

Mr. MAYBANK. That is correct.

Mr. CAIN. Is there any way in which such States and municipalities can prevent their being recontrolled? If they have the authority to decontrol themselves they have the authority to keep themselves from being recontrolled by the Federal Government?

Mr. MAYBANK. Yes; they have the authority. Under the so-called Robertson amendment the Administrator must hold public hearings and there must be a finding of facts before recontrol can be put into operation. I am sorry the Senator from Virginia [Mr. ROBERTSON] is not present. He insisted upon this provision. I read from section 202 of the bill:

(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any defense-rental area which has previously been decontrolled under this act until a public hearing, after 30 days' notice, has been held in such area.

There must be findings of fact.

Mr. CAIN. That does not mean that a public hearing in itself represents any authority on the part of the local community to keep itself from being recontrolled if the Federal office of the Rent Expediter wishes to recontrol it.

Mr. MAYBANK. The law does not say that he may not; but the substance of the law, and the substance of the intention of the committee, has been that recontrol cannot be made effective until after a public hearing and a finding of fact. If there should be an erroneous finding of fact, I assume that we would hear about it.

Mr. CAIN. Apparently, then, the Senator feels strongly that no American community should be recontrolled over its considered resistance.

Mr. MAYBANK. Under no conditions, except upon a finding of the fact, for example, that thousands of people have been moved into a community to work in defense industries, and not for some other reason.

Mr. CAIN. I thank the Senator.

The VICE PRESIDENT. Is the debate concluded?

Mr. DIRKSEN. Mr. President, we have some time left, but I do not object to a quorum call.

The VICE PRESIDENT. Does the Senator from South Carolina suggest the absence of a quorum?

Mr. MAYBANK. Mr. President, I had suggested the absence of a quorum, but I believe the Senator from Illinois [Mr. DOUGLAS] desires to speak for a few minutes. How much time have I left?

The VICE PRESIDENT. The Senator has 2 minutes.

Mr. MAYBANK. I yield the remainder of my time to my friend from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I shall make only two points. The first is that the new Congress which will assemble, in all probability under a new administration, will be very busy. To heap upon

the new Congress in the first month in which it meets the question of the change of both price control and rent control may well overload the Congress with work. Therefore, I favor the extension of rent control until the 1st of July.

The second point is this. A longer time is required to build houses than to produce commodities. Therefore there is justification for a longer period of rent control, during which we hope the construction of houses will overcome the shortage. In that field more time is needed than in the production of commodities.

The VICE PRESIDENT. The Senator from South Carolina [Mr. MAYBANK] suggests the absence of a quorum. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	Monroney
Anderson	Hendrickson	Moody
Bennett	Hennings	Morse
Benton	Hickenlooper	Mundt
Brewster	Hill	Neely
Bricker	Hoey	Nixon
Butler, Md.	Holland	O'Connor
Butler, Nebr.	Humphrey	O'Mahoney
Byrd	Hunt	Pastore
Cain	Ives	Saltonstall
Capehart	Jenner	Schoeppel
Case	Johnson, Colo.	Smathers
Chavez	Johnson, Tex.	Smith, Maine
Clements	Johnston, S. C.	Smith, N. J.
Connally	Kefauver	Smith, N. C.
Cordon	Kem	Sparkman
Dirksen	Kerr	Stennis
Douglas	Kilgore	Taft
Dworshak	Lehman	Thye
Eastland	Long	Tobey
Ellender	Martin	Underwood
Ferguson	Maybank	Watkins
Flanders	McCarran	Welker
Frear	McCarthy	Wiley
Fulbright	McClellan	Williams
George	McFarland	Young
Gillette	McKellar	
Green	Millikin	

The PRESIDING OFFICER (Mr. GEORGE in the chair). A quorum is present.

The question is on the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I believe I have some time remaining.

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. DIRKSEN. For the information of the Senate, I should like to say that the pending amendment does nothing more than to provide that price control and rent control shall end on the same day. The bill before the Senate, as reported by the committee, ends rent control on June 30, and price control on February 28. Not one reason, valid or persuasive in nature, has been assigned as to why the two controls should not end at the same time.

It has been said, in what I think is a most delightful and whimsical argument, and without foundation, that it takes longer to build a house than to can a can of tomatoes, and, therefore, there ought to be a difference. It has been said that a new Congress will come into office next year. I confidently hope that that will be true—and that it will be a Republican Congress—and that we would throw an undue burden on the new Congress.

Mr. President, the same Congress is going to deal with price control on or

before February 28, and it can deal with rent control at the same time. That shows the kind of specious argument that has been advanced against the amendment. No valid reason has been assigned as to why both controls should not terminate on the same day.

Mr. WILEY. What is the date?

Mr. DIRKSEN. February 28, 1953.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Washington [Mr. MAGNUSON] and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce that on this vote the Senator from Connecticut [Mr. McMAHON] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Massachusetts would vote "yea."

I announce also that if present and voting, the Senator from Washington [Mr. MAGNUSON] and the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Connecticut [Mr. McMAHON]. If present and voting the Senator from Massachusetts would vote "yea" and the Senator from Connecticut would vote "nay."

If present and voting, the Senator from Pennsylvania [Mr. DUFF] would vote "yea."

The result was announced—yeas 48, nays 34, as follows:

YEAS—48

Alken	Byrd	Dworshak
Bennett	Cain	Eastland
Brewster	Capehart	Ellender
Bricker	Case	Ferguson
Butler, Md.	Cordon	Flanders
Butler, Nebr.	Dirksen	George

Hendrickson	Millikin	Smith, N. C.
Hickenlooper	Morse	Stennis
Hoey	Mundt	Taft
Holland	Nixon	Thye
Ives	O'Connor	Tobey
Jenner	Saltonstall	Watkins
Johnson, Colo.	Schceppel	Weiker
Kem	Smathers	Wiley
Martin	Smith, Maine	Williams
McCarthy	Smith, N. J.	Young

NAYS—34

Anderson	Hill	McClellan
Benton	Humphrey	McFarland
Chavez	Hunt	McKellar
Clements	Johnson, Tex.	Monroney
Connally	Johnston, S. C.	Moody
Douglas	Kefauver	Neely
Fear	Kerr	O'Mahoney
Fulbright	Kilgore	Pastore
Gillette	Lehman	Sparkman
Green	Long	Underwood
Hayden	Maybank	
Hennings	McCarran	

NOT VOTING—14

Bridges	Langer	Murray
Carlson	Lodge	Robertson
Duff	Magnuson	Russell
Eaton	Malone	Seaton
Knowland	McMahon	

So Mr. DIRKSEN's amendment was agreed to.

Mr. FERGUSON. Mr. President, I desire to call up my amendment dated May 29, 1952, and lettered "A."

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, between lines 8 and 9, it is proposed to insert a new section as follows:

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress, then no restriction or other limitation shall be imposed under this title upon the right of any person to purchase such commodity in any foreign country and to import and use the same in the United States. No restriction or other limitation shall be imposed under this title if the domestic production of any commodity is sufficient to meet all civilian domestic requirements and the requirements for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress."

Renumber succeeding sections accordingly.

On page 5, line 24, strike out "a new subsection (1)", and insert in lieu thereof "two new subsections."

On page 6, line 5, strike out the quotation marks.

On page 6, between lines 5 and 6, insert the following:

(m) No rule, regulation, or order issued under this title shall apply to purchases by any person of any material outside of the United States or its Territories and possessions for importation into the United States for his own use or for fabrication by him into other products for resale.

Mr. FERGUSON. Mr. President, on previous occasions I have attempted to acquaint the Senate with the reasons I believe make it imperative that we amend the Defense Production Act so its provisions cannot be used to implement the decisions of the International Materials Conference, the IMC.

Mr. Fleischmann, in his appearance before the Senate Committee on Banking and Currency, said that the IMC "as-

sures the Nations of the free world engaged in the mobilization effort an equitable part of the materials. By equitable I mean loaded in favor of the mobilization effort." Those are Mr. Fleischmann's words. Mr. President, that is one of the main reasons we are told that we should not interfere with the International Materials Conference. So let us see how "loaded" for defense the IMC really is. The Banking and Currency Committee was also told that in 1950 this country consumed 47.3 percent of the free world's copper and that today IMC is allocating the United States 49.1 percent of the free world's copper, an apparent increase. Unfortunately, the information given the committee on which their decision was based, does not agree with the information published by the IMC itself. The IMC, in its report on operations for 1951 and 1952, on page 67, show that in 1950 the United States consumed 1,304,700 metric tons out of world total of 2,640,400 metric tons. This gives 49.4 and not 47.3 as the committee was told.

The IMC's published report of their 1952 allocations does agree with the information given the committee so that actually the "loading in favor of the mobilization effort," to which Mr. Fleischmann referred, means that we really get a smaller share of the world's copper today than we got in 1950.

Mr. President, let me put this whole thing in another way. If the United States gets about what it did in 1950, and, if the share going to the other countries is about what they got, and, we have the largest defense program of other countries in the non-Communist world, then our civilian economy has been reduced more than that of any other country. This is the nub of the problem.

Mr. President, that is the situation in which we find ourselves. We are engaged in the greatest war effort on the part of any country, and yet more material is being allotted to other countries than is being allotted to this country.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I am glad to yield.

Mr. MAYBANK. Will the Senator state the materials we are allotting to other countries? I understood the Senator to say that we were allotting more materials to other countries than we were allotting to this country. Does the Senator refer to scarce materials?

Mr. FERGUSON. That is correct.

Mr. MAYBANK. Is that all this applies to?

Mr. FERGUSON. Yes.

Mr. MAYBANK. Will the Senator name the scarce materials?

Mr. FERGUSON. Yes. I name copper.

Mr. MAYBANK. Does the Senator believe that we have sufficient copper without Chilean copper?

Mr. FERGUSON. I am saying that under this international cartel 49.1 percent of the copper is allotted to the United States of America, whereas in 1950 we were using 49.4 percent. So, with the increase in production within

this country, we are now getting less copper under this cartel than we did before.

Mr. MAYBANK. Mr. President, this amendment affects the critical materials of the United States. I know the large corporations of this country desire to purchase wherever they can, and I have no complaint about that. But when it comes to copper, of course, as the Senator knows, copper allocations have been seriously curtailed as a result of the shipment of Chilean copper. As a result of the conferences which have been conducted by the Secretary of Commerce, I understand from Secretary Sawyer that the copper representatives of this country, were to meet with the President on Monday. I do not know whether they did or not. I know little about it, in fact, I know nothing about it except what I have been told. So far as I know, the figures presented by the Senator from Michigan are correct. Of course, he would not present figures that were incorrect.

Mr. FERGUSON. No; I am getting accurate figures. I am getting the figures from the report.

Mr. MAYBANK. The Senator implies that there is a threat on the part of Chile to take over in the matter of copper. The Senator knows about the increases in the price of copper. With respect to at least 20 percent of the Chilean copper, the Senator knows that it had not been allocated here.

Mr. FERGUSON. No; but we allowed 20 percent to be reserved, and we furnished to foreign countries money to enable them to go into the market and purchase copper for as much as 60 cents a pound, when our country was only allowed to pay 27½ cents a pound, and when American corporations and individuals—and this is not a question of large corporations—are not allowed a similar privilege.

Mr. MAYBANK. Mr. President, can that go on. Would the Senator's amendment make it any better? Consider the way money is being spent in Europe and how the people are allowed to spend our money. I was in accord with the cut of \$1,000,000,000, made in the mutual security bill, but when it comes to the importation of Chilean copper, and the question of what we are allocated, that is a different situation.

Mr. FERGUSON. I should like to explain the situation, and I think the Senator will agree with me.

I am also concerned with the fact that although Congress has passed Public Law 520, Seventy-ninth Congress, which provides for strategic stockpiling—and this is very important—the International Materials Conference has virtually suspended our stockpiling program. The report on operations by that conference, to which I have already referred, makes this statement:

In the case of commodities where the shortage was more acute (nickel, tungsten, and molybdenum), the committees were unable to recommend any special allowance for stockpiling. In the allocation plans for the first quarter of 1952, the Copper-Zinc-Lead and the Manganese-Nickel-Cobalt Committees found it inadvisable to provide any special allowance for stockpile purposes.

In other words, they would not give us material for stockpiling.

Mr. FREAR. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. FREAR. Is it not true that we drew on our stockpile for approximately 200,000 tons?

Mr. FERGUSON. That is correct. Not only did we not add to the stockpile, but we had to withdraw a part of it because of this international cartel.

Mr. FREAR. Is it not also true that during that period we exported 131,000 tons of copper?

Mr. FERGUSON. That is also correct. Even though we were producing more copper under the agreement, we were shipping it out, taking it out of the stockpile. It is not only a matter of the large corporations, but everyone who uses any copper finds himself in such a position that he cannot get tickets for copper nor go into the world market and buy copper, while we have been allotting it to other people.

Mr. FREAR. Mr. President, I have great respect for the wishes and desires of the chairman of the committee—

Mr. MAYBANK. I have no wishes and desires in connection with it. I have seen representatives of large corporations as well as small-business people. As I said, representatives of the Banking and Currency Committee went to see Mr. Fowler yesterday afternoon and asked him questions. I intend to read his answers.

Mr. McFARLAND. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. McFARLAND. I should like to ask the Senator from South Carolina if the matter was presented to the committee?

Mr. MAYBANK. It was.

Mr. McFARLAND. How would it affect the Defense Board? We know that more copper is needed for automobiles, but how would it affect countries that want copper for defense purposes?

Mr. MAYBANK. I have statements I could read all evening about that.

Mr. FREAR. I think the Senator ought to read them.

Mr. MAYBANK. I will say to my distinguished friend that I have no interest except in what I think is right for the American people. I think there has been a great deal of misunderstanding. I sent representatives to see Mr. Fowler and obtain his answers to the major issues raised by the industry people who have talked with me. Mr. Fowler has forwarded a three-page letter replying to each of these objections.

Mr. FERGUSON. Mr. President, I want to reply to the distinguished Majority Leader. He wants to know how it will affect the defense program. The amendment does not even apply to it. The amendment reads, in part, as follows:

If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress—

It is only then that—

no restriction or other limitation shall be imposed under this title upon the right of any person to purchase such commodity in any foreign country and to import and use the same in the United States.

What is wrong with that? In other words, when we have sufficient material for the defense program, why should people not be able to go into the world market and buy copper? Why should it be taken away from the industry of America?

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. McFARLAND. I was not referring to our own demands for copper for defense purposes; I was referring to the demands of our allies. I will say to my good friend that I think there probably should be something done about copper, but I doubt that it should be done in this bill. I do not think it is right for the people of the United States to produce copper and get 24½ cents a pound for it in competition with copper produced with low-cost labor. I think we should be careful about that. It is not only the manufacturers of automobiles who are affected.

Mr. FERGUSON. It is not merely a matter of automobiles.

Mr. MAYBANK. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. MAYBANK. It is my understanding from Mr. Fowler that he is equally interested in seeing that the American people should have the right referred to by the distinguished Senator from Michigan, whenever conditions permit. I have not suggested that they should not have that right. But the International Materials Conference is not a proper thing to legislate on by means of this bill.

Mr. FERGUSON. We are not legislating on it. All we are saying is that the people of America ought to be able to compete with other people in the world to buy materials. What is wrong with that?

Mr. FREAR. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. FREAR. I should like to ask the chairman of our committee, because he says it should not be put into this bill—

Mr. MAYBANK. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 13 minutes.

Mr. MAYBANK. If it is agreeable to the Senator from Michigan, I will read the letter from Mr. Fowler.

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose?

Mr. FERGUSON. I will yield to the Senator from South Carolina for that purpose.

Mr. CHAVEZ. Mr. President, will the Senator from Michigan yield first to me for a moment?

Mr. FERGUSON. I yield.

Mr. CHAVEZ. Mr. President, I think the Senator from Michigan is contrib-

uting something to the welfare of the country, and I ask unanimous consent that at the end of his remarks there be printed in the body of the RECORD an article appearing in yesterday's Washington Daily News, entitled "That's the Way It Looks to Our Latin-American Friends—Our Good-Neighbor Policy Seems on a One-Way Street." It has reference to copper.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DIRKSEN. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. DIRKSEN. Mr. President, I want to say in reply to the majority leader that the authority to carry on the program is derived from the Defense Production Act, and both Mr. Wilson and Mr. Fleischmann so testified in the committee.

Mr. FERGUSON. Mr. President, the next part of the amendment relates not to copper. It provides as follows:

No restriction or other limitation shall be imposed under this title if the domestic production of any commodity is sufficient to meet all civilian domestic requirements and the requirements for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress.

In other words, if we produce an article, such as sulfur, in sufficient quantity to supply all American needs, including the defense program, why should there be restrictions placed upon it?

The last part of the amendment provides that—

No rule, regulation, or order issued under this title shall apply to purchases by any person of any material outside of the United States or its Territories and possessions for importation into the United States for his own use or for fabrication by him into other products for resale.

Why should we control the price of labor if the manufacturer of the Honeywell heat control device wants to buy some copper in Chile? Why should he pay only a certain price in Chile when it is for his own use or for fabrication by him into other products for resale? If he is a manufacturer, why should he not be able to go into the open market and compete with other countries?

The only reason given is that we want to increase the prices for other countries, that we want to furnish material which people in other countries can use, rather than the people here at home. Do we not want a free economy? Do we not want a free economy in the world? What is wanted apparently is control of prices, regulations of all kinds.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. FERGUSON. I wish to inquire as to my time.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FERGUSON. Mr. President, I ask that the remainder of my remarks be inserted in the RECORD.

There being no objection, the remainder of Mr. FERGUSON's remarks were

ordered to be printed in the RECORD, as follows:

The only way that this country can obtain materials necessary to operate its economy is to remove IMC restrictions implemented by DPA. My amendment will accomplish that.

Mr. President, the second reason advanced by the DPA for maintaining the IMC has been that it stabilized the world markets. The IMC, in its report on operations, discussed the price of metals as follows:

"The United States established a domestic ceiling price of 27.50 cents on imported copper and copper produced from imported concentrates in July 1951 and marked the price of domestically produced copper at 24.50 cents. The prices for lead and zinc of 17 and 17.50 cents, respectively, were maintained until October 1951, as a result, first of voluntary price stabilization and, later, the fixing of price ceilings. On October 2, 1951, the price of zinc was increased from 17.50 to 19.50 cents and of lead from 17 to 19 cents and a prohibition was placed on the importation of these metals above these prices.

"The prices quoted above cannot be considered as representing a world price for any of these metals. Prices of 55 to 60 cents for copper, 45 cents for zinc, and 25 cents for lead were paid for a part of the supplies sold internationally."

Mr. President, last week the Senate in adopting my amendment to the Mutual Security Act to furnish the goods rather than dollars where materials are under allocation in this country will do more to stabilize prices than anything which the IMC could hope to do. Up to now we have been giving recipient nations dollars with which to bid against us and against each other in the markets of the world. If my amendment prevails in conference we will be able to control the dollar and do the buying and that will stabilize these markets.

Mr. President, copper has been used in these discussions as an illustration. The IMC deals with many other commodities and our share in each case has not reflected our mobilization contribution. It is significant that the commodities selected for handling by IMC are those in which we have something to lose. IMC has never included commodities such as tantalum, natural rubber, tin and vanadium, and countless others, which we must import and where the IMC possibly could have been loaded in favor of our mobilization effort. I am confident that eliminating the IMC, through this amendment, will in no way interfere with the defense effort but that it will make it possible for us to maintain a healthy and vigorous economy to support our defense effort.

Furthermore, Mr. President, my amendments are also in keeping with our basic foreign policy in that they promote the maximum trade between countries with no restrictions by governments.

I wish to address a few remarks to the Senate today about the International Materials Conference, an autonomous body, of which the United States is a member. You will recall that I discussed this subject in some detail a few months ago, putting particular stress on the activities of the International Materials Conference as they affected the employment situation in Detroit and other areas of the country.

I have been continuing my studies into this international cartel in which our Government participates and now wish to bring your attention to some phases of this conference which are extremely interesting, particularly as they affect the conduct of our foreign policy and the powers of the President of the United States.

The State Department and the Defense Production Administration, which direct this country's participation in this social-

istic cartel have said that their activities are based on the President's power to conduct our foreign policy, the power to wage war (this despite the fact that the President says we are not at war) and the specified power granted in the Defense Production Act.

The actual facts in the matter clearly show that the present international emergency offered an excuse for putting into action these plans for intergovernmental commodity agreements and allocations, which the State Department has been developing and sponsoring ever since the end of World War II. The State Department used the Korean war and the present defense emergency as the excuse for fastening these socialistic plans on the American economy.

I would like to develop these facts in somewhat greater detail at this time. The first public appearance of the State Department activity in developing these international commodity agreements took place in 1947 before the Senate Committee on Finance, which held lengthy hearings on the proposed International Trade Organization Charter. The junior Senator from Colorado [Mr. MILLIKEN] was the chairman of the committee at that time.

First I will read the provisions of article 46 of the proposed International Trade Organization Charter and the official statement of the objective of the article which relates to international commodity arrangements:

"The members recognize that the relationship between production and consumption of some primary commodities may present special difficulties. These special difficulties are different in character from those which manufactured goods present generally. They arise out of such conditions as the disequilibrium between production and consumption, the accumulation of burdensome stocks and pronounced fluctuations in prices. They may have serious adverse effects on the interests of producers and consumers, as well as widespread repercussions jeopardizing general policies of economic expansion.

"OBJECTIVES OF INTERNATIONAL COMMODITY ARRANGEMENTS

"Intergovernmental commodity arrangements may be employed to enable countries to overcome the special difficulties referred to in article 46 without resorting to action inconsistent with the purposes of this Charter, by achieving the following objectives:

"(a) to prevent or alleviate the serious economic problems which may arise when production adjustments cannot be effected by the free play of market forces as rapidly as the circumstances require;

"(b) to provide, during the period which may be necessary a framework for the consideration and development of measures which will have as their purpose economic adjustments designed to promote the expansion of consumption or a shift of resources and manpower out of over-expanded industries into new and productive occupations;

"(c) to moderate pronounced fluctuations in the price of a primary commodity above and below the level which expresses the long-term equilibrium between the forces of supply and demand (in order to achieve a reasonable degree of stability on the basis of remunerative prices to efficient producers without unfairness to consumers);

"(d) to maintain and develop the natural resources of the world and protect them from unnecessary exhaustion; and

"(e) to provide for expansion in the production of a primary commodity which is in such short supply as seriously to prejudice the interests of consumers."

These words describe the International Materials Conference. The program outlined in this article is identical to the pro-

gram of the International Materials Conference in almost every detail.

The chairman, Senator MILLIKIN, then asked the witness, who was the Acting Chief of the International Resources Division of the State Department, if there was not a fundamental conflict between these provisions and the provisions of the ITO Charter.

Here is the answer: "Yes, sir; there is, in this sense. The activities which might be included in an intergovernmental commodity arrangement, which would be under governmental auspices, might require, in fact very probably would require, the imposition of export quotas, perhaps a two price system—a domestic price and a world price—and other types of restrictions which the whole charter attempts to do away with."

Today, this is an accomplished fact. The United States, in furtherance of the program of the International Materials Conference, has established price ceilings on nonferrous metals and on sulfur below the world price * * * bringing about this same two-price system.

The chairman of the Finance Committee further pinned down this program by his questioning, which I quote:

"The CHAIRMAN. As we go along in the chapter, we will study the various provisions, with that especially in mind.

"Now, am I correct in saying that the plan here is to make an exclusive governmental monopoly by intergovernmental agreements in a field which heretofore has been handled by private arrangements?"

"Mr. PHILLIPS. In one sense of the word, sir, you are correct. Whether or not it would be an exclusive governmental monopoly would depend pretty much upon the particular agreement. In most cases I would think that quotas would be established, and perhaps a price range would be established within which private trade would operate."

Senator MILLIKIN also inquired as to the origin and nature of these international commodity agreements, which are now paraded under the name of the International Materials Conference. Here is the passage from the testimony:

"The CHAIRMAN. Has that theory become a part of the philosophy of this country?

"I assume, however, that that has all been thought out, and that this is a definite part of State Department policy; am I correct?

"Mr. PHILLIPS. Yes, sir. It is not only the Department's policy, but, as you know, it has been approved by the other Government agencies that were engaged in compiling it, getting it together, thinking it out. It has gradually merged over a period of years. This particular chapter first appeared in the proposals; then in the United States suggested Charter; then in the London draft; and more recently in the New York draft—with, I think the important provisions unchanged, or relatively unchanged."

Even at that time, the question of congressional approval of these international activities was important and Senator MILLIKIN requested reassurance on that point from the State Department.

The reply, a letter signed by the present Secretary of State, who was then acting secretary, contains the following statement:

"Insofar as such commodity agreements impose any obligations on the United States requiring legislative implementation in any way, it is the intention of the Department that they should be submitted to the Congress."

So, on April 15, 1947, the date of this letter, the now-Secretary of State assures Congress that international commodity agreements would come up for congressional approval. The International Materials Conference has actually been making international commodity agreements for almost 18 months * * * but not one word has been submitted by the State Department to Congress on the subject.

No legislation was ever reported to the Senate in consequence to these hearings, despite the more than 650 pages of testimony.

The next open move in the development of this widespread program was the participation of the United States delegation at the international meetings in Habana which prepared the final draft of the ITO Charter. This draft was submitted to the House Foreign Affairs Committee in 1950 as House Joint Resolution 236.

The House committee held hearings, compiled more than 800 pages of testimony and declined to report the measure which still contained the blueprint for intergovernmental commodity agreements—the International Materials Conference.

In other words, the United States Senate Committee on Finance in 1947 and the House Committee on Foreign Affairs in May 1950 refused to recommend approval of the principles and practices of these commodity agreements.

Despite this two-fold denial, and despite the written assurances of the Secretary of State that no action would be taken without congressional sanction, the working basis for the International Materials Conference was established in December 1950, during the visit of Prime Minister Attlee.

Our State Department has been contending, in response to my earlier speeches, that the International Materials Conference is a temporary, emergency agency. But here are the facts, as I have just established. Two congressional committees refused to O. K. the idea. The Secretary of State formally declared that no such activity would be undertaken without congressional approval. Yet the administration went ahead anyway.

But this is only part of the story. Our State Department wasn't the only group engaged in this type of socialistic planning. The United Nations, in 1947, when the International Trade Organization Charter was being considered, proceeded on the apparent assumption that the United States would approve the ITO charter and established an Interim Coordinating Committee for International Commodity Arrangements, which we might know as the ICC for ICA.

This Interim Committee, established in 1947, was designed to set the stage for the formal development which would follow the adoption of the ITO charter. Ever since then, this Interim Committee has been plugging away at its mission and has issued annual reports.

So there will be no doubt about the fact that this Interim Committee, too, is a cartel, I wish to quote from its 1951 report, in relation to tea. "The present tea agreement covers the four producing countries of Ceylon, India, Indonesia, and Pakistan. The agreement regulates the acreage to be devoted to tea and prohibits the export of tea planting material to countries not party to the agreement."

In other words, this international agreement prevents anyone outside of these countries from getting the necessary tea-growing stock. It is as restrictive a monopoly as can be conceived.

This interim coordinating committee for international commodity agreements was in effect given permanent status by a 1950 resolution of the Economic and Social Council of the United Nations which put into effect the provisions of the ITO Charter of this subject. In other words, the cartel provisions of the International Trade Organization came in the back door of the U. N. and into the front parlor of the United States by means of this action despite the unwillingness of two congressional committees to report the matter.

The 1951 report of this U. N. interim coordinating committee for international commodity agreements welcomes the organiza-

tion of the International Materials Conference and welcomes it into the fold with open arms. The report makes frequent reference to the allocation programs of the various IMC committees and makes the merger of the International Materials Conference with this ICC and ICA quite apparent.

Now, I want to swing to another phase of this entire operation. Our State Department and the Defense Production Administration have repeatedly referred to the International Materials Conference as a temporary expedient. But the socialistic planners just don't see it that way.

An article in the magazine *Freedom and Union*, edited by Clarence Streit, strongly defends the International Materials Conference, describes its operations. The article points out that the International Materials Conference sulfur committee announced allocations on a 6-month basis, instead of a quarterly basis previously used, and then goes on to say, "Similar plans are to be adopted by other committees and it is even hoped that planning for a much longer period—4 years—may soon become possible." In other words, this temporary agency is starting to plan 4 years in advance, and 4 years doesn't seem to me like a temporary period.

The real tip-off is found in a 1951 United Nations publication entitled "Measures for International Economic Stability," a report by a group of experts appointed by the Secretary General. The conclusions of the report are significant and interesting:

"85. We suggest that governments should reconsider the case for a series of commodity arrangements of various types as a means of keeping short-run movements of primary product prices, both upward and downward, within reasonable bounds, and of helping to stabilize the international flow of currencies. To this end, the International Bank for Reconstruction and Development might indicate that it is willing in principle to consider participating in the financing of commodity arrangements that involve buffer stocks. Progress in these directions would make an important contribution to the stability of industrial as well as primary producing economies.

"86. We do not believe that any new international agency to administer a comprehensive scheme for a range of different commodities is necessary or practicable. The arrangements needed differ from commodity to commodity, and must be worked out and put into effect by the countries mainly concerned in each case. Coordination of general structure and policy amongst the various schemes is important, but international bodies—such as the Interim Coordinating Committee for International Commodity Arrangements and the International Materials Conference—already exist and can be used for this purpose.

"87. The present shortage of many commodities does not reduce the urgency of the problem. We have already emphasized that detailed agreements take a long time to negotiate and that assurances to producers are required now, both to encourage production necessary to prevent continuing shortage and as a quid pro quo for the import allocations now being made. The possibility should be considered of converting these emergency schemes into permanent stabilization arrangements. It might also be possible at some future date to use for stabilization purposes the stockpiles acquired for strategic reasons."

EXHIBIT 1

OUR GOOD-NEIGHBOR POLICY SEEMS ON A ONE-WAY STREET—THAT'S THE WAY IT LOOKS TO OUR LATIN-AMERICAN FRIENDS

(By Edward Tomlinson)

There's gloom in Latin-American diplomatic circles here. It is hard for most envoys

to hide their concern over the rapid decline in inter-American relations and the rising tide of anti-United States sentiment in the nations to the south.

Most of them readily admit that this is due in some measure to the same upsurge of nationalism, intensified by Communist propaganda, that is found elsewhere in the world. But some of them blame it on our confusing hemisphere policies, not to say the wide disparity between our declared policies and our actual application of them.

As a high Foreign Office official from one of the leading South American capitals, recently in this country, put it, "to many of our people it appears that the good-neighbor policy is becoming a one-way street, leading only in your direction."

THE TARIFF QUESTION

It is difficult, according to this official, for the Latins to understand why we denounce price fixing, quota systems, and tariffs imposed by other countries, while at the same time practicing all these things ourselves. As they see it, we not only insist upon selling them our products, but upon buying theirs on our own terms. In times of emergency we call upon them to produce more copper, tin, sugar, wool, and other strategic necessities. When the emergency is over, we often impose quotas, tariffs, and other restrictions on these very same commodities.

We have a policy of reciprocal-trade agreements by which we ask various countries to sit down and agree on mutual tariff concessions. But often after the documents are signed we arbitrarily impose tariffs on certain of their products which were exempted in the agreements.

We have made much of President Truman's point 4 program. In fact, the Congress has voted the administration millions to administer this program, which is designed to train technicians and to help promote new industries and diversify production in the Latin-American as well as other countries. At the same time, we place prohibitive tariffs and even refuse to buy the products of such new enterprises.

MORE INCONSISTENCIES

We acknowledge that inflation is rampant here. But we shut our eyes to the fact that prices and wages are skyrocketing also in Chile, Bolivia, and Brazil, and practically all the other countries of the hemisphere. We maintain the most rigid restrictions and sometimes complete embargoes on export of critical manufactures and machinery which they need and wish to buy from us.

Recently a company in Santiago wanted to buy \$4,500 worth of arc-welding machinery necessary for repairs on Chilean naval vessels, and the operation of the new steel works which the Export-Import Bank has helped to finance. Although we have negotiated a mutual defense pact with Chile and have agreed to help revamp and reequip its military establishment, the Office of International Trade refused to give any priority for the export of this machinery to the South American country. At the very same time it authorized a priority for a large shipment of arc-welding equipment to far off Indonesia.

We acknowledge that the cost of mining Bolivian tin is higher than in British Malaya and other far eastern countries. We have built a special refinery at Texas City, Tex., the only one in the world capable of handling Bolivian ore. Yet we have refused to pay any more for the Bolivian than for the far eastern product.

Following World War II we urged, even helped to finance development of a tuna fishing industry along the shores of Ecuador and Peru, thus enabling our sister republics to take over an enterprise which had been previously controlled by the Japanese. Now that the industry has grown to be a

new source of income and employment for these countries, Congress has voted to place a tariff on tuna fish imports into the United States.

We are insisting upon cutting imports of wool products from Uruguay, the little nation which has stood solidly with us in two world conflicts, and has recently resisted strong pressure from Argentina to desert us and cooperate with the anti-United States Peron government.

Our neighbors also feel that the State Department no longer determines our foreign policy in Latin America. Lately it has not been able to stand up against the pressure groups who make organized demands on their Congressmen to limit or exclude various imports from Latin America.

The Department advised that the ceiling price on Chilean copper imports be increased by 8½ cents a pound which would help to offset the increase in production costs. But Ellis Arnall, of the Price Administration, as well as Economic Stabilizer Putnam, opposed any such increase.

REPUDIATES OUR PROGRAM

The Department has taken the stand that imposition of the tariff on Ecuadoran and Peruvian tuna fish is in reality a repudiation of our point 4 program, but Congress (at least the House of Representatives) refuses to listen.

All of which has contributed to, even if it may not justify the increasing criticism of this country emanating from the nations below the Rio Grande.

Mr. MAYBANK. Mr. President, in order that there may be no misunderstanding about this amendment by anyone who believes in private industry, provided he stays within reason, I wish to read to the Senate the letter which Mr. Fowler wrote to me today, at my request as chairman of the committee. I have had inquiries from big business and from small business and from the military, so I asked Mr. Fowler for information. I sent the representatives of the committee to Mr. Fowler with the request that he let me have his comments to the questions. I now read from the letter:

This has reference to the amendment to the Defense Production Act proposed by Senator FERGUSON which, I understand, may be offered on the floor of the Senate, your committee having declined to report it.

The committee declined to report it, but in our deep appreciation of the Senator from Michigan [Mr. FERGUSON], we invited him to the executive meeting when Mr. Fowler was with the committee, and we were happy to have him there.

I read further from the letter:

Your staff has advised us that representatives of private industry have raised with you a series of questions which they conceived to be arguments in favor of the amendment and I am taking the liberty of addressing to you some comments concerning those questions.

I asked for the facts to which Mr. Fleischmann had testified in executive hearings before he resigned. There was no public hearing. I asked for the facts about which people had been talking, which the newspapers or no one else knew anything about, to my knowledge, unless members of the committee talked about them, and I do not believe they did.

Mr. FULBRIGHT. Was not the main point Mr. Fleischmann made that if we

did not participate in these voluntary negotiations and any country could back out when it wanted to, the effect would be to increase the cost of purchases of vital materials?

Mr. MAYBANK. To increase the cost.

Mr. FULBRIGHT. Merely because it might have benefited one or two companies, such as General Motors, which did not get as much copper as it wanted, and thus run the risk of increasing the total cost of the rearmament program, because it would probably have increased the cost of some critical materials, all of which have to be bought.

Mr. MAYBANK. I did not say that, but that was what was meant.

The obvious purpose of this provision is to prevent the preemption of civilian supply by those large corporations best able to pay and best equipped to fight for it. If a piece of costume jewelry selling at \$10 or an automobile selling at \$3,000 contains a fraction of an ounce or a few pounds of copper, the manufacturer might well afford to pay 2, 3, or 10 times the normal price for that copper. Other uses in the construction of housing, hospitals, and schools and in the manufacture of electrical equipment could not compete with such high-price demand. So the Congress wisely provided that the Government which took a substantial part of the supply for defense was also obligated to see to it that the balance of the supply was fairly distributed. This protection to essential industry and to small business would be discarded by operation of the proposed amendment.

A second question is: Why should not CMP tickets be issued as a matter of course to any domestic consumer who purchases material abroad?

The answer to this question is entirely contained within the answer to the first question. Whenever allocation is necessary it is because our total supply, including imports, is inadequate to meet all demands. In such a case the Government cannot afford to preempt domestic supply—

And the stockpile has been drawn on, sad to say—

for defense uses and leave the control of imported supplies to the wealthy and powerful. It is no answer to the small-business man to suggest that he establish overseas purchasing agents with ready funds to outbid his bigger neighbor and the rest of the world.

Mr. President, we know that is not a fact.

A final question was as follows: Why are not larger allocations for the United States recommended by the International Materials Conference?

The substance of this complaint is that international discussion of the requirements of the free peoples of the world have produced agreement on a share for the United States that is only one-half or three-fifths or sometimes three-quarters of the total world supply.

It is argued that in many cases we consumed as much before the defense buildup began. Of course, the considerations pertinent to a division of supply of any particular material are tremendously complicated but it is immediately obvious that the demand for all materials has risen throughout the world in the last few years. The reemergence of Germany, Japan, Italy, and Austria as manufacturing countries and the recovery of the United Kingdom and Western Europe from the ravages of World War II have substantially altered the ratio of material requirements on a world wide basis. The fact

that this country's share of strategic materials continues to be out of all proportion to its population is clear evidence of the recognition voluntarily given by our allies first to our preeminent position in defense production and second to the highly industrialized nature of our economy.

I do not have very much time. I merely wish to say that I have received a great many letters on this subject.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FREAR. I should like to ask the chairman if it is not a fact that we entered into a bilateral agreement with Chile for 80 percent of their copper, at a price of 27½ cents a pound, and that the other 20 percent was earmarked for other countries; and if it is not also a fact that the 20 percent that was to go to other countries, is not being utilized, and that at the present time the stockpile of 20 percent in Chile is increasing.

Mr. MAYBANK. My answer to the question is that in an executive session of the committee the Chilean situation was brought up, and it was said that Chile had a stockpile of copper and was hoping America would pay more for it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. They have already made a free market in the copper, and it is now being purchased at from 32 to 35 cents.

Mr. MAYBANK. The Senator, of course, I presume, refers to the meeting we had.

Mr. FULBRIGHT. That was the situation, though, prior to that time; and only yesterday or the day before the press carried an account of what has been done with respect to copper.

Mr. MAYBANK. Of course, at the time we had the meeting the fact is that negotiations were going on with the State Department, Mr. Fleischmann, and others, and we could not talk about what was going to happen in that meeting.

Mr. FULBRIGHT. That is correct.

The point is that these voluntary negotiations have had the effect of maintaining a stable market in those commodities, and of avoiding unlimited bidding against one and another, driving prices up, and creating an unfair allocation of metals, which we were not always getting. It happened that copper was the most critical item. They have now taken action on that, and that action was in accord with the views of the Senator from Michigan.

Mr. MAYBANK. That is correct.

Mr. FULBRIGHT. They have taken off that regulation, and producers are buying copper.

Mr. MAYBANK. I wish to remind the Senator that before those satisfactory agreements were made—that have occurred since we had our executive hearing—Chile was not going to make very large shipments of copper to America.

If I have said something wrong, I hope to stand corrected. We have worked out the matter of shipments and also an increase in purchase price for the

Chilean and other foreign copper while the negotiations have been pending.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that if the amendment should be adopted, there would be absolutely uncontrolled competition for materials in scarce supply, which might drive up prices beyond any limits whatsoever? And would not that, in turn, increase the cost of war preparations, and the building of hospitals, schools, roads, automobiles, and everything else? Costs might be tremendous.

Mr. MAYBANK. I want to answer the question, but I shall leave it to the Senator from Arkansas, who is a member of the Committee on Foreign Relations, and who has been all through that matter, just as much as I, as chairman of the Committee on Banking and Currency.

Mr. FULBRIGHT. The Senator from New York has stated the situation. What has been forgotten is the over-all effect upon the cost of all the other materials, of which we are the greatest consumer in the world. I should say we have had more benefit from controls than has any other nation, so far as the over-all cost of strategic materials is concerned. We have obtained our fair share of the world supply, and at a much more reasonable price than we could possibly have obtained by unrestrained national competition.

Mr. MAYBANK. Mr. President, I wish to make no mistake. I have discussed this subject with small-business men, military officials, and others.

Mr. President, I ask unanimous consent to have printed in full in the RECORD the letter to which I have referred, from Mr. Fowler, who has taken Mr. Fleischmann's place, about CMP certificates.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEFENSE PRODUCTION
ADMINISTRATION,
Washington, June 4, 1952.

HON. BURNET R. MAYBANK,
Chairman, Committee on Banking and
Currency, United States Senate,
Washington, D. C.

DEAR MR. MAYBANK: This has reference to the amendment to the Defense Production Act proposed by Senator FERGUSON which, I understand, may be offered on the floor of the Senate, your committee having declined to report it. Your staff has advised us that representatives of private industry have raised with you a series of questions which they conceived to be arguments in favor of the amendment and I am taking the liberty of addressing to you some comments concerning those questions.

Preliminarily, I think it should be noted that there is nothing new to you or to the committee in the issues raised by the questions discussed hereafter. They were considered in an orderly manner during the hearings before the committee and were answered carefully and thoughtfully by responsible witnesses. The committee's failure to report the amendment after full consideration and discussion should be given great weight on the Senate floor, particularly

since the problems raised by the proposed amendment are not simple and easy but complicated and important. Any genuine interest in the merits of the problem justifies reference to the report of the hearings.

Probably the most important question asked is as follows: If the supply of a material is sufficient to meet needs for defense, stockpiling, and authorized military assistance programs, why is it necessary to allocate the balance of supply among civilian uses?

The question might more succinctly be worded: Why worry about the little fellow? The present law specifically provides that whenever allocations result in a significant dislocation of normal distribution in the civilian market the available civilian supply shall be so distributed as to give a fair share to all. The obvious purpose of this provision is to prevent the preemption of civilian supply by those large corporations best able to pay and best equipped to fight for it. If a piece of costume jewelry selling at \$10 or an automobile selling at \$3,000 contains a fraction of an ounce or a few pounds of copper, the manufacturer might well afford to pay 2, 3, or 10 times the normal price for that copper. Other uses in the construction of housing, hospitals, and schools, and in the manufacture of electrical equipment could not compete with such high-price demand. So the Congress wisely provided that the Government which took a substantial part of the supply for defense was also obligated to see to it that the balance of the supply was fairly distributed. This protection to essential industry and to small business would be discarded by operation of the proposed amendment.

A second question is: Why should not CMP tickets be issued as a matter of course to any domestic consumer who purchases material abroad?

The answer to this question is entirely contained within the answer to the first question. Whenever allocation is necessary it is because our total supply, including imports, is inadequate to meet all demands. In such a case the Government cannot afford to preempt domestic supply for defense uses and leave the control of imported supplies to the wealthy and powerful. It is no answer to the small-business man to suggest that he establish overseas purchasing agents with ready funds to outbid his bigger neighbor and the rest of the world.

The third question asked is: If our domestic supply of a material is adequate to our total domestic needs, why should any controls be put upon the material?

This question is, of course, aimed at the use of materials controls to assure some supply for export to our allies in the free world. The idea behind it is that our first obligation is to our own industry, and that any secondary obligation may properly and safely be ignored. The question presupposes an unreadiness on the part of the questioner to consider other nations of the free world as proper claimants upon our materials supplies. It is probably best answered, therefore, in terms of complete self-interest.

The fact is that this Nation is not self-sufficient in materials essential to its own defense. If we are to secure from other nations the materials we need we must be prepared to share our supplies of what they need. My rake and my neighbor's lawn mower will take care of both our yards until I decide that my rake is for me alone. On that date I had better order a lawn mower.

A final question was as follows: Why are not larger allocations for the United States recommended by the International Materials Conference?

The substance of this complaint is that international discussion of the requirements of the free peoples of the world have produced agreement on a share for the United States that is only one-half or three-fifths or some-

times three-quarters of the total world supply.

It is argued that in many cases we consumed as much before the defense build-up began. Of course, the considerations pertinent to a division of supply of any particular material are tremendously complicated but it is immediately obvious that the demand for all materials has risen throughout the world in the last few years. The re-emergence of Germany, Japan, Italy, and Austria as manufacturing countries and the recovery of the United Kingdom and Western Europe from the ravages of World War II have substantially altered the ratio of material requirements on a world-wide basis. The fact that this country's share of strategic materials continues to be out of all proportion to its population is clear evidence of the recognition voluntarily given by our allies first to our preeminent position in defense production and second to the highly industrialized nature of our economy.

All of the argument on the International Materials Conference comes down to this: That the Government of the United States should not consult with foreign governments or consider the needs of foreign governments for materials over which it has or might by any means gain control. If we were self-sufficient in the needs of national defense we might perhaps afford to consider such a withdrawal from the rest of the world. Since we are not self-sufficient, our own interest allows us no choice.

I have not touched upon difficulties inherent in the Ferguson amendment not raised by manufacturers who called upon you. I feel I should mention, however, that even some segments of big business would suffer from its operation. Consider, for example, the effect of limiting materials controls to domestic supply and the needs of the defense program. This would result in leaving civilian consumers to make the best arrangements they could with foreign suppliers. When the defense program tapered off domestic producers would find themselves faced with the necessity of winning back their normal civilian customers. Such a Government-imposed exposure of the United States market to foreign suppliers would not be in keeping with the very self-interest which the amendment is supposed to serve.

I shall try to make available to you whatever further information you may request in this or any other connection.

Sincerely yours,

HENRY H. FOWLER,
Administrator.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. FERGUSON. I wish to correct the statement of the Senator from Arkansas [Mr. FULBRIGHT]. He stated that the copper situation had been entirely released. All that was done was to permit the copper fabricators whose entire product was copper—for example, the manufacturers of copper wire—to go into the open market. However, that same privilege was not extended to fabricators who were not primary copper fabricators. They were not permitted to go out into the market. Those who were freed from the restrictions were told—and that was the joker—"If you go out and pay more in the open market of the world, we will recognize only 80 percent of that price. We will not recognize the other 20 percent."

So the copper situation was not entirely freed. On the surface, some relief appeared to have been granted, but not

to the extent to which this amendment would require relief.

Mr. FULBRIGHT. I do not understand that that is the effect at all. If our companies are able to purchase copper, they use whatever they can get at 35 cents or 32 cents, and that relieves the pressure.

Mr. FERGUSON. Only primary manufacturers of copper are allowed to go into the market. The fabricator who uses only a small amount of copper is not allowed to go into the market. So production is being kept down.

Mr. MAYBANK. Mr. President, this amendment goes far beyond copper.

Mr. FERGUSON. Yes. It covers all materials.

Mr. MAYBANK. For example, it covers platinum. I have received the following memorandum from the armed services:

Platinum, a basic strategic metal for defense, is not available except by importation. Platinum now being acquired in adequate quantities at \$93 per troy ounce. World spot market price now \$135. If import ceiling price for this metal is banned world market price would increase substantially. This would increase defense costs.

Mr. FERGUSON. There is no doubt that the amendment goes further than copper.

The PRESIDING OFFICER. The Senator from South Carolina has an additional minute.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Senator from Michigan [Mr. FERGUSON] may have 5 minutes additional, and that I may have 5 minutes additional. This is a very important amendment.

Mr. FERGUSON. It is very important.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FERGUSON. Mr. President, this is a very important subject. I realize that many years ago the Department of State decided on a policy of creating an international cartel for the control of all raw material. The Defense Production Act is now being used to reduce the amount of material which America can acquire, even though today America is performing the great task of trying to arm the free world.

Mr. President, the Senator from Michigan has no desire to interfere with the Defense Department. The first part of the amendment is to take effect only when there is an excess over the amount necessary to meet the allocations for defense, for stockpiling, and for military assistance to any foreign nation. We allow raw materials to go to those to whom we are giving military assistance, as authorized by an act of Congress. Only then—

No other restriction or other limitation shall be imposed under this title upon the right of any person to purchase such commodity in any foreign country and to import and use the same in the United States.

That applies not only to the fabricators of material whose product consists almost entirely of such material, but it gives the right to any person to purchase

such commodity in any foreign country and to import and use it in the United States.

The next feature has to do with price control. If there is plenty of the commodity for America, in preparation for defense, then there shall be no price control. If there is plenty of a certain material for every need in America, there shall be no price control, because it may be desirable to sell it in foreign markets. The time has come when we need just a little free enterprise.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. The Senator refers to price controls on copper. I am sure that he is aware of the fact that we have a dual system of prices on copper. The copper price is 24½ cents for domestic production, while the sky is the limit so far as foreign production is concerned and its availability in the world markets.

Mr. FERGUSON. That is correct. For example, the copper market in America was 24 cents, whereas 20 percent of all the copper purchased in Chile was sold at prices as high as 60 cents a pound. The fact was that we furnished most of the money to pay the price of 60 cents.

Mr. President, I hope this amendment may be adopted and made a part of the bill.

Mr. MAYBANK. Mr. President, I wish to place in the RECORD, without detaining the Senate to read it, the list of materials found on pages 1503, 1504, 1505, 1506, 1507, and 1508, showing the distribution plans as recommended in the IMC. These commodities include copper, zinc, molybdenum, cobalt, nickel, sulfur and tungsten. I shall not take the time to read the entire list.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COBALT

Cobalt is of prime importance in the defense-mobilization program and ranks high in the list of strategic and critical materials. While its principal uses are in alloy steels, it has vital nonferrous applications and special military uses. Cobalt is used in jet-engine alloys, as a binder in making tungsten carbide for tools and armor-piercing shot cores, radar magnets, etc., through a long list of military items.

United States consumption prior to IMC allocations

[In short tons]

	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average, 1949..	1,447.9	587.8	40.6
Quarterly average, 1950..	1,790.0	1,019.0	56.9
Quarterly average, 1951 ¹ .	2,125.2	1,245.6	58.6

¹ Production data for fourth quarter not available.

Distribution plans as recommended in the IMC and subsequently agreed to by all member governments have been in effect beginning with the fourth quarter of 1951. Results to date follow:

	Total free world supply	United States share	United States percent of total
Fourth quarter, 1951.....	2,159.4	1,280.8	59.3
First quarter, 1952.....	2,420.6	1,501.3	62.0

Important efforts are being made to increase world production. For example, large investments are being made in the Belgian Congo (now providing two-thirds of the world supply) in mining operations and the improvement of transportation and facilities. Expansion of output is under way in northern Rhodesia and production is rising in French Morocco. In the United States a refinery of the Calera Mining Co. is expected to be completed near Salt Lake City in April or May which will produce cobalt metal at an annual rate of 3,300,000 pounds.

COPPER

Copper is a widely used metal both in the defense-mobilization program and in essential civilian production. It is one of the strategic and critical metals in tightest supply.

Distribution plans as recommended in the IMC and subsequently agreed to in whole or in substantial part by all member governments have been in effect beginning with the fourth quarter of 1951.

The method back of the IMC distribution plan was a priority for direct defense requirements, provision for minimum strategic stockpiles, and the distribution of the remaining supply for civilian requirements on the basis of consumption in 1950. In the first quarter of 1952, owing to the acute shortage, no specific provision was made for stockpiling.

United States consumption prior to IMC operations

[In short tons]

	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average:			
1949.....	622,250	296,250	47.6
1950.....	749,150	354,250	47.3
1951.....	727,500	338,330	46.5

Results of the IMC recommendations as they affect the United States

	Total free world supply	United States share	United States percent of total
Fourth quarter, 1951.....	749,100	367,900	49.1
First quarter, 1952.....	820,800	403,400	49.1

MOLYBDENUM

An additive alloy, used generally in the hardening of steel. It is, in many cases, interchangeable with tungsten and it is well to review figures on molybdenum and tungsten together.

Because of its tight supply position and its peculiar importance to the defense mobilization and defense-supporting programs, molybdenum was recommended by the IMC for allocation, beginning with the third quarter, 1951. The recommendation was accepted by all member governments. Basis for the recommendation was both the historical use levels and the stated requirements

with special weight given to defense requirements.

United States consumption prior to IMC allocations

(In short tons)

	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average, 1949.....	3,169.1	2,417.5	76.0
Quarterly average, 1950.....	3,802.8	3,144.4	82.7
Average first 2 quarters, 1951.....	5,086.5	4,063.3	79.5

Results of the IMC recommendations as they affect the United States

(In short tons)

	Total free world supply	United States share	United States percent of total
Third quarter, 1951.....	4,850.0	3,769.5	77.7
Fourth quarter, 1951.....	5,379.0	4,007.0	74.5
First quarter, 1952.....	5,280.0	3,883.0	73.5

¹ Net, i. e., after export of primary products.

NICKEL

Nickel ranks near the top in any list of strategic and critical materials in short supply throughout the free world. It is of basic importance in the defense production program. For example, military items such as jet engines, armor plating and gun steels use considerable nickel. While principal usage is in alloy steels, nickel has important nonferrous uses.

United States consumption prior to IMC operations

(In short tons)

	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average, 1949.....	28,182.5	17,067.5	60.6
Quarterly average, 1950.....	36,387.9	24,787.5	68.1
Average first 3 quarters, 1951.....	34,158.6	20,483.3	60.0

Beginning with the fourth quarter of 1951, the International Materials Conference recommended plans for distributing nickel among the free nations which were accepted by all the member governments. The total distribution of forms of nickel covered by the recommendations and the United States share are as follows:

	Total free world supply	United States share	United States percent of total
Fourth quarter, 1951.....	37,531.3	24,108.8	64.2
First quarter, 1952.....	37,018.9	25,299.2	68.3

The free world supply of nickel is expected to show considerable increase beginning in the second quarter, principally because of the yield of the Nicaro (Cuba) project fi-

nanced by the United States, and French production from New Caledonian ores. Other projects are being contemplated or developed for future production by various nations, including the United States.

SULFUR

Sulfur is among the important raw materials because it is basic to a wide variety of industries, urban and agricultural, and cuts across the economies of all nations, be they highly developed or underdeveloped. It is vital in the production of steel and other metals which produce guns, ships, tanks, and planes. It is necessary in the production of agricultural fertilizers and insecticides, textiles, pulp and paper, rubber, petroleum products, chemicals, and many other essential items.

Because of increased demands for sulfur as such, world production has been unable

to satisfy these requirements, and the sulfur shortage has developed. The shortage was in the magnitude of 1,200,000 long tons in 1951, and is estimated at 1,500,000 long tons for 1952. In March 1951 the Sulfur Committee of the International Materials Conference was established to consider the world shortage and to make recommendations to governments to alleviate the shortage, and to recommend effective distribution of available supplies. The committee has recommended three plans of distribution covering the third quarter of 1951, fourth quarter of 1951, and the first 6 months of 1952. These recommendations have been accepted by governments.

The following table shows the United States production, consumption, and exports compared with the total free-world production:

Crude sulfur (native and recovered)

(Thousand long tons)

	1948	1949	1950	First half 1951	Second half 1951	Estimated first 6 months 1952
Free World production.....	5,344	5,280	5,914	2,988	3,123	3,017
United States production.....	4,913	4,802	5,334	2,694	2,783	2,655
United States allocation.....					2,003	2,054
United States consumption.....	¹ 3,700 ¹ (69.2)	¹ 3,500 ¹ (66.3)	¹ 4,000 ¹ (67.6)	¹ 2,150 ¹ (71.9)	¹ 2,070 ¹ (66.3)	¹ 2,062 ¹ (68.3)
United States exports (crude).....	1,262	1,443	1,440	544	705	637
Canada.....	318	253	354	139	194	172
Others ²	944	1,190	1,086	405	511	465

¹ Percent.

² Actual exports do not correspond to export quotas due to export licenses being issued in one period, with shipments being made in a subsequent period.

TUNGSTEN

An additive alloy, used generally in the hardening of steel. It is, in many cases, interchangeable with molybdenum and it is well to review figures on tungsten and molybdenum together.

Considering its scarcity and its peculiar importance to the defense mobilization and defense-supporting programs, the IMC recommended to governments a distribution pattern for tungsten in the third quarter, 1951. Basis for this distribution was, in part, the historical use levels and, in part, the stated requirements, with special weight given to defense requirements. Recommended also by IMC was a price ceiling and floor for spot purchases. Both recommendations were accepted by member governments.

Agreement in IMC was again reached on a distribution plan in the fourth quarter and the first quarter, 1952. In these two quarters agreement was not reached on tungsten price.

United States consumption prior to IMC recommended distribution

(In short tons)

	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average, 1949.....	3,389.5	619.8	18.3
Quarterly average, 1950.....	3,582.4	943.3	26.3
Average first 2 quarters, 1951.....	2,920.5	1,582	54.2

Results of the IMC recommended distributions as they affect the United States

	Total free world supply	United States share	United States percent of total
Third quarter, 1951.....	3,086.4	1,383.3	44.8
Fourth quarter, 1951.....	3,576.9	1,708.5	47.8
First quarter, 1952.....	4,078.5	1,926.8	47.2

ZINC

Zinc is a metal of importance both in the defense-mobilization program and in essential civilian production. It has been in extremely short supply.

Zinc has been considered in the Copper-Lead-Zinc Committee, IMC, and treated in a similar manner to copper in reaching a recommendation to governments for distribution.

United States consumption prior to IMC operations

(In short tons)

	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average, 1949.....	458,500	177,950	38.8
Quarterly average, 1950.....	491,375	236,875	48.2
Average first 3 quarters, 1951.....	479,166	220,966	46.1

Distribution plans within the IMC on zinc have been in effect beginning with the

fourth quarter, 1951. The results of the IMC distribution plan as it affects the United States are as follows:

	*Total free world supply	United States share	United States percent of total
Fourth quarter, 1951.....	517,700	251,800	48.6
First quarter, 1952.....	537,500	252,400	46.9

PULP AND PAPER

Early in 1951, the Pulp and Paper Committee, IMC, surveyed the position of wood products, principally newsprint, kraft pulp, and dissolving pulp. The survey indicated that the free world shortages of kraft pulp were insignificant and that the shortages of dissolving pulp, while more serious, were insufficient to justify an allocation program. These commodities have been kept under review.

In the case of newsprint, it was decided that emergency allocations were necessary to aid a number of countries in which supplies were critically low. These allocations were made possible by the Governments of Canada and the United States with the co-operation of their producers and publishers. Increased production accounted for most of the allotments. The newsprint supplied by the United States and Canada was in the approximate ratio of 5 parts from Canada to 1 part from the United States.

Less than three-tenths of 1 percent of the free world's annual supply of newsprint comprised these emergency allocations and were distributed among the countries as follows:

	Short tons
Brazil.....	1,322.8
Chile.....	1,102.3
Dominican Republic.....	551.1
Ecuador.....	551.1
France.....	15,180.8
Germany, Federal Republic of.....	7,716.1
Greece.....	1,587.3
India.....	2,480.2
Indonesia.....	1,653.4
Israel.....	440.9
Malaya and Singapore.....	694.4
Nicaragua.....	440.9
Pakistan.....	496.0
Philippines.....	12,579.4
Spain.....	1,929.0
Turkey.....	1,557.1
Uruguay.....	1,322.8
Yugoslavia.....	16,492.5
Total.....	37,092.1

* Allocations to France, Greece, the Philippines, Turkey, and Yugoslavia were financed in whole or in part by ECA (MSA) funds.

Expanding production and a softening in demand has recently relieved the critical supply problem. The committee, therefore, is now working on a program to stimulate the resumption of normal trade through commercial channels.

I call your particular attention to the fact that in making our comparison for the year 1949, we are using consumption figures, which figures are public information, in order to avoid divulging of classified material that might show the exact status of our stockpile.

It occurred to me that you might be interested in knowing just how we came out in our allocation in the fourth quarter of 1951 and the first quarter of 1952, on copper.

After the difficulties of obtaining acceptable statistics on consumption and supply by country, we had the problem of implementation and of getting accurate information promptly enough to determine whether or not we were receiving our allocation in the fourth quarter. While our total allocation including about 17,000 tons for the

stockpile was 366,000, we have now determined that we were about 12,500 tons short of receiving our allocation.

In the first quarter is now appears that we may be as much as 50,000 tons short of receiving our allocation of 403,000 tons, partly due to failure of domestic production to reach expectations. Possibly we could have made up a part of the deficiency through increasing imports by the abandonment of our price ceiling. I submit that such a move would amount to burning down the house to get rid of the termites.

Recommendations have already been made for allocations for the second quarter and in all cases these figures compare favorably with the tonnages allocated to the United States for the fourth quarter.

In the case of copper the amount allocated to the United States will be slightly less than the amount allocated to us for the first quarter, but the supply figures used are more realistic so that the United States should come closer to obtaining its allocation and the effect should be a larger supply of copper to the United States in the second quarter than was actually obtained in the first quarter.

This whole arrangement has appeared to me to be a sensible business deal to assure our receiving a proper proportion of the world supply at a reasonable price. Without such an arrangement I do not believe that we would have received as great a proportion of the world supply as we have under IMC unless we were prepared to pay any price for the material. Even then there is some doubt as to how much of the material we would have received and certainly such an attempt would have resulted in terrific inflationary pressures within the United States and the loss of cooperation of our friends in the world.

Mr. FREAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Delaware?

Mr. MAYBANK. How much time have I, Mr. President?

The PRESIDING OFFICER. The Senator from South Carolina has 4 minutes.

Mr. MAYBANK. I yield 4 minutes to the Senator from Delaware.

Mr. FERGUSON. Mr. President, if that is not sufficient, I will yield some of my time.

Mr. FREAR. In reply to what the distinguished chairman has said regarding the allocation of copper, I think he was referring to page 1504 of the hearings, which shows that in 1950 the United States consumption, in terms of percentage of the total supply, was 47.3 percent.

Those are the figures of the IMC.

Mr. MAYBANK. Mr. President, I understand that the IMC figures are approximately correct. I asked certain staff members to investigate and check the figures.

I am not here to defend the operations or management of the IMC. I am here only to show the effect of price control, or IMC control, upon the military.

Mr. FREAR. As I recall, Mr. Fleischmann, in his testimony before the Committee on Banking and Currency, said that the authority under which he acted in the IMC came from the Defense Production Act. If he has any authority, I agree that that is where he got it.

I should like to read from the Report on Operations by the International Materials Conference. I read from page 2:

The distribution plans developed by most of the committees recognize the needs for defense, and essential civilian, consumption, and take into account the principle of strategic stockpiling. Governments which agree to a distribution plan undertake to see that the plan is implemented, as far as their countries are concerned. Committee recommendations covering the allocations request participating governments to establish the necessary mechanisms for implementing the allocations.

The distinguished Senator from Arkansas said that of course it was purely a voluntary agreement. However, when our Government agrees to the distribution I think it becomes more than a voluntary agreement. I believe it becomes something that we are morally obligated to abide by.

Mr. FULBRIGHT. What I meant by voluntary was that it was an agreement which our Government made with other governments, not a voluntary agreement on the part of the consumer. Mr. Fleischmann and his associates protected our interests insofar as the price is concerned. It was made on a voluntary basis. Certainly they did not have to make it.

Mr. FREAR. They did not have to agree to what our representatives on the committee did. But once our representatives on the committee agreed, I believe that we had a moral obligation and are bound by it.

Mr. FULBRIGHT. With respect to any agreement which is made voluntarily, if it is made by responsible people, they are bound by it.

Mr. FREAR. I do not say that we were forced to agree to it. Once we did agree, we were morally bound.

Mr. FULBRIGHT. That is correct.

Mr. FREAR. The Senator admits that we did agree to it.

Mr. FULBRIGHT. Yes.

Mr. FREAR. Our committee agreed to it.

Mr. FULBRIGHT. Yes; and I think we should have agreed to it. I think it has saved us millions of dollars in our defense effort by having such an agreement. I do not think it has benefited especially the General Motors Corp.

Mr. FREAR. If we are to talk about General Motors—

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. MAYBANK. I have 1 minute left. I will yield the minute to the Senator from Arkansas.

Mr. FERGUSON. Mr. President, I ask the Senator whether we may have the yeas and nays ordered at this time.

Mr. FULBRIGHT. Mr. President, I offer an amendment to the amendment of the Senator from Michigan, on page 2 of the amendment, to strike out lines 11 to 16, inclusive.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. In the so-called Ferguson amendment it is proposed, on page 2, to strike out lines 11 to 16, inclusive.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 15 minutes.

Mr. FULBRIGHT. Mr. President, I think this is one of the most dangerous amendments that has been offered to the bill. The amendment was offered before the committee, and the committee held a special hearing on it. We voted on the amendment in committee and rejected it. It is much too complicated to make a real explanation of it on the floor of the Senate.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Not at this time. The amendment involves more than copper. Some of the rare metals, such as tin, nickel, and cobalt, of which we have practically none, and rubber, are also involved in the allocations. We should not prohibit our representatives from coming to an agreement as to reasonable allocations. The testimony was very clear that in these agreements in every case we had obtained our traditional and historical shares of the total amounts. It seems to me we have peculiarly benefited from the agreements. There are only a few of the elements, such as sulfur, of which we have an excess and an exportable surplus. We doled it out. We had to do it if we expected to get from Great Britain, for example, tin, rubber, cobalt, or manganese, or the rare earths which come from India; and so on. There is a long list of them. Some of them are not involved in the direct allocations, but certainly they are involved in the negotiations by which the countries which produce these metals were willing to allocate to us our traditional share.

Apparently copper has caused all of this furor. There has been a little complaint about the other metals, but the main complaint has been with reference to copper. If we knock out the agreement with respect to copper it will amount to less than one-half of 1 percent of the total amount involved. It will enable a few of the large companies, who have a market for Cadillacs and similar articles, to benefit. They do not care whether the price is 30 cents or \$1, because copper is such a small amount in the over-all production that the price can be absorbed. However, it will affect very materially the cost of our defense effort. It will add an incalculable amount to the cost of the materials our Government is manufacturing which contain these metals.

Mr. President, it is much too serious for the Senate to overturn the considered judgment of the committee on this item. I had felt, in view of the hearings before the committee, that there would not be a serious effort made on the floor to attach this amendment to the bill. I regret very much that the effort has been made.

I hope the Senate will not act hastily on this subject. If we do, and the amendment should be adopted, it will cause repercussions far beyond any which could be caused by the other items which have been discussed on the floor. I can only refer Senators again to the committee hearings, which were very extensive and exhaustive. Too much is involved to treat the subject in 15 min-

utes on the floor of the Senate, but I want to impress on Senators the seriousness of such a step, which I believe would disrupt very seriously the whole defense effort.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LEHMAN. Is it not a fact that while copper may be the most spectacular commodity involved, there are also involved many other commodities of which the United States is the chief consumer and therefore gets the main benefit from the agreements?

Mr. FULBRIGHT. That is correct.

Mr. LEHMAN. Of the world supply of copper, about 50 percent is consumed by the United States. In the case of molybdenum the United States consumes 80 percent of the entire world supply. In the case of nickel, the United States consumes nearly 70 percent of the world supply. In the case of tungsten the United States uses nearly 40 percent, and in the case of zinc it is using nearly 50 percent. It would seem to me that the United States is the main beneficiary under this arrangement. If it were not for this arrangement the various countries would be bidding against each other in every market of the world and there would be no limit to the price to which these commodities might soar, and the United States would be harmed, not only in the defense effort, but in every other effort.

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. I should like to ask whether it is true that about the only specific complaint the Senator from Michigan has advanced is that the American allocation for copper was three-tenths of 1 percent less now than the proportion we had formerly obtained.

Mr. FULBRIGHT. I think that is exactly correct.

Mr. DOUGLAS. So, on the basis of three-tenths of 1 percent of the supply of copper the Senator from Michigan would throw overboard a system which protects the American consumers from having prices skyrocket. Is that correct?

Mr. FULBRIGHT. Yes. It is not only protecting the American consumers, but on the materials involved it is protecting the prices as well. Assuming that we would get the same amount, it would cost much more if we turned the market open to unrestricted competition among the various countries.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and, if so, to whom?

Mr. FULBRIGHT. I yield now to the Senator from Louisiana [Mr. Long].

Mr. LONG. Mr. President, as I understand, some time ago the people of the United States were complaining that they were being compelled to pay extremely high prices for tin and rubber, much of which was being purchased from British possessions. Pressures were brought and measures were undertaken

by the Subcommittee of the Armed Services Committee, headed by the distinguished junior Senator from Texas [Mr. JOHNSON], to obtain a reduction in the world price which we had to pay for critical and strategic materials for stockpiling purposes.

I wish to inquire whether this amendment would make it possible for a few large American corporations in addition to the price they established for purchases in the United States, in connection with their operations in this country, to establish a world price which would be sky high, so far as our allies would be concerned, and thus would have a most harmful effect? In short, the effect on our allies then would be similar to the effect about which we ourselves formerly complained.

Mr. FULBRIGHT. That is exactly what the situation might be. For instance, controls have now been relaxed partially, as the Senator has indicated. Of course, the controls have not been relaxed altogether. At the present time the price of copper is from 32 cents to 35 cents a pound, whereas a month ago the price of copper was 27½ cents a pound. If all controls were discarded, I think it would be found that the price of scarce materials, many of which we purchase, would go out of sight.

I have before me a memorandum in regard to platinum, which is very important in the defense effort, as the Senator from Louisiana knows. I now read from the memorandum:

Platinum, a basic strategic metal for defense, is not available except by importation. Platinum is now being acquired in adequate quantities at \$93 a troy ounce. The world spot-market price now is \$135.

The situation in respect to platinum is somewhat comparable to the situation which formerly existed in respect to copper, under the previous agreement. It is true that if the platinum market were opened to everyone, we would be paying \$135 a troy ounce; in that respect the situation would be comparable to that existing when the supply of copper was limited.

Mr. President, how much time remains available to me?

The PRESIDING OFFICER. The Senator from Arkansas has 6 minutes remaining.

Mr. FULBRIGHT. Mr. President, I should like to reserve a little of my time. If it is agreeable, I should like to have the Senator from Michigan speak now. Therefore, I yield the floor at this time.

Mr. FERGUSON. Mr. President, in the case of platinum, about which the Senator from Arkansas has spoken, the first part of the amendment does not apply to platinum, because platinum is not produced in the United States.

I now read from the first part of the amendment, which proposes that a new section be inserted in the Defense Production Act:

If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling—

And so forth. So platinum would not be covered by that part of the amendment.

Mr. FULBRIGHT. Mr. President, will the Senator from Michigan yield to me at this point?

Mr. FERGUSON. Yes; I am glad to yield.

Mr. FULBRIGHT. I think the Senator has sulfur in mind in that connection. It is very clear that if we are going to do as we please in the case of the scarce materials we have, we cannot make arrangements beneficial to ourselves in regard to scarce materials of which we have none.

Mr. FERGUSON. But this amendment does not apply to platinum. The amendment reads in part as follows:

No restriction or other limitation shall be imposed under this title if the domestic production of any commodity is sufficient to meet all civilian domestic requirements and the requirements for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress.

Mr. DOUGLAS. Mr. President, let me inquire about the provision, on page 2 of the amendment, that—

No rule, regulation, or order issued under this title shall apply to purchases by any person of any material outside of the United States or its Territories and possessions for importation into the United States for his own use or for fabrication by him into other products for resale.

That provision directly relates to imports.

Mr. FERGUSON. That is the third part of the amendment, and it applies to price control.

Why should we say to an American manufacturer that he cannot go into the open market to buy platinum. The amendment does not provide that he shall be given any price relief. The price he pays can be fixed at any level; but he should be able to purchase the platinum.

That is why the amendment is limited to manufactured articles.

All we are asking is that our manufacturers be allowed to make purchases in the free market; in other words, that they be allowed to make purchases where manufacturers of other countries can make purchases. We would not open the market any more than the other countries would. We wish to place ourselves and our own manufacturers in the same position, in respect to purchasing materials in the world market, that France and Great Britain and their manufacturers are placed in. Is there anything wrong with that, Mr. President?

Mr. FULBRIGHT. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. FULBRIGHT. Under these agreements we subject ourselves to exactly the same restrictions the other countries do.

Mr. FERGUSON. Oh, no.

Mr. FULBRIGHT. The agreement is a mutual one, and we have the same freedom the other countries have.

Mr. FERGUSON. No, we do not have the same freedom. During all the time when France and Britain were using American dollars to purchase copper for 55 or 60 cents a pound in the open market, we were restricting the United States

to a price of 24 cents a pound for copper in the United States.

Mr. FULBRIGHT. That was before the International Materials Conference. After we subscribed to the International Materials Conference, that situation was ended. In fact, that was the entire purpose of the International Materials Conference. It came into being to stop that of which the Senator from Michigan is complaining.

Mr. FERGUSON. I ask any Senator upon this floor how he can favor anything which would not result in putting our people on an equal basis with the people of France or the people of England or with the people of the other countries who are permitted to make purchases in the open market. How important it is that our people have an equal opportunity, inasmuch as we are carrying the great burden of arming the rest of the world for its own defense. All we are asking is that our people have an opportunity equal to that of the people of other countries.

Mr. LEHMAN. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. LEHMAN. I wonder whether the Senator from Michigan realizes the present situation.

Mr. FERGUSON. I believe I do.

Mr. LEHMAN. Since the formation of the International Materials Conference, Britain and the other countries of the world are bound by exactly the same rules by which we are bound.

Mr. FERGUSON. No; they are not.

Mr. LEHMAN. I beg the Senator's pardon; they are.

Mr. FERGUSON. The Senator from New York does not know that they were permitted to purchase copper in the open market at 60 cents a pound or at any other price.

Mr. LEHMAN. They have not been permitted to do so since the formation of the International Materials Conference.

Mr. FERGUSON. No, Mr. President; the Senator from New York is in error.

Mr. LEHMAN. A certain amount of the materials was allocated to those countries at a certain price.

Mr. FERGUSON. No; 20 percent of the copper coming from Chile was available on the free market to anyone except the United States.

Mr. CAPEHART. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. CAPEHART. I think the Senator from New York is mistaken, because recently the Administrator issued an order to the effect that now the people of the United States could buy all the copper they wished to buy.

Mr. FERGUSON. Yes; but that order related only to copper.

Mr. CAPEHART. The order was to the effect that our people could buy all the copper they wished to buy, at any price which they might care to pay for it. Therefore, I am certain that the Senator from New York is mistaken.

Mr. LEHMAN. But I believe what has not been brought out is the fact that the United States has been the pur-

chaser of from 50 to 80 percent of all the scarce materials which are so badly needed not only for our own defense but for the defense of other countries.

Mr. FERGUSON. No, Mr. President; the Senator from New York is mistaken.

Mr. LEHMAN. I have just read the figure which is pertinent in that connection, and I shall be glad to read it again for the benefit of the Senator from Michigan. I refer to all the materials which are so badly needed, not only for ourselves but for our allies, for armaments and also for civilian life—in other words, for the construction of homes and schools and for the manufacture of silverware, automobiles, and many hundreds of other articles which make up our civilian life.

Mr. DOUGLAS. Mr. President, would the Senator from Michigan regard me as badgering him if I were to ask him a question at this time?

Mr. FERGUSON. No; the Senator Illinois never could do that.

Mr. DOUGLAS. I would never try to; that would never be my disposition.

Could we correctly summarize the attitude of the Senator from Michigan by saying that he would substitute equality in restraint for equality in unrestraint?

Mr. FULBRIGHT. I shall be glad to answer that. I realize that there are those who sincerely believe that the United States should prepare for the defense of the rest of the world which is outside the iron curtain; and there are those who believe that it is more important to maintain employment in other countries than it is to do so in the United States. Those persons sincerely believe that; it is a part of their philosophy.

There are other persons who believe that world controls should be complete, that there should be "one world," that all materials should be controlled by government action, and that free enterprise should disappear. That was the Marxist philosophy.

Mr. DOUGLAS. Was not that the proposal advanced by the Republican candidate for the Presidency in 1940?

Mr. FERGUSON. Mr. President, I do not yield at this point.

The PRESIDING OFFICER. The Senator from Michigan declines to yield.

Mr. FERGUSON. Mr. President, of course those who believe in the philosophy to which I have just referred have a right to do so.

On the other hand, I believe the time has come when the people of the United States should expect that if their manufacturers, in order to afford the maximum of employment to the people of the United States, wish to make purchases in the free market, they should have the same right in that connection as a Frenchman or as a Britisher or as anyone else in the world has, and that we should not establish controls to apply to the United States only, and to have the effect of destroying the United States, when we might not apply those controls elsewhere or might lift them so far as other countries are concerned.

I say sincerely that is this world is to survive, the United States of America must lead the way. If the United

States fails economically or politically, there will be no leadership, and the entire idea of a world cartel or of "one world" will do the people no good.

Mr. President, this amendment is a serious one. Anyone who reads the amendment will find that it applies only in certain cases. The first case will be when there are sufficient materials for all the defense purposes of ourselves and our allies. Then the amendment will apply. If our people wish to go into the free market, to make purchases in the same way that the people of other countries make purchases, why should our people be restricted? Prices may be controlled here in the United States. Furthermore, in connection with the purchase of such articles, our manufacturers may need only a few ounces of them in order to be able to produce tons of manufactured articles.

However, we say, "Oh, no; we shall have global control"; and then we control the reins.

Mr. DIRKSEN. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. Mr. President, first let me inquire how much time the Senator from Illinois wishes to have?

Mr. DIRKSEN. Approximately 5 minutes.

Mr. FERGUSON. Mr. President, how much time remains available to me?

The PRESIDING OFFICER. The Senator from Michigan has 6 minutes remaining.

Mr. FERGUSON. Then at this time I yield 4 minutes to the Senator from Illinois [Mr. DIRKSEN], and thereafter I shall yield 2 minutes to the Senator from Delaware [Mr. FREAR].

Mr. DIRKSEN. Mr. President, I never saw a better illustration of the need of care in using language in writing legislation than in the situation here presented. What I regard as the most tenuous and dubious authority in the Defense Production Act, the instrument of price control, is used in order to control the allocation of critical materials on a world-wide basis. First, by using import controls; and secondly, by preventing the payment of a price which is necessary in the world market, we have an instrument for putting a ceiling upon what American industry can obtain.

The other danger—and it has not been alluded to, Mr. President—is this: There are seven committees functioning now, representing seven countries, and they are under the direction of the materials branch of the State Department. A member of the State Department went to New York to address the Mining Congress. He said that, if it works, they can extend it to other materials. Then, on top of everything else, a subcommittee of the United Nations publishes a monograph in which it says that, if it works, they will make it permanent. So the price-control mechanism is being used to control critical materials for the industry of America.

The Ferguson amendment is designed to remedy that. It is simple. The first part says that when there is sufficient production for domestic and foreign purposes so far as defense is concerned, the right of a citizen of the United States

shall not be restricted. That is the first part. The last part says that there shall be no rule or regulation by the Office of Price Stabilization which will put a squeeze on and prevent American citizens from buying somewhere else in the world. That is what it says, and I object, Mr. President, on principle. I cannot imagine either that the Price Control Act was designed for the purpose or that those who fashioned it contemplated that it would be used as an instrument for the world-wide control of critical materials.

Mr. SMITH of North Carolina. Mr. President, will the Senator yield?

Mr. DIRKSEN. If I have time. Mr. President, I object on principle. If those in charge of such matters want to do it, let them come to Congress and get full statutory authority, and let the Congress look at it with its eyes open and give those who are affected a chance to be heard upon the question.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. FERGUSON. Mr. President, I want but 1 second. The present arrangement now permits Russia to go into the markets outside the United States to buy matériel. We cannot even compete with them. We do not allow our people to go into those markets to make purchases.

I yield the remainder of my time to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for a minute and a half.

INTERNATIONAL MATERIALS CONFERENCE BASIC POINTS

Mr. FREAR. Mr. President, I desire to begin my remarks by calling attention to two things:

First. Global control of production and prices, and allocations, of primary raw materials, is basically objectionable as the very opposite of free enterprise, and free markets.

It is in fact a more or less complete reversal of one of the main promises in the Atlantic Charter of August 14, 1941, that all nations should have "access, on equal terms, to the trade and to the raw materials of the world."

Second. The International Materials Conference is a supernational body exercising power over economic activity and trade, without responsibility, and so far as this Government's participation is concerned, without any congressional sanction.

The International Materials Conference is really part VI of the Habana Charter for an international trade organization, which was signed at Habana on March 24, 1948.

A year later, when presented to Congress, it was pigeonholed by the House Committee on Foreign Affairs, and regarded by the Senate with a very jaundiced eye—hearings on House Joint Resolution 236, Eighty-first Congress, second session, April 19 to May 12, 1950; hearings on International Trade Organization, Senate Committee on Finance, Eightieth Congress, first session, March 20 to April 3, 1947.

The Department of State has not only acted without the approval of Congress, but given commitments of a sort which a Democratic Congress disapproved in withholding action on the Havana Charter.

Third. Even if these objections in principle are passed over, the practical results of our Government's participation are injurious to our interests.

Possessing the resources to purchase what we need or want in the markets of the world, the net effect of our participation in IMC allocations is to dissipate this advantage for a variety of political motives. In the case of several important metals (copper for example), this country is not even getting the proportion of world supplies which it would get on a historical basis. We have been short-changed to the extent that we have not only not built up our stockpile of copper, but have had to dig into it for over 200,000 tons.

Fourth. As to most raw materials, world supplies are no longer critically scarce and prices are softening. There is no real need for global allocations on the ground of scarcity, actual or threatened.

But if the IMC is in being, there will be a demand that it move over from allocating materials onto supporting world prices at unrealistic and arbitrary levels. Nothing could be more dangerous to our free economy as consumers, or in fact to the economies of producing areas, than such a scheme of world price controls, administered by a group of world planners responsible to no one.

Historical comparison: It is not commonly recognized as such, but the imposition of controls upon trade and materials, by an agency dominated by political considerations, is to fasten upon international commerce just those same restrictions which were the most vicious and economically unsound, of the so-called colonial system. If the underdeveloped areas look for someone to blame for price recessions and their resulting deflationary effects, they will surely accuse this country of having dominated the IMC, and used it for imperialistic purposes. But, if free markets are allowed to function, we cannot be accused of this.

Alternatives: The alternative is simple. Our private consumers, and our Government should buy in the world market what they need for civilian and military purposes. There is nothing so effective as high prices to increase total production. The critical element in world production of most raw materials today is this country's capacity to buy for consumption. Any arbitrary reduction of our capacity to buy has definitely greater negative effect than a corresponding increase in some other country's entitlement if, for want of resources, the other country does not buy its quota. There are indications that that is just what is happening, at this juncture, specifically in the case of copper.

Mr. President, I think that the International Materials Conference considers it is to be a permanent organization. In the report of the International Mate-

rials Conference, on page 3, in the last paragraph, it is said:

The need for longer-range plans will depend upon the committee's evaluation of the supply situation and on member governments' decisions regarding the nature of international action that may be required for future developments.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. FULBRIGHT. Mr. President, there are one or two points so far as the question of authority to act is concerned. I think the Senator from Illinois should look at section 101 of the act, which I think specifically gives the power to allocate. I read from section 101:

To allocate materials and facilities in such manner, upon such facts, and to such extent as he shall deem necessary and proper to promote the national defense.

There is no question of the authority to allocate or control strategic materials in short supply. There is, of course, a legitimate question about the wisdom of doing it, and I think also the Senator from Michigan might raise the question that our representatives have not done it exactly as it should have been done in some specific instances. That is always possible, but as to the broad power or purpose of it there should be no doubt.

We did exactly this during the last war, with precisely the same kind of operation. Everybody agreed then that it was to our advantage, since our country is the largest importer and consumer of these materials. I do not see how the Senator from Michigan can get around that fact. There is no doubt that what is contemplated by this International Materials Conference, is to try to prevent unrestricted competition among these countries, putting the price of these materials clear out of reason.

There is one other question as to the point made by the Senator from Michigan, as to whether these countries have any restrictions. I have in my hand a letter signed by Mr. Frederick Winant, Director of the International Activities Division of the Defense Production Administration. This letter happened to be addressed to Mr. GEORGE MEADER, a Member of Congress from Michigan. Mr. Winant sets out in this letter—and I shall be glad to make it a part of the RECORD—the countries which have restrictions on their use of these various materials—France, for example. He says:

Regulations are in effect in France restricting the use of copper, nickel, and tungsten. In addition, supplies of cotton, newsprint, and sulfur are allocated according to an administrative plan arranged by the Government.

The sound objective and the purpose of the IMC seem to me to be beyond any question at all, and I cannot believe that the Senate wishes to prevent our administrators, our own Government, from participating in this kind of an arrangement, designed as it is to minimize the cost of these materials, which are absolutely necessary for our defense effort.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks, the letter by Frederick Winant, Director of International Activities Division, of the Defense Production Administration, dated May 20, 1952.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEFENSE PRODUCTION
ADMINISTRATION,

Washington, May 20, 1952.

Hon. GEORGE MEADER,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR MR. MEADER: This will acknowledge your letter of May 2 expressing interest in such preliminary information as may be available regarding the materials controls in effect in countries, other than the United States, which are members of the International Materials Conference.

Although a copy of the recent Report on Operations of the International Materials Conference was sent to you at the time of publication, another copy is forwarded herewith. The report provides information on the organization and operation of the Conference, the problems dealt with, the nature of the difficulties encountered, the accomplishments of the Conference, and furnishes some indication of the work which remains to be done. In particular, your attention is invited to the sections of the report which are devoted to the question of conservation and end-use controls within the member countries, and the recommendations of the commodity committees.

Your attention is also invited to the Preliminary Statement on End-Use Control in Certain Countries Which Participate in the International Materials Conference, which was presented on March 21, 1952, at the hearings before the Senate Committee on Banking and Currency on the Defense Production Act Amendments of 1952. This statement appears on page 1488 of the record of the hearings.

Pending the completion of the broader study now being prepared by the International Materials Conference, I am enclosing an interim summary of the types of controls in effect in the member countries. This summary is subject to revision based upon more complete and up-to-date information, which should be forthcoming as a result of the current International Materials Conference study.

As soon as further information is available, it will be forwarded to you.

Sincerely,

FREDERICK WINANT,
Director, International Activities
Division.

PRELIMINARY CONDENSED SUMMARY OF MATERIALS CONTROL MEASURES IN CERTAIN COUNTRIES PARTICIPATING IN THE INTERNATIONAL MATERIALS CONFERENCE

(NOTE.—This summary is based on preliminary and incomplete information. Therefore the omission of reference to certain controls does not necessarily indicate that they are nonexistent.)

AUSTRIA

In Austria, a general act of Parliament authorizes the control and directs the trade and use of industrial materials and semifabricated products. Based on this general authorization, restrictions are imposed on the use of copper, nickel, molybdenum, tungsten and cobalt. In addition, sulfur is under strict import control whereby the uses for which licenses are granted are specified.

BELGIUM-LUXEMBURG

In Belgium, restrictions are presently in effect on the use of copper, nickel, molybdenum, and sulfur.

FRANCE

Regulations are in effect in France restricting the use of copper, nickel and tungsten. In addition, supplies of cotton, newsprint and sulfur are allocated according to an administrative plan arranged by the government.

GERMANY

Germany has a general regulation concerning the manufacture, delivery, acceptance, storage and statistical classification of non-ferrous materials. In addition to this regulation, end-use restrictions are in effect for copper, nickel, zinc, cobalt and molybdenum. Use of sulfur is controlled by means of an administrative allocation.

ITALY

Regulations are in effect governing the use of copper, nickel, zinc and sulfur. In addition, special import and export restrictions are in effect on cobalt, tungsten, molybdenum, sulfur, pulp, and paper, cotton and wool.

NETHERLANDS

Regulations are in effect controlling the use of copper, zinc and nickel. The other commodities under IMC allocation are channeled into essential end-use production by means of an effective import control system.

NORWAY

Regulations are in effect controlling the use of copper and newsprint. Nickel and zinc are subject to a system of internal allocation restricting their consumption to essential purposes, and the use of tungsten, molybdenum, cobalt, and sulfur is limited in amount to the extent IMC allocations permit current essential production.

PORTUGAL

In Portugal, control of the utilization of materials is implicit at all times under the corporate state, under which all the various aspects of industry and trade are controlled.

SPAIN

The Spanish Government exercises control over all production, distribution, prices, imports, and exports, under the national syndical system.

SWEDEN

A regulation restricting the use of copper is in effect. The use of nickel, molybdenum, tungsten, and cobalt in alloy steels (which are produced largely for export) is carefully scrutinized as to specifications in order to apply conservation and substitution measures.

SWITZERLAND

Regulations are in effect which restrict the use of copper and nickel and which control and allocate sulfur.

TURKEY

The use of scarce materials for other than direct defense purposes is extremely limited by means of the Turkish Government's strongly centralized control over all economic activities.

UNITED KINGDOM

Regulations are in effect governing the use of copper, zinc, and nickel, and the import and export of sulfur and sulfur-bearing materials are under strict control.

CANADA

Regulations are in effect controlling the distribution of copper, zinc, nickel, lead, and sulfur. In accordance with the Emergency Powers Act and the Defense Production Act, the Canadian Government can institute additional controls over essential materials whenever necessary. In addition to these

specific controls, materials and other resources may be diverted by means of indirect Government controls (i. e., fiscal, monetary, and credit).

AUSTRALIA

Although no direct end-use control regulations are in force, there are strict import, export, and foreign-exchange controls which result in fairly rigid control of distribution and a practical prohibition of reexports.

INDIA

Legislation is in force enabling the Central Government to regulate the production and distribution of goods including nonferrous metals and sulfur.

JAPAN

* Regulations are in effect restricting the use of nickel and cobalt. Import, export, and foreign-exchange controls are also in effect.

NEW ZEALAND

Export, import, and foreign-exchange control restrictions are strictly applied.

UNION OF SOUTH AFRICA

Strict export, import, and foreign-exchange controls are in effect under which scarce materials are allocated on the basis of requirements for essential use.

ARGENTINA

In Argentina, an inventory-control system of scarce materials is in effect which is intended to form the basis of a plan to regulate the use of scarce materials. A strict system of export, import, and foreign-exchange controls is also in force.

URUGUAY

In Uruguay, a central authority has been established, the specific responsibility of which is the control of the use, distribution, and prices of commodities.

OTHER LATIN-AMERICAN COUNTRIES

In Bolivia, Brazil, Chile, Colombia, Mexico, and Peru foreign exchange and export and import controls are in effect.

Mr. FULBRIGHT. I cannot overemphasize the seriousness of our preventing agreements of this kind, and that is what this amendment would do. The report on the original bill, regarding section 101, expresses the opinion of the committee that the Government should engage in this very type of negotiation with these other countries, in order to reach some equitable distribution of the strategic and scarce materials, as far as we are concerned.

So I cannot imagine why the Senate would wish to tie the hands of our administrators, which I think would inevitably increase the cost of our defense effort. And particularly, it seems to me, since the amendment comes without much understanding, I believe, from those who have on other occasions, when appropriation bills were being considered, evidenced great interest in economy. This kind of an amendment would make our efforts at economy absolutely impossible. It could increase the cost of the defense effort much more than would any of the efforts the Senator from Michigan has ever made to reduce appropriation bills.

Mr. FERGUSON. It does not apply to defense materials.

Mr. FULBRIGHT. Does the Senator think that copper is not a defense material? I know what the Senator's point is; that this is for private consumption; but the Senator well knows it is the total amount available that counts, and when

it comes to actual distribution, our own administrators have always felt the necessity of making some reasonable provision for domestic civilian production, such as Cadillac automobiles. I would probably have an interest, too, if they were made in my State, and I would be very proud of it. But we must make some choice—

Mr. FREAR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I only want to remind the Senator from Michigan that that is what was done in the last war, and I do not recall anyone complaining about it being wasteful or unnecessary in that war.

The PRESIDING OFFICER. The Senator's time has expired. All time on the amendment has expired.

Mr. FULBRIGHT. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan on this question. The yeas and nays are ordered.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

Mr. LONG. Mr. President, I should like to offer an amendment to the amendment of the Senator from Michigan [Mr. FERGUSON], as follows:

After "(m)" add the words "If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress, no."

The PRESIDING OFFICER. If the Senator will send his amendment to the desk, the clerk will state it.

The LEGISLATIVE CLERK. On page 2, line 12, after "(m)" it is proposed to insert the following:

If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress, no.

Mr. LONG. The reason I offer the amendment, Mr. President, is that the section occurs in a different place in the bill, and without the amendment it seems to me the Government would be in no position to fix price controls on materials which are strategic and essential for defense.

I ask the Senator from Michigan if he intends by his amendment to fix the price which American purchasers should pay for those commodities?

Mr. FERGUSON. The Senator's amendment provides that if production is not sufficient—

Mr. LONG. Yes—taking the language which the Senator from Michigan used. He said there would be no quota or any limitation on purchases by American concerns on the foreign market and no limitation on the price they could pay, if those materials were not need for stockpiling or for the defense of this Nation. Would he be willing to apply the same principle to section (m) to control the price Americans could pay on the foreign market? It seems to me that to acquire rubber or tin or copper people should not be required to bid against General Mo-

tors on their own market. I do not believe the Senator intended that by his amendment.

Mr. FERGUSON. I certainly do not intend to increase the price. That is why I left it open, so that if a person wanted to pay more in the open market his price could be controlled on the article he got. That is why I applied it to the fabrication of products which are to be sold.

Mr. LONG. What I have in mind is that in the case of a material, which this Nation needs for its own defense, it would seem that the Government should be able to control the price American purchasers pay in competition.

Mr. FERGUSON. If the material is not sufficient for military purposes in the United States.

Mr. LONG. Yes. That language is not contained in section (m) of the Senator's amendment, while it is contained in the previous part of the Senator's amendment. I simply ask if the Senator would be willing to accept the same principle on page 2 that he himself placed on page 1.

Mr. FERGUSON. I would accept it. I would modify my amendment to that extent.

The PRESIDING OFFICER. The Senator from Michigan modifies his amendment.

The question is on agreeing to the amendment offered by the Senator from Michigan, as modified. On this question the yeas and nays have been ordered.

Mr. FULBRIGHT. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes, on the amendment offered by the Senator from Michigan. The question recurs on the amendment of the Senator from Michigan, as modified. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. AIKEN voted "yea" when his name was called.

Mr. DIRKSEN. Mr. President, is it possible to propound a parliamentary inquiry?

The PRESIDING OFFICER. The Senator cannot interrupt the roll call for a parliamentary inquiry. The vote is on agreeing to the amendment, as modified, offered by the senior Senator from Michigan [Mr. FERGUSON]. The clerk will continue with the roll call.

The Chief Clerk resumed and concluded the call of the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that on this vote the Senator from Connecticut [Mr. Mc-

MAHON] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Massachusetts would vote "yea."

I announce also that if present and voting, the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Connecticut [Mr. McMAHON]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Connecticut would vote "nay."

If present and voting, the Senator from Pennsylvania [Mr. DUFF] would vote "yea."

The result was announced—yeas 43, nays 40, as follows:

YEAS—43

Aiken	Frear	Saltonstall
Bennett	Gillette	Schoeppel
Brewster	Hendrickson	Smith, Maine
Bricker	Hickenlooper	Smith, N. J.
Bridges	Ives	Smith, N. C.
Butler, Md.	Jenner	Taft
Butler, Nebr.	Johnson, Colo.	Thye
Cain	Kem	Tobey
Capehart	Martin	Watkins
Case	McCarran	Welker
Cordon	McCarthy	Wiley
Dirksen	Millikin	Williams
Dworshak	Morse	Young
Ferguson	Mundt	
Flanders	Nixon	

NAYS—40

Anderson	Hoey	McKellar
Benton	Holland	Monroney
Chavez	Humphrey	Moody
Clements	Hunt	Neely
Connally	Johnson, Tex.	O'Connor
Douglas	Johnston, S. C.	O'Mahoney
Eastland	Kefauver	Pastore
Ellender	Kerr	Robertson
Fulbright	Kilgore	Smathers
George	Lehman	Sparkman
Green	Long	Stennis
Hayden	Maybank	Underwood
Hennings	McClellan	
Hill	McFarland	

NOT VOTING—13

Byrd	Langer	Murray
Carlson	Lodge	Russell
Duff	Magnuson	Seaton
Ecton	Malone	
Knowland	McMahon	

So Mr. FERGUSON's amendment, as modified, was agreed to.

Mr. FERGUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CAPEHART. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Indiana will be stated.

Mr. CAPEHART. I ask unanimous consent that the reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered. Without objection, the amendment will be printed in the RECORD at this point.

Mr. CAPEHART's amendment is as follows:

On page 8, beginning with line 16, strike out through line 16, on page 9, and insert in lieu thereof the following:

"SUSPENSION OF CONTROLS

"Sec. 411. (a) Notwithstanding any other provision of this act, all wage and price controls heretofore imposed under this title shall terminate as of the date of enactment of the Defense Production Act Amendments of 1952, and such controls shall not be reimposed unless (1) the index figure shown by the last published 'Consumers' Price Index for Moderate-Income Families in Large Cities—All Items', published by the Bureau of Labor Statistics, Department of Labor, is higher than , or (2) a state of war shall have been declared by the Congress. Wage and price controls reimposed under clause (1) of this subsection, shall be terminated whenever such index figure is or less.

"(b) In the event price and wage controls are reimposed under this section, and subject to the provisions of subsection (a), it is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record-keeping which retard rather than assist in the achievement of the purposes of this act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this act, he shall by regulation or order terminate the suspension."

On page 9, beginning with line 23, strike out through line 3, on page 10, and insert in lieu thereof the following:

"(a) Subject to the provisions of section 411, this act and all authority conferred thereunder shall terminate at the close of June 30, 1953."

Mr. CAPEHART. Mr. President, the amendment which I have just offered was discussed by me at considerable length on last Thursday. There are two schools of thought in America and two schools of thought in the United States Senate. One is that we ought not to ex-

tend price and wage controls, and the other is that we ought to extend them. I have supported price and wage controls up to this time. I have always been in favor—and still am—of the policy that any time the Nation goes to war we ought automatically to freeze prices and wages.

The amendment which I have sent to the desk would suspend price and wage controls unless Congress should declare war or the consumer index, which is used in escalator clauses, labor contracts, and legislation, rises 3 points. The consumer index has risen about 11 points since Korea, 8 points prior to the time the President put wage and price controls into effect in January 1951, and a little less than 3 points since that time.

The advantage of this amendment is that it would enable us to go back to private enterprise, to a free economy, and at the same time guarantee to the American people that there will be no run-away inflation, because the minute the consumer index went up three points the President then would do what I think ought to be done any time we go to war. He would freeze all prices and wages at that point.

This amendment proposes to do with respect to wage and price controls what the Administrator is doing piecemeal at the present time. For example, at the moment the Price Administrator has already decontrolled or suspended the controls with respect to many items. He intends to suspend controls with respect to many other items in the near future. I do not believe that is the way to do it. I think we ought either to control all items as to prices and wages, or we ought not to control any. I do not believe that the system will work if we remove controls from one item and retain them on another.

I am just as much interested in stopping run-away inflation as is anyone else. This amendment would accomplish that purpose. It would guarantee to the American people that if the consumer index went up 3 points, we would go into 100 percent price and wage controls. Today in America almost every item in America is selling below ceiling. Warehouses are filled with consumer goods. I do not know of a single item in America today with respect to which there is a shortage, unless it be nickel, and perhaps one or two other strategic materials which are not produced in America.

There is no shortage of foodstuffs, and there is no shortage of agricultural products, except a temporary shortage of potatoes. They are a perishable product, and we are likely to have a shortage of a perishable item at any time.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HICKENLOOPER. The Senator has stated that he knew of no item with respect to which there was a shortage. He might consider the shortage of administrative judgment. I think there is a little shortage in that respect.

Mr. CAPEHART. I shall not undertake to argue that point. There might

well be. However, I am thinking in terms of things which the people buy. There are few shortages.

Another advantage of this amendment is that if this kind of price and wage controls were adopted, if it were necessary to continue for a year, 2 years, 3 years, 4 years, or 5 years with a big armament expansion, then on February 28, when the law expires, it could be extended for another year, because there would be a piece of legislation which would insure to the American people that they would not have run-away inflation, and yet we would have a free economy in America.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. Is it not equally true that when the Congress meets in January, or perhaps in December, if we have a special session, by concurrent resolution, Congress can do away with all controls?

Mr. CAPEHART. I agree with that statement; but why saddle on the American people and the wage earners wage and price controls if they are not needed? What is the use of doing it?

In my opinion we would have less production if we were to retain the price and wage controls than if we were to remove them.

Let me make another statement, which I make as a businessman of many years' experience. Under existing conditions, if we retain wage and price controls, we shall have higher prices than we would have if we were to remove controls. There are conditions under which I could not make that statement, but under existing conditions, in my opinion, we would have higher prices with price control.

If we do not intend to do something such as I am suggesting, when are we going to remove price and wage controls? I challenge any Senator to rise in his place and give me the standard or the gage, or tell me what, in his opinion, will happen in America which will enable him to vote to remove price and wage controls. What is the yardstick?

Mr. MAYBANK. Mr. President, did the Senator challenge some Senator to stand up and answer?

Mr. CAPEHART. Yes. I yield to the Senator from South Carolina.

Mr. MAYBANK. I will stand up and say that whenever I believe the economy is so adjusted that prices will not continue to rise, according to the Bureau of Labor Statistics index and other measurements, I will vote for a concurrent resolution to do away with controls, no matter who may be the next President. I might vote to do away with them in December. The Senator challenged any Senator to stand up and answer. I will not remain seated and be challenged without making my statement.

Mr. CAPEHART. Any Senator could rise and make the same statement which the Senator from South Carolina has made. He is willing to remove controls whenever, in his opinion, the economy is properly adjusted.

Mr. MAYBANK. I would not be much of a Senator if I did not have a mind of my own.

Mr. CAPEHART. I want the Senator to tell me to what point our production must rise before controls are removed? What is the yardstick to be? Are we to keep the controls until we have 10,000,000 people unemployed? Are we to keep them in effect until we have a depression? I thought that what we wanted in America was to have all our people employed at high wages. Are we admitting that we cannot have prosperity in America and have all our people employed without having price and wage controls? Have we admitted that the private-enterprise system has failed, and that every time all our people are employed and we have prosperity we must have price and wage controls? That is about what we are saying. We are using less than 15 percent of our production today in the manufacture of war materials. I do not know how much longer that situation will continue to exist. However, I am saying that we can remove price and wage controls today under the terms of this amendment just as well as we can do it a year from now. I am willing to gamble that when next March 1 rolls around, if we extend the act, the same arguments can be made for retaining price and wage controls as are now being made. If such arguments cannot be made next March, will that mean that we are to have unemployment? Will it mean that we are to have a recession in business, or a depression? Why not remove price and wage controls and say to the wage earners and the people of America that we are going back to a free economy in America, a private-enterprise system; that we are going to produce some flexibility in the economy under which prices and wages can go up and under which prices can go up not to exceed 3 points.

We are also say to the American people that if prices go up more than 3 points, according to the consumer index, price and wage controls will be put into effect. Under such circumstances we ought to put them into effect. They ought to apply to everyone, and they ought to apply to every item. Either we ought to have controls, or we ought not to have them.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MOODY. I agree with what the Senator has said about the desirability of the Congress having instituted a stabilization program immediately when the Korean invasion came. But did I correctly understand the Senator to say that today nearly all items are selling at prices substantially below ceiling prices?

Mr. CAPEHART. I said that they were selling at below the ceiling, not substantially below.

Mr. MOODY. If the Senator from Indiana will look at the committee report—

Mr. CAPEHART. I will not yield for the purpose of having the Senator make a speech. I know the chart he is about

to use. It was put into the RECORD, and every Senator has seen it.

Mr. MOODY. I was not going to use a chart.

Mr. CAPEHART. It is one of those little blue books. I said that substantially all of the items in America today—and I know that it is true of agricultural products and it is true of perishable goods, with the exception of potatoes—are below the OPS ceiling.

Mr. MOODY. Mr. President, will the Senator yield further?

Mr. CAPEHART. No. I shall yield the floor. How much time do I have remaining?

The VICE PRESIDENT. Five minutes.

Mr. MAYBANK. Mr. President, I yield to the Senator from Rhode Island [Mr. PASTORE].

The VICE PRESIDENT. How much time does the Senator yield to the Senator from Rhode Island?

Mr. MAYBANK. The Senator from Rhode Island has a very important resolution which he would like to read into the RECORD. I yield him as much time as he needs to read it into the RECORD.

Mr. PASTORE. I ask unanimous consent to have printed in the RECORD at this point a resolution which was adopted by the United Veterans Council of Rhode Island at its annual convention, held at Providence, R. I., on May 27, 1952. It is entitled "Resolution re: Veterans and the Price Stabilization Program."

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

VETERANS AND THE PRICE STABILIZATION PROGRAM

Inflation is the sharp rise in prices that takes place when people have more money to spend than there are things to buy—and people bid against each other for things they want.

Uncontrolled inflation can and will undermine our economy. If that happens, all segments of the American economy will suffer—business, labor, and consumers.

American World War I and II veterans are members of all these groups. Collectively, they comprise the largest single productive group in the Nation today. If our economy remains stable, they will enjoy the full fruits of the way of life they fought to protect.

Stabilization of prices safeguards our economic system. It is a check against disastrous losses in purchasing power. It is a curb against hoarding and speculation in defense materials. It is the Government's assurance that it can purchase the maximum amount of tanks, guns, and ships for the money made available to strengthen our defenses against communism.

Military strength and economic stability go hand in hand. Veterans, more than any other group in America, know of the vital need for implementing both these weapons of defense; Therefore be it

Resolved at this annual convention assembled at Providence, R. I., on May 27, 1952, That the United Veterans Council of Rhode Island urges Congress to extend the Defense Production Act of 1950 until such time when the dangers of uncontrolled inflation and Communist aggression subside; and be it further

Resolved, That copies of this resolution immediately be forwarded to the House and Senate Banking and Currency Committees in Washington, D. C., and to the members

of the Rhode Island congressional delegation, national OPS Price Stabilizer Ellis G. Arnall, Rhode Island OPS Director T. Morton Curry, and Rhode Island press and radio media.

WILLIAM J. TRACY,
President.

MAY 27, 1952.

Mr. MAYBANK. Mr. President, I yield time to the Senator from Michigan.

Mr. MOODY. Mr. President, I wish to correct a misapprehension on the part of the Senator from Indiana. He said that nearly all commodities in the United States are selling below ceiling prices. They are not. The facts brought out before the committee clearly demonstrate that they are not.

Many commodities in the country are indeed selling below ceiling prices.

There is under way a progressive program of removing controls from commodities which are selling at substantially below ceilings. That is taken care of in the statement of policy in another section of the bill. If the Senator from Indiana will look at page 13 of the committee report he will find that as of March 15, 1952, items sold at peak accounted for 50 percent of the Consumers' Price Index, items within 2 percent of peak for 71 percent, and items within 5 percent of peak for 85 percent of the Consumers' Price Index.

Therefore, it is a mistake to believe that merely because some items are down today there is no danger of a general price rise if we lift controls now. I should like to point out that any automatic rise of 3 points in the price index, which I believe would occur if the amendment were adopted, would result in further demands for wage and price increases and further disputes such as we have now in the steel industry between labor and management. The purpose of this bill, imperfect instrument that it is, is to protect the consuming public and the national economy against inflation. This amendment runs directly counter to that purpose.

Mr. MAYBANK. Mr. President, I will ask the Senator from Michigan [Mr. MOODY] to yield to me briefly. I have yielded him some time, and I shall yield further time to him.

Mr. President, this is such an important amendment that I ask for the yeas and nays at this time.

The yeas and nays were ordered.

Mr. MAYBANK. I yield time to the Senator from Michigan.

Mr. CASE. Mr. President, will the Senator from Michigan yield?

Mr. MOODY. I should like to complete my statement.

Mr. CASE. I wish to ask a question of the chairman of the committee.

The VICE PRESIDENT. Does the Senator from Michigan yield for that purpose?

Mr. MOODY. I yield for that purpose.

Mr. CASE. I merely wish to ask the chairman of the committee if he could confirm the understanding I have with the clerk of the committee, or staff member of the committee, that the matter of fixing rates for abstracting fees, to which I called the chairman's attention, which

is intended to be handled by an OPS regulation, is improperly a matter of regulation where a State law fixes the fee, and whether or not it is his understanding, as it is now my understanding, that that matter will be taken care of by an amendment to the regulations, so that the State law can be operative without being overruled by an OPS regulation.

Mr. MAYBANK. That is my understanding from Mr. Herbert Maletz, the general counsel of OPS. It is my understanding that the situation to which the Senator refers is to be taken care of. OPS agrees with what he has said.

Mr. CASE. And that they will issue a modification?

Mr. MAYBANK. I understand that the staff members whom I asked to talk with the general counsel have been informed that OPS would issue a modified regulation.

Mr. CASE. Within the next few days?

Mr. MAYBANK. That is my understanding.

Mr. MOODY. I should like to emphasize that what this bill is supposed to do is to check inflation. Some of the amendments which have been agreed to do not go in that direction. However, I do not see any reason for now tearing the bill apart merely because it has been loosened a bit.

The Senator from Indiana would remove controls unless there was a rise of 3 points in the index. Let me read what happened between June and August 15, 1950, when the Consumers' Price Index rose a little more than 3 points, or 1.9 percent. Foodstuffs rose 11 percent; hides, 17 percent; shellac, 21 percent; tin, 35 percent; silk, 48 percent; natural rubber, 61 percent.

Competent authorities submitted that a 3-point rise in the index would cost the American consumers \$6,000,000,000. So, Mr. President, the amendment of the Senator from Indiana would cost the consumers of America \$6,000,000,000. I see no reason in the world why the Senate should vote here this afternoon for \$6,000,000,000 of inflation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MOODY. I yield.

Mr. CAPEHART. When the Senator says \$6,000,000,000, he is going on the basis that the index will go up 3 points. If it does not go up 3 points, but instead goes down 3 points, it will save the American people \$6,000,000,000. Is that correct?

Mr. MOODY. That is correct.

Mr. CAPEHART. In other words, if prices went down 3 points it would save the American people \$6,000,000,000.

Mr. MOODY. As my friend from Indiana well knows, there is nothing now to prevent prices from going down.

Mr. CAPEHART. The items which the Senator has just named do not enter into the Consumer's Price Index.

Mr. MOODY. Does the Senator mean to say that the cost of raw materials does not enter into the price of goods?

Mr. CAPEHART. The items which the Senator has named do not, except possibly indirectly, enter into the Con-

sumers' Price Index, which is issued by the Department of Labor.

Mr. MOODY. They do indirectly.

Mr. CAPEHART. They are not items which are used in computing the consumers' price index.

Mr. MOODY. The point I attempted to make when my friend from Indiana declined to yield to me was that while it is true that there are some prices considerably below ceiling—and they are being decontrolled—50 percent or more of the prices are pressing hard against the ceilings and there is evidence that if the amendment is adopted prices will go up, and therefore there will be a \$6,000,000,000 increase.

Mr. CAPEHART. Some would go up, and some would go down. That is always true in America. Prices go up or down, according to the index. We are talking about the Consumers' Price Index, which is used as a cost-of-living index in America. That is what we are interested in. We are interested in the cost of living. That is the index we are using.

Mr. MOODY. Perhaps the Senator would agree that if we should allow a 3-point rise we would have an inflationary demand all along the line, which would deteriorate the value of the dollar.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MOODY. I yield.

Mr. LEHMAN. I do not understand the argument being made by the Senator from Indiana. The prices of a certain number of goods have gone down and they have been decontrolled. An effort is being made to decontrol them just as promptly and just as completely as circumstances will permit. Certainly as prices go down it makes very little difference whether there is or is not a control law in effect. In that event prices will decrease, and such commodities will be decontrolled. Even if they are not decontrolled, they will be offered to the public at the lower prices.

I believe there will be a scarcity of certain goods, for certainly we cannot possibly foresee the future. Already there has been an increase in the price of certain commodities, certain goods, and certain foodstuffs. If a scarcity should exist and if at that time we were without controls, that situation might cost countless billions of dollars to the American people.

Mr. CAPEHART. Mr. President, if the Senator will yield, let me say we would not then be without controls, because if the Consumers' Price Index rose three points controls would automatically go into effect.

Mr. LEHMAN. Is it not a fact that the entire control machinery would then have been dismantled, and it would take months to establish the controls again?

Mr. CAPEHART. Well, Mr. President—

Mr. MOODY. Mr. President, I have the floor, and I have yielded to the Senator from New York [Mr. LEHMAN]. I did not yield for a colloquy between my distinguished friends. I would be glad to hear their colloquy; but the Senator from Alabama [Mr. SPARKMAN]

wishes to speak on this amendment, and I believe we have only about 5 minutes left.

Therefore, I hope the Senator from New York will conclude his remarks rather quickly.

Mr. LEHMAN. Mr. President, I simply wish to say that there was complaint, which possibly was justified, that it took very long to get the control machinery going again. If we dismantle the machinery, it will take a long time to get it functioning again.

Mr. CAPEHART. But my amendment would not result in dismantling the machinery.

Mr. MOODY. Mr. President, at this time I yield 5 minutes to the Senator from Alabama [Mr. SPARKMAN].

The VICE PRESIDENT. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, I do not believe that the amendment which has been offered by the distinguished ranking minority member of our committee, the Senator from Indiana [Mr. CAPEHART], should be adopted. I believe it should be rejected, for the reason that it would, if adopted, completely stop the control machinery. Thereafter, if it were necessary to reimpose controls, it would be necessary to go through the entire process of setting up the controls again.

Furthermore, in the respect that the application of the amendment would depend on the across-the-board Consumers' Index, let me say that the amendment does not take into account the point that the prices of some commodities, some of which are most essential in computing the cost of living, might be far ahead of the general Consumers' Index, or those prices might be far above the ceiling prices.

I believe all of us realize that at the present time we are in a fairly good state of equilibrium, and therefore we do not feel the need for controls. We feel that probably in a number of instances controls could be suspended at this time. On the other hand, we do not know what will happen next month or 3 months from now.

The bill as reported by the committee takes notice of that situation, and provides for a suspension of controls. However, contrary to what the Senator from Indiana is attempting to do by means of his amendment, in the committee bill we call for the suspension of controls on individual commodities, instead of a suspension across the board, and we allow for flexibility in the reimposition of controls.

I simply do not believe it would be wise for us at this particular time to provide for the removal of controls all the way across the board.

We should also lay stress on the point that the Consumers' Index, on which the amendment of the Senator from Indiana would be pegged, has a lag of approximately 40 days. In other words, a price prevailing today would not be conveyed to the country for more than a month, and probably not until 6 weeks from now. So there is always a lag. The result is

that we could not possibly tell how high prices might go before controls would be reimposed, because increased prices are not reflected in the Consumers' Index until from 30 to 40 days after the price increases or price fluctuations have occurred.

Furthermore, the arrangement proposed in the amendment of the Senator from Indiana would not take into account a spot-price increase which might occur in the case of an individual commodity, inasmuch as that price would be lumped with many other prices, in arriving at the Consumers' Index.

Therefore, I believe the amendment of the Senator from Indiana would break down the system of controls which we are trying to have. First, the amendment would break down the selective controls; and, in the second place, the amendment would destroy the degree of flexibility which we direct the Administrator to maintain in connection with the suspension of controls when the existing situation warrants such a step.

Mr. CAPEHART. Mr. President, if the Senator will yield at this point, let me say that such action would not be mandatory on the part of the administrator; the provision simply amounts to a lot of pious words.

Mr. SPARKMAN. I agree that it is not mandatory.

Furthermore, the Senator from Indiana knows that Mr. Arnall, the Director of Price Stabilization, assured us that he would carry out that arrangement; and the distinguished Senator also knows that already the Price Stabilizer has actually suspended controls on a number of items. I hope those suspensions may increase steadily as we proceed.

The VICE PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Indiana [Mr. CAPEHART]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll; and Mr. AIKEN voted "yea", when his name was called.

Mr. SPARKMAN. Mr. President, has the roll call commenced?

The VICE PRESIDENT. It has.

Mr. SPARKMAN. Is it now too late to suggest the absence of a quorum?

The VICE PRESIDENT. It is, after one Senator has voted, following the order for the call of the roll. In that case the absence of a quorum cannot be suggested.

The clerk will proceed with the call of the roll.

The Chief Clerk resumed and concluded the call of the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Colorado [Mr. JOHNSON], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. MCMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United

States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Wisconsin [Mr. MCCARTHY] are detained on official business.

If present and voting the Senator from Pennsylvania [Mr. DUFF] would vote "nay."

On this vote the Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 23, nays 57, as follows:

YEAS—23

Bennett	Dworshak	Schoeppel
Bricker	Ferguson	Taft
Bridges	Hickenlooper	Watkins
Butler, Nebr.	Jenner	Welker
Cain	Martin	Wiley
Capehart	McCarran	Williams
Case	Millikin	Young
Dirksen	Mundt	

NAYS—57

Aiken	Hennings	Monroney
Anderson	Hill	Moody
Benton	Hoey	Morse
Brewster	Holland	Neely
Butler, Md.	Humphrey	Nixon
Byrd	Hunt	O'Connor
Clements	Ives	O'Mahoney
Connally	Johnson, Tex.	Pastore
Cordon	Johnston, S. C.	Robertson
Douglas	Kefauver	Saltonstall
Eastland	Kerr	Smithers
Ellender	Kilgore	Smith, Maine
Frear	Lehman	Smith, N. J.
Fulbright	Long	Smith, N. C.
George	Maybank	Sparkman
Gillette	McClellan	Stennis
Green	McFarland	Thye
Hayden	McKellar	Tobey
Hendrickson		Underwood

NOT VOTING—16

Carlson	Knowland	McMahon
Chavez	Langer	Murray
Duff	Lodge	Russell
Ecton	Magnuson	Seaton
Flanders	Malone	
Johnson, Colo.	McCarthy	

So Mr. CAPEHART's amendment was rejected.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Illinois.

The CHIEF CLERK. On page 3, after line 12, it is proposed to insert the following new section:

SEC 103. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) After the enactment of this paragraph, no ceiling price shall be established or maintained on any agricultural or fish commodity during any calendar month which begins more than 30 days after the date of enactment of this paragraph unless such commodity is certified to the President under this paragraph as being in short supply. On the first day of the first calendar month which begins more than 30 days after the date of enactment of this paragraph, the Secretary of Agriculture shall certify to the President each agricultural commodity, and the Secretary of Interior shall certify to the President each fish commodity, which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month, each Secretary shall certify modifications of such certification by adding other agricultural or fish commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. Within 15 days of the receipt of any such certification or modification of such certification, the President shall suspend and may reactivate the price ceilings applicable to particular agricultural or fish commodities as required or permitted by such certification. For the purposes of this paragraph (i) an agricultural commodity or fish commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season; (ii) the term 'agricultural commodity' shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity; (iii) the term 'fish commodity' shall be deemed to mean any fish or seafood and any food or feed product processed or manufactured in whole or substantial part from any fish or seafood."

Mr. McFARLAND. Mr. President, will the Senator from Illinois yield so that I may make an announcement?

Mr. DIRKSEN. I yield.

Mr. McFARLAND. Mr. President, several Senators have asked me how long the Senate will remain in session tonight. I have given notice of a night session. I thought we would remain in session not later than 10 o'clock. If it should look as if we could not finish an amendment by 10 o'clock we might quit a little earlier. I do not think we would be justified in quitting before that time. I think the Senate should be prepared to sit until somewhere in the neighborhood of 10 o'clock.

Mr. MAYBANK. Mr. President, insofar as I am concerned, I should be glad to stay here as long as the majority leader and the Democratic whip believe we should stay. But there are some 27 amendments printed and lying on the desk. I think every Senator's mind is made up as to the different amendments, which have been talked about and passed around for 3 or 4 months. I think the majority leader could expedite the proceedings so that we can perhaps finish by 10 o'clock.

The VICE PRESIDENT. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I shall not detain the Senate very long. I am reluctant to speak after the last vote on suspension of controls. My amendment provides that controls shall be suspended on agricultural and fish commodities on a month-to-month basis so long as there is no finding by the Secretary of the Interior and the Secretary of Agriculture that a commodity is in short supply.

The amendment is designed mainly to bring some relief to the processors of the country. I think the amendment should be adopted for several reasons. The first is that, according to the figures adduced before the Banking and Currency Committee, 80 percent of all the fruit and vegetable pack is now selling under ceiling, and approximately one-third of the pack is selling at least 10 percent under ceiling.

Second, the production of fruits and vegetables has been the highest in our history. From 1943 to 1945 251,000,000 cases were packed. In 1951 the pack went up to 310,000,000 cases. The stocks of fruits and vegetables are higher today than they ever were before. The figures submitted to the committee indicate that there are 101,000,000 cases in stock, which is more than 20,000,000 cases over the number in 1948.

I cite as an additional reason why the amendment ought to be adopted the fact that there is the singular situation of the Department of Agriculture reducing planting goals by more than 1,000,000 acres, and at the same time OPS is insisting that a very tight price control be kept upon these products.

My amendment would have little or no effect upon the prices of canned vegetables, because if Senators will look at the Bureau of Labor Statistics index they will find that fruits and vegetables are below the index price.

It seems to me, if I properly evaluate the vote which has just been taken, there is a disposition to keep the country in a strait-jacket and impose upon the processors and canners the burden of constantly filling out reports. I think some of the flexibility has gone out of price controls, and the time has come when Congress ought to deal very realistically with the question.

So I submit the amendment to the tender mercies of the Senate without laboring the point any further.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. I should like to ask the Senator if there is any definition of an agricultural commodity.

Mr. DIRKSEN. I think it has been defined and redefined. There is a splendid definition in the basic production act itself.

Mr. THYE. Mr. President, will some Senator yield me some time?

Mr. DIRKSEN. I shall be glad to yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The Senator

from Minnesota is recognized for 5 minutes.

Mr. THYE. Mr. President, I have given a great deal of study to the prices of agricultural commodities, whether they be vegetables, or citrus fruits, and most of the prices, if not all of them, have been below the established ceiling prices set by OPS. With the high production of citrus fruits, vegetables, and all other agricultural commodities, there can be no justification for continuation of the OPS with reference to agricultural commodities.

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MAYBANK. As chairman of the committee, I shall be glad to accept the amendment, because the instructions to OPS from the Congress are to suspend controls on those items.

Mr. THYE. If OPS would suspend controls whenever the prices of such products go below the established ceiling prices, there would not be as much opposition to the control measure on the statute books.

Mr. MAYBANK. I appreciate that statement. I feel the same as does the Senator from Minnesota, and I accept the amendment.

SEVERAL SENATORS. Vote! vote!

Mr. THYE. Mr. President, the Senator from Illinois yielded to me, and the amendment is his amendment. Therefore, I shall not comment further one way or the other. I am very appreciative of the fact that the chairman of the committee is willing to accept the amendment.

I now yield the floor. I know the sponsor of the amendment will speak for himself.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I was temporarily engaged at the desk. May I ask the distinguished chairman of the committee if he will accept the amendment.

Mr. MAYBANK. Yes, as to those commodities which are below ceiling prices.

Mr. LEHMAN. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the distinguished Senator from New York.

Mr. LEHMAN. Mr. President, I very much hope that the distinguished chairman of the Banking and Currency Committee will not accept the amendment.

Mr. MAYBANK. I said I would, if the agricultural products referred to, and fish—I do not know what kind of fish—are below ceiling prices. If they are below ceiling prices, the OPS should do away with the ceiling prices.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McFARLAND. The distinguished chairman of the committee asked me to expedite the consideration of the bill. I know that all of us would like to get some article exempted from price control.

If we start to exempt certain articles from price control for some favored in-

dustry or for some farm products, we shall have to do away with the whole bill. Maybe it would be better to exempt commodities by localities. The Senator has asked me to expedite consideration of the bill, but, of course, all we can do is to vote the amendment down. So let us vote it down, and proceed with the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

Mr. DIRKSEN. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Monroney
Anderson	Hendrickson	Moody
Bennett	Hennings	Morse
Benton	Hickenlooper	Mundt
Brewster	Hill	Neely
Bricker	Hoey	Nixon
Bridges	Holland	O'Connor
Butler, Md.	Humphrey	O'Mahoney
Butler, Nebr.	Hunt	Pastore
Cain	Ives	Robertson
Capehart	Jenner	Saltonstall
Case	Johnson, Colo.	Smathers
Clements	Johnson, Tex.	Smith, Maine
Connally	Johnston, S. C.	Smith, N. C.
Cordon	Kefauver	Sparkman
Dirksen	Kerr	Stennis
Douglas	Kilgore	Taft
Dworshak	Lehman	Thye
Eastland	Long	Tobey
Ellender	Martin	Underwood
Ferguson	Maybank	Watkins
Frear	McClellan	Welker
Fulbright	McFarland	Wiley
George	McKellar	Williams
Gillette	Millikin	Young
Green		

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. FERGUSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MAGNUSON], and the Senator from Nevada [Mr. MCCARRAN], are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsyl-

vania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Kansas [Mr. SCHOEPPLE], and the Senator from New Jersey [Mr. SMITH] are detained on official business.

If present and voting the Senator from Massachusetts [Mr. LODGE] and the Senator from Kansas [Mr. SCHOEPPLE] would each vote "yea."

The result was announced—yeas 33, nays 44, as follows:

YEAS—33

Bennett	Dworshak	Nixon
Brewster	Eastland	O'Connor
Bricker	Ferguson	Saltonstall
Bridges	Gillette	Stennis
Butler, Md.	Hickenlooper	Taft
Butler, Nebr.	Jenner	Thye
Cain	Kerr	Watkins
Capehart	Martin	Welker
Case	McClellan	Wiley
Cordon	Millikin	Williams
Dirksen	Mundt	Young

NAYS—44

Aiken	Hoey	McKellar
Anderson	Holland	Monroney
Benton	Humphrey	Moody
Clements	Hunt	Morse
Connally	Ives	Neely
Douglas	Johnson, Colo.	O'Mahoney
Ellender	Johnson, Tex.	Pastore
Frear	Johnston, S. C.	Robertson
Fulbright	Kefauver	Smathers
George	Kerr	Smith, Maine
Green	Kilgore	Smith, N. C.
Hayden	Lehman	Sparkman
Hendrickson	Long	Tobey
Hennings	Maybank	Underwood
Hill	McFarland	

NOT VOTING—19

Byrd	Langer	Murray
Carlson	Lodge	Russell
Chavez	Magnuson	Schoeppel
Duff	Malone	Seaton
Ecton	McCarran	Smith, N. J.
Flinders	McCarthy	
Knowland	McMahon	

So Mr. DIRKSEN's amendment was rejected.

Mr. MUNDT. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. (Mr. SMATHERS in the chair). The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, beginning with line 11, it is proposed to strike out through line 5 on page 3 and insert in lieu thereof the following:

SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese, and other dairy products, oats, rye, barley, wheat other than for human consumption, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and no imports of any such commodity or product shall be admitted to the United States until after June 30, 1953, which the Secretary of Agriculture de-

termines would (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in an unnecessary burden or expenditures under any Government price-support program. The President shall exercise the authority and powers conferred by this section.

Mr. MUNDT. Mr. President, Senators will recognize this amendment because it seeks to reenact into law the present section 104, which is operative at the present time in the Defense Production Act. That act is about to expire and section 104 will expire with it. Unless we reenact section 104 it means that the producers, consumers, and taxpayers of America will suffer very serious injury because of a flood of importation of certain products into this country.

The only change which would be brought about in section 104 as it now operates by the enactment of my amendment would be to add to the products listed in section 104, such as rice, peanuts, and dairy products, the additional products of oats, rye, barley, and wheat other than for human consumption.

Those products are presently in distress and in danger of having their price levels forced down even further, just as is the case with peanuts, rice, and dairy products. All of these products are headed for lower prices and increased foreign competition unless my amendment prevails.

Mr. President, I also point out to the Senate that this amendment is necessary from the standpoint of the producers of America, who find themselves utterly unable to produce in this country in competition with severe foreign competition, which dumps products upon the American farmer and the American producer. It means that if we are going to set up and maintain a farm program which will be effective and continuing, we must have some kind of protection for the American producer of supplies which must compete in our own market with great shiploads of material coming in from abroad. The American farmer needs the Mundt-Young amendment if he is not to confront cheap foreign imports which will keep his farm produce from rising with the other products made in America and by Americans.

In the second place, the legislation is necessary from the standpoint of the consumer. I may point out that the consumer in the city today is paying an all-time high price for fluid milk, and that in spite of that fact the consumption of fluid milk is seriously decreasing in this country. We find that it is a tremendously difficult situation today for families in cities to procure the milk needed for the youngsters in their family, because of paying the terribly high prices they must pay for it.

In spite of that fact, we have had a decrease of more than 4,000,000 cows in the dairy herds of this country, principally because of the inability of American dairymen to compete with the importation of dairy products from abroad.

If our consumers are to be protected we must reenact section 104, which is operating at the present time.

Another illustration of why this amendment is important from the standpoint of the consumer is with respect to the health of the consumer. We have been importing, prior to this situation, a considerable quantity of Italian cheese. Unlike American cheese which is made in creameries and in cheese factories in which inspections are regularly made the Italian cheese is subjected to only spot inspections. Only spot loads of Italian cheese are inspected.

In such spot loads which were inspected the last time that we had importations of Italian cheese we found that it was so filthy and so unhealthful and so injurious to human consumption that 77 loads out of 1,600 loads had to be rejected altogether.

Mr. FULBRIGHT. Mr. President will the Senator yield?

Mr. MUNDT. Briefly for a question.

Mr. FULBRIGHT. Mr. President does not the Senator from South Dakota believe, if that is true, which I seriously doubt, that the matter ought to be handled under the Pure Food Act and not be the subject of an embargo?

Mr. MUNDT. First of all, the Senator from Arkansas has no reason to doubt the figures unless he wants to quarrel with the Bureau of the Census.

Mr. FULBRIGHT. Mr. President, I recall a similar statement being made at the time the Senate considered the oleomargarine bill. It was stated that margarine was filthy and unhealthful. I seriously doubt it. It is being made by the same people, as I recall.

Mr. MUNDT. The Senator from Arkansas has more familiarity with the present administration than I have. If he chooses to doubt the reliability of the Bureau of the Census he can put it in the same category as the Bureau of Internal Revenue. I am willing to accept the findings.

Mr. FULBRIGHT. The Senator will agree that this is the first time the deleterious nature of such importations has ever been raised. Before our committee no one, not even the people who are in opposition to my position and who support the Senator's position, ever mentioned the fact that the importations should be kept out on the ground cited by the Senator.

Mr. MUNDT. Mr. President, we will mention it now, crediting the authority to the administrator of the Bureau of the Census, which is a part of the present administration. I am inclined to accept the figures, unless it is demonstrated that corruption has also penetrated that fine statistical bureau. I hope that is not the case. I hope that the Bureau is dependable. I believe the figures are accurate.

I may also point out that the figures from the Bureau of the Census indicated that had they been able to make a complete inspection, which is impossible for them to make—

Mr. MAYBANK. Mr. President, will the Senator yield at that point?

Mr. MUNDT. I yield.

Mr. MAYBANK. I suggest that that is the fault of Congress for not appropriating a sufficient amount of money for the Bureau of the Census. Perhaps if they had made a complete investigation they would not have written what they have written to the Senator.

Mr. MUNDT. If they had made a full investigation and if Congress had appropriated sufficient money to employ enough investigators to inspect every pound of imported cheese, this is what they would have found. If the same pro rata degree of filth had been found in all the imported cheese, they would have found over 2,225,000 pounds of imported Italian cheese so filthy that it would have been denied entry, if it had been inspected. Yet it came in and was sold to unsuspecting American consumers.

Mr. President, I believe that the American consumer should be protected. They deserve a better break than to be forced to pay high prices for fluid milk and to buy this filth embedded in foreign cheese in competition with the splendid cheeses which are being produced domestically in Wisconsin and in Ohio, of which we had the privilege of eating some samples at lunch today. There is no reason why the splendid nutritious cheese of the new and struggling cheese industry of Wyoming must compete with the filthy cheese which is being imported from Italy. It would not have to compete if we reenacted section 104. Section 104 is now in the law, and all we are asking is that it be reenacted at this time. This legislation should be supported by every friend of the farmer and by every Senator representing a State producing substantial quantities of the products mentioned in our amendment.

Now a word about the taxpayer: Unless we adopt this amendment, Mr. President, the American taxpayer will be confronted with the necessity of shelling out additional money each year in order to maintain price supports, to maintain price levels as against the importations of foreign commodities which are driving farm prices down on the American markets. In such a situation, those price supports must be maintained in order to keep the American farmer from going bankrupt and thus precipitating another national depression.

So the necessity for the maintenance of price support confronts our people, in such a situation. I do not believe that either my good friend, the Senator from Arkansas [Mr. FULBRIGHT] or many other persons will argue that the American taxpayer has such an inexhaustible supply of money that he can afford to underwrite price supports for all the agricultural products of the world.

We have a real job to do if we are to maintain price supports for the American peanut producer, the rice producer, the American rye producer, and the American farmer who produces small grains.

I do not believe we can possibly print enough money to be able to maintain price supports for all our agricultural products, if we permit unlimited importations of these same products. There-

fore we must either provide for a decreased amount of imports of competitive agricultural commodities from foreign markets or we must provide increased amounts of money for price supports here at home.

In the past, Congress enacted section 104, and I believe Congress should now reenact it, expanded in the way we provide, so that the American farmer will obtain the protection to which he is entitled.

I point out that section 104 would become operative and would function only under certain stipulated conditions—for instance, only when the importations entered the American market in such quantities that they forced down the prices of our agricultural products or interfered with the storage program or had the effect of compelling the American taxpayer to underwrite price supports for our products which otherwise, in the open market, would sell at the full parity price to which the farmer is entitled.

Mr. President, I do not wish to consume any more time at this point, because my associate on this amendment, my good friend and distinguished colleague on the Senate Committee on Agriculture and Forestry, one of the most able and energetic advocates of justice to the American farmer, in the United States Senate, the junior Senator from North Dakota [Mr. Young], will speak at this time.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). The Senator from North Dakota is recognized for 5 minutes.

Mr. YOUNG. Mr. President, the able Senator from South Dakota has covered very well the field insofar as dairy commodities, rice, and other products are concerned. At this time I should like to speak with respect to oats, barley, and rye.

Last December, oats were selling on the Chicago market at \$1.01 a bushel. Under the impact of terrific imports of oats, the price on the Chicago market has now dropped to approximately 75 cents, or approximately 25 cents a bushel.

At the present time, in my own State of North Dakota, cash oats are 6 cents a bushel less than the support level. The average price of oats—there now is 59 cents a bushel. That is the relationship with respect to the 1951 price-support program.

When the new oats start coming into the market in a month or 6 weeks, the cash price will be approximately 11 cents below the new and higher announced support levels.

Mr. President, does it make sense for the United States Government to pay out perhaps hundreds of millions of dollars to support the price of oats, when we could have a fair price on oats if we cut off, even a part of the foreign imports?

In 1949 and 1950, large quantities of rye were imported. They forced prices to below the support levels, and forced the Government to spend millions of dollars to support the price.

Ten years ago an average of 3,500,000 acres of rye were harvested in the United States. Because of the imports, and depressed prices, the acreage of rye has steadily decreased. This year the harvested acreage of rye is expected to be approximately 1,380,000; in other words, the rye industry has almost been liquidated.

Barley is the next one on the list. According to the Department of Agriculture, barley planting this year will be 24 percent lower than they were a year ago. Again, that situation is almost entirely due to the heavy imports of barley at a time when we are asking the farmers of the United States to increase feed production.

Certainly it does not make sense to me to have increased imports which depress prices below the level price-support programs and when we have unnecessary losses, under those price-support programs, for oats, barley, and rye.

All we would have to do would be to make some reduction in the imports in the case of oats or rye, and then the price would be above the support level, thus making unnecessary any price-support programs for those commodities at this time.

Mr. President, I believe adoption of this amendment is very necessary. It would be in effect for only 1 year. I think the consumers of the United States and the taxpayers and the farmers of the United States are entitled to have this amendment adopted.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, the Senate is quite familiar with this issue. This matter was before us twice before, I believe. A bill on the same subject was before the Senate only a few months ago.

I should like to explain the situation, although unfortunately not many Members of the Senate are present at this time. As a result, I do not know that I am justified in taking the time of the Senate to discuss this matter now, because practically all Members of the Senate who now are on the floor are interested in this subject, I believe, and are quite familiar with it.

As I said, hearings were held on this matter. No one has ever before raised the question about the lack of healthfulness of imported cheese. Furthermore, at no time in the recent hearings on this bill or on the previous bill did anyone, so far as I recall, bring up the question of feed grains. Apparently that is a new subject, which is injected at this time in an effort to attract more support for the present proposal.

The extension of this proposal into the feed-grains field would merely have the effect of increasing the price of feed grains and thus of increasing the price of milk in the States affected. So the proposal is a two-sided one from the point of view of the farmers of some of the Eastern States where it is necessary for the dairy farmers to purchase feed grains.

Mr. MAYBANK. Mr. President, do I correctly understand that it is claimed that some of the blue cheese now being imported is unhealthful?

Mr. FULBRIGHT. I understand that claim has been made.

Mr. ROBERTSON. Mr. President, such cheese is some of the best that I eat, and I never have been sick. So apparently that cheese is all right.

Mr. WILEY. The Senator from Virginia evidently has been eating Wisconsin blue cheese.

Mr. FULBRIGHT. Mr. President, I take no stock whatever in the allegation as to the unhealthfulness of such imported cheese. I state categorically that no one was willing to present any such evidence or any such claim to the committee which was considering these proposals. So I believe that fact in itself is sufficient to discredit the allegation and to show clearly its inaccuracy.

Mr. MUNDT. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield for a question, but not for a speech.

Mr. MUNDT. I do not ask the Senator from Arkansas to yield for a speech.

First of all, I think the Senator from Arkansas will agree that the Senator from Virginia is not a typical citizen who could properly be used as a laboratory for a demonstration of what the effect may be as a result of eating Italian cheese. The Senator from Virginia is a great, unusually robust, Herculean type of person and he could withstand an almost untold amount of stress and strain. [Laughter.]

Furthermore, let me point out that on May 15, 1952, Charles W. Holman, secretary of the National Milk Producers of America, appeared before the House committee and, as appears at page 32 of the hearings, presented a large number of statistics and facts and figures about the cheese situation.

Mr. FULBRIGHT. Mr. Holman is standing right outside the door at this time; I saw him there a moment ago. All of us understand the position he takes. He takes the same stand in regard to this matter that he did in the case of the oleomargarine fight. Mr. Holman made a similar statement in connection with the fight on oleomargarine. Many of us found that the claims he presented at that time were without significance. I do not believe the statistics he presents at this time are any better than the ones he presented in that case.

Mr. President, I realize that the argument I am making at this time will not convert any Senator; Senators' minds already are made up. However, at least I shall go through the motions of presenting our arguments against the pending proposal, for certainly it is a faulty one.

Mr. MAYBANK. I do not believe the Senator from Virginia has eaten the Italian cheese which has been referred to in the last few minutes, but I understand that one of the largest factories in Virginia is dependent upon the importation of a certain type of cheese which can not be produced in the United States. If I am in error on that point, I hope the

Senator from Virginia will correct me.

Mr. ROBERTSON. The statement the Senator from South Carolina has made is correct; in Virginia a certain type of cheese cracker is produced and in that connection a blue mold cheese is used. The production of the article has been seriously hampered by the inability to obtain an adequate supply of that cheese.

Mr. FULBRIGHT. I appreciate the statement the Senator from Virginia has made. He is a splendid example of what cheese will do for anyone. [Laughter.]

Mr. President, this is about the tenth time this provision has been challenged because of the cheese situation. It seems to me that the situation in that respect is really very clear.

The proposal to add oats, barley, rye, and feed wheat to the list of commodities now included in section 104 is, in my judgment, unnecessary for three reasons: First, the quantity of imports of feed grains which we are currently receiving in relation to our domestic production and requirements is very small; second, for the country as a whole price returns to farmers for these feed grains have been above support levels; and, third, if action to control imports of these commodities becomes necessary in the future, appropriate action can be taken under section 22 of the Agricultural Adjustment Act as has been done in the cases of wheat and cotton.

In crop year 1951-52 it is estimated that imports of oats, barley, rye, and feed wheat will represent only about 2 percent of total feed grain used in the United States during the year. Despite these imports of feed grains, which we receive primarily from Canada, our carry-over stock of feed grains is being reduced about one-third in the current year—a reduction from 28,000,000 to 19,000,000 tons. This means that at the end of the current crop year feed-grain stocks will be at an undesirably low level considering the continuing requirements to meet high-level livestock production.

I am sure you all know that the primary objective of the Department of Agriculture's production-goal program in 1952 is to increase the production of feed grains. This drive is based on the fact that, unless we can increase feed-grain production substantially above the levels of the past years, a reduction in the level of production of livestock and livestock products will of necessity follow. Such a situation with respect to these products which are so important to everyone would have extremely harmful effects to our population in this mobilization period. The feed-grain goal for 1952 has been set 12 percent above last year's level. This is a very high goal and we will have to be blessed with favorable weather to reach it.

During the entire 1951-52 season which is now drawing to a close, the United States average prices of oats, barley, and rye have been above support levels. Support levels for all these crops have been increased in 1952 as compared with 1951 in order to stimulate increased production. As of May 15, 1952, United States average prices for these commodities

were above the higher 1952 support levels.

Supplies of these commodities is important to the well-being of farmers and consumers. I am confident that if future developments would result in imports in such volume that the interest of our farmers were seriously threatened, remedial action should be taken under section 22.

I should like to call to your attention that restrictions on these grains would primarily effect exports from Canada. Canada is one of our largest markets for agricultural products, and any hindrances made between the two countries would have harmful effects on this mutually beneficial trade.

The committee's conclusion, set forth on pages 22 and 23 of the committee's report, was that the present provision, in its restrictive and inflexible form, might result in injury to the American export trade, and to American producers dependent on the export trade. This conclusion was based on the testimony presented by the National Cotton Council, the American Farm Bureau, the Boston and Philadelphia Chambers of Commerce, the Commerce and Industry Association of New York, and other associations, including a number of agricultural people.

In the last debate on this subject, I presented the figures with regard to agriculture, itself, and the situation is very clear. I put into the RECORD statements by the Farm Bureau Federation, backing them up with statistics from the Department of Agriculture, that we export roughly about two and one-half times as much in the way of agricultural commodities as we import. What the sponsors of this amendment are trying to do is to sacrifice the agricultural interests to one small segment of our economy, and largely I think because they were fortunate enough to acquire the services of the most astute lobbyist, in my opinion, that Washington has ever seen. I think we are all willing to agree that Mr. Holman knows his way around better than any other lobbyist. He is persistent. I give him credit for that. He is at this moment standing in a room nearby to see whether there are any questions he might be called upon to answer or to note any contributions I may make to this debate.

Mr. MUNDT. And he is reliable.

Mr. FULBRIGHT. I give him credit for that. But this particular amendment involves a great deal more than the items to which it refers. What is being done is to recreate the same atmosphere that existed in connection with the enactment of the Smoot-Hawley tariff, following World War I. This amendment is much worse, I think, even than a high tariff. Section 104 sets a limit on the importation of certain commodities, cheese in particular, which has been the article which has caused all this trouble. The level of the importation of cheese is substantially less than it was some time ago. I think importations are about 20 percent less than they were in 1939, although in the meantime the consumption of domestic cheese has increased very greatly. It is well over a billion pounds now the total amount of

all imported cheese is less than 5 percent of the American consumption.

Mr. MOODY, Mr. THYE, Mr. MAYBANK, and Mr. LEHMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arkansas yield, and, if so, to whom?

Mr. FULBRIGHT. I yield first to the Senator from Michigan.

Mr. MOODY. Mr. President, does not the distinguished Senator from Arkansas desire to point out that related to this amendment is feed grain, so that the cost of production of meat and other products, including milk and other dairy products, themselves would be increased by this amendment.

Mr. FULBRIGHT. Very definitely it would. It would be bound to increase; in fact, its purpose is to increase the cost of feed grains. It was made clear in the statement of the Senator from North Dakota that the purpose was to keep the price of feed grains up. So, all the dairy farmers in the New England States would have to pay "through the nose" if this amendment should be agreed to.

Mr. MOODY. Is it not also true that more dairy products are exported than are imported into the United States?

Mr. FULBRIGHT. Yes. The importation of dairy products is not large.

Mr. MOODY. Is it not therefore logical that this amendment would actually decrease the markets of the farmers of the United States, rather than increase them?

Mr. FULBRIGHT. There can be no question of that. The Farm Bureau Federation has offered extensive testimony on that subject. I now yield to the Senator from New York.

Mr. LEHMAN. Mr. President, I have long been interested in the dairy industry in my State and in the dairy industry of the Nation. I may say that no man had more to do with working out the Federal-State accord, which has made the prices of dairy products as high today as they have ever been in the history of the industry. But for the life of me, I am unable to see that there could possibly be any advantage to the dairy industry in putting an embargo on feed for cattle, such as oats, rye, barley, and wheat. It would seem to me that it would be very much to their detriment.

Mr. FULBRIGHT. There is already a shortage of those grains.

Mr. LEHMAN. Mr. President, will the Senator yield for one more question?

Mr. FULBRIGHT. I yield to the Senator from New York.

Mr. LEHMAN. This is simply for the RECORD. I have been asked to get this on the RECORD. On page 22 of the report from the Committee on Banking and Currency accompanying Senate bill 2594 there appears the following statement:

Items which are not directly competitive with one another should not be barred from import merely because their importation might have an indirect but remote effect upon other articles of commerce covered by the criteria for import controls set forth in this section.

It is my understanding, based upon the hearings before the committee, that

this statement was intended to exempt from import controls certain noncompetitive varieties or types of a commodity, such as certain varieties or types of cheese, although other varieties or types of the same commodity may be competitive with similar domestic varieties or types and thereby subject to import control.

Would you be kind enough to advise me whether my understanding of that phase of the report is correct?

Mr. FULBRIGHT. The Senator is quite right. The testimony in the hearings was quite clear, that the amount of cheese, particularly the cheese referred to by the Senator from South Dakota, is not competitive with sheep's-milk cheese, and it is quite different in quality, price, and in every other way.

Imported Swiss cheese averages from 50 percent to 100 percent more in price than the domestic article. It is quite a luxury item. The only item which could possibly give any concern in the beginning was blue cheese from Denmark, which is competitive in price. Imports of it amount to approximately 3,500,000 pounds, as against well over a billion pounds of our domestic production of cheese. I would say the competitive feature is so infinitesimal that no one should be concerned. In my opinion, no one is seriously concerned except a few, I think 20, blue-cheese manufacturers; but they are able to generate all this interest, primarily through Mr. Holman and his associates.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MAYBANK. How much time remains?

The PRESIDING OFFICER. Three minutes to the proponents, one minute to the opponents.

Mr. MAYBANK. Mr. President, I understand an amendment is going to be offered to this amendment, on which the Senator from Illinois desires to speak for 5 minutes, and, if agreeable to the Senator from Arkansas, it is agreeable so far as I am concerned that 5 minutes be allowed to each side. If agreeable to the Senator, I shall ask unanimous consent that we vote at one time on both amendments, rather than have another debate for about 15 minutes, about nothing but sheep and goats.

Mr. THYE. Mr. President, I have been endeavoring to obtain recognition. If only 5 minutes more were allowed for debate on each side, that would preclude me from making a remark or two on the pending question. So, if a unanimous-consent request were made, perhaps it should be a request that 10 minutes be allowed to each side, in order that I might be permitted to speak for at least 2 or 3 minutes.

Mr. MAYBANK. Mr. President, I yield 5 minutes to the Senator from Minnesota. I have watched people milk goats and sheep.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. THYE. Mr. President, let me say to the distinguished chairman of the

Committee on Banking and Currency that I have never had any experience in milking goats or sheep, and I do not want to be so classified, but I know that there is an absolute need to safeguard the American producer against the influx of imports we can expect because of the support-price program which is on the statute books, and which maintains agricultural prices at a certain level. Monetary values in the United States are higher than those in foreign nations, but in spite of that, the foreigners can pay the small duty required to ship to this country and can realize more for his product, even though he pays the tariff and the freight, than is realized by the American producer. Without an embargo, there will be imports of cheese and other dairy products, such as powdered milk, canned milk, and butter.

With reference to pork prices, I have a report from the Central Livestock Association of South St. Paul, Minn. In January hogs weighing 180 to 240 pounds sold at from \$17.50 to \$17.60. It was only 4 years ago that farmers received \$28 a hundred for the same type of pork. The farmer was then buying a tractor for \$1,700, and today he is paying \$3,000 for the same type of tractor.

Imports of fats and oils cause detriment to our farmers. If we lift embargoes and levy meager tariffs against foreign products, we are going to see the American farmer destroyed. If the Democratic Party is so generous with the foreigner that it is going to destroy the American farmer, it is high time the American farmer found out about it.

Here is the price report on hogs in April 1952, showing that hogs weighing 190 to 200 pounds sold for \$16.75 to \$17.

How long is the farmer going to produce pork at such prices? Not only Danish hams, but Polish hams, are being imported into this country. There are imports of cheese—

Mr. FLANDERS. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I yield.

Mr. FLANDERS. Would the Senator feel that luxury cheeses which are sold at prices higher than American cheeses would imperil the American market?

Mr. THYE. Any cheese that comes in will imperil the American market, because it displaces domestic cheese.

Mr. FLANDERS. It may be that the person who wants luxury cheese will not buy American cheese.

Mr. THYE. I can only answer my very dear friend from Vermont by saying that there is no type of imported cheese that is any better than the cheese produced in this country. The American cheese is just as good in quality, just as good in texture, and just as edible, if not more so, than imported cheese. It is only a matter of habit. Invariably the foreign product can be bought more cheaply than the domestic product.

There is a producer of dairy products in Minnesota who produces for the fluid milk markets of Minneapolis and St. Paul. On May 9, 1952, base grade A milk sold for \$4.36 a hundred pounds, with 3½ percent butterfat, comparable to the grade A milk on the Washington

market. The producer received 8.7 cents a quart for the milk, or less than 9 cents a quart. He must divert some of it to the manufacture of cheese in the Midwest area.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. FLANDERS. Then, Mr. President, may I ask a question in thin air?

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Mr. President, I think the Senator from Illinois [Mr. DIRKSEN] had some time.

The PRESIDING OFFICER. The Senator from Illinois has 5 minutes.

Mr. FLANDERS. Mr. President, may I have 15 seconds of the Senator's time?

Mr. DIRKSEN. Yes.

Mr. FLANDERS. I desire to raise the question whether it is not a new idea in the protection of American producers to protect them against imported products which sell for a higher price than domestic products?

Mr. DIRKSEN. Mr. President, I do not want to dissipate the time by answering the Senator's question.

There are eight or nine countries which are under license and which are importing goods into this country. They have a very facile and sumptuary way of devaluing their money, and the advantage is on their side. We cannot compete with them.

It has been said that there is protection for farmers under section 22 of the Triple A Act, and under section 7 of the Reciprocal Trade Agreements Act.

If we take a look at section 22 we find that the damage has to be done before we can get any remedy, as a matter of fact. Then it is a long-drawn-out process.

When it comes to section 7 of the Reciprocal Trade Agreements Act, there first has to be an interminable investigation by the Tariff Commission before any relief can be had. In the meantime, the damage can be done.

Mr. President, I am interested in the dairy industry—and may I say to my friend from Arkansas [Mr. FULBRIGHT] that it is not Mr. Charlie Holman who is waiting for me. I think the Senator's statement was rather unbecoming, and I think it should be taken from the RECORD.

Mr. WILEY. So do I.

Mr. DIRKSEN. I have known Charlie Holman for over 20 years; there are home folk who are interested in dairying in Illinois, Wisconsin, and elsewhere, and I think it is not in accordance with good conduct to attempt to make it appear that there is a lobbyist standing outside the door—

Mr. FULBRIGHT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I cannot yield. The Senator mentioned Mr. Holman, and I did not think it was in good taste.

The number of milk cows has decreased by 4,300,000. How long will it be before the industry is liquidated? The number of milk cows was up to 27,700,000. I do not blame the farmer for liquidating his dairy herd. If the policy of

the country is against him, how is he going to make out? If I were a farmer under those difficulties, I would sell my milk cows and go out of business.

We go through the business of taking surpluses from the market. From 1949 to 1951 we took 240,000,000 pounds of butter off the market. Under our surplus program we took 235,000,000 pounds of cheddar cheese off the market from 1949 to 1951. The Government started buying a large quantity of cheese last September when we were discussing this very question in the Banking and Currency Committee.

Mr. President, I think there is enough Americanism in me to want to make sure that we are not going to liquidate a great industry that is indispensable to the health of this Nation. Some folk become awfully sensitive and think that perhaps we are subservient to Communist propaganda if we put a limit on importations. I think the time has now come to stand up a little for an industry that will not be entirely liquidated. I am not being extreme about it, but at least it is going to be damaged, and I do not want to see it damaged in a country where there is a rising population and a diminishing dairy herd.

Mr. President, those are the arguments I can commend to the Senate. I hope there will be a favorable vote on the amendment offered by the Senator from South Dakota.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that on this vote the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Connecticut [Mr. McMAHON]. If present and voting the Senator from Washington would vote "yea," and the Senator from Connecticut would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Ne-

vada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

If present and voting, the Senator from Pennsylvania [Mr. DUFF] and the Senator from Massachusetts [Mr. LODGE] would each vote "nay."

The result was announced—yeas 36, nays 46, as follows:

YEAS—36

Aiken	Dirksen	Millikin
Bennett	Dworschak	Morse
Brewster	Ellender	Mundt
Bricker	Ferguson	Nixon
Bridges	Frear	Schoeppel
Butler, Md.	Hendrickson	Taft
Butler, Nebr.	Hickenlooper	Thye
Byrd	Ives	Watkins
Cain	Jenner	Welker
Capehart	Kem	Wiley
Case	Martin	Williams
Cordon	McCarthy	Young

NAYS—46

Anderson	Hunt	Neely
Benton	Johnson, Colo.	O'Connor
Clements	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pastore
Douglas	Kefauver	Robertson
Eastland	Kerr	Saltonstall
Flanders	Kilgore	Smathers
Fulbright	Lehman	Smith, Maine
Gillette	Long	Smith, N. J.
Green	Maybank	Smith, N. C.
Hayden	McCarran	Sparkman
Hennings	McClellan	Stennis
Hill	McFarland	Tobey
Hoey	McKellar	Underwood
Holland	Monroney	
Humphrey	Moody	

NOT VOTING—14

Carlson	Knowland	McMahon
Chavez	Langer	Murray
Duff	Lodge	Russell
Eaton	Magnuson	Seaton
George	Malone	

So Mr. MUNDT's amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. SCHOEPEL. Mr. President, I offer the amendment which I send to the desk. I ask unanimous consent that the reading of the amendment be dispensed with. It is on the desks of all Senators.

The PRESIDING OFFICER. Is there objection?

Mr. MCKELLAR. Mr. President, I ask that the amendment be read.

Mr. SCHOEPEL. The Senator from Tennessee asks that the amendment be read.

Mr. MCKELLAR. Is it long?

Mr. SCHOEPEL. Not too long. I have no objection to having it read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

That section 402 (d) (3) of the Defense Production Act of 1950, as amended (act of September 8, 1950, ch. 932, title IV, sec. 402, 64 Stat. 803, as amended by the act of July 31, 1951, ch. 275, title I, 65 Stat. 134), is further amended by striking the proviso at the end of the second sentence and substituting, in lieu thereof, the following: "Provided, That, notwithstanding any other provision of this title, in establishing, maintaining, and adjusting ceilings on products resulting from the processing of agricultural commodities, including livestock and livestock products, or on the distribution thereof, a generally

fair and equitable margin shall be allowed for such processing and distributing of such products; and equitable treatment shall be accorded to all such processors and distributors. For the purposes of this paragraph a margin shall not be deemed to be fair and equitable for a processor if it is below the highest margin received by him between January 1, 1950, and June 24, 1950, or, in the case of a group of processors, below the highest average margin received by a representative number of the members of the group during such period, adjusted in either case, for increase or decrease in all costs (other than prices paid for the agricultural commodities) occurring subsequent to the date on which such margin was received and prior to the effective date of the rule, regulation, or order, establishing such adjusted margin; and a margin shall not be deemed to be fair and equitable for a distributor if it reflects a percentage margin over the price or cost of the processed commodity lower than the percentage margin which he received during the period May 24, 1950, to June 24, 1950, or such other nearest representative date determined under section 402 (c), or, for a group of distributors, if it reflects a percentage margin over the price or cost of the processed commodity lower than the average percentage margin received by a representative number of the members of the group during the period May 24, 1950, to June 24, 1950, or such other nearest representative date, determined under section 402 (c)."

Mr. SCHOEPEL. Mr. President, this amendment has just one essential purpose, and that is to define in direct fashion and clear terms just what we in Congress mean by the words "fair and equitable." These terms are used in several places in the Defense Production Act, but they are broad words, and thus subject to a wide range of interpretation. Two years of operating experience under the act have proven conclusively that we must define these words more specifically, if we are to insure fair treatment under the act to those regulated by it. This is especially necessary for the thousands upon thousands of small-business men who are processors and distributors of farm and food products, many of whom are farmers themselves marketing their own produce, who have been mistreated by OPS and subjected to unwarranted cost squeezes through the delaying tactics and the misinterpretations which have been perpetrated under the act as it now stands.

The first sentence of section 402 (d) (3) of the act is a long one, setting forth the minimum level at which ceilings may be placed on prices at the farm level. The second sentence now states that any ceilings on products processed from farm commodities must be high enough to reflect these minimum farm prices and provides also that the margins allowed for the processing of such processed products must be fair and equitable for the processors. Presumably, the purpose here is twofold: First, to avoid, a cost squeeze on processors of farm products which will jeopardize their ability to actually pay the minimum prices to farmers; and, second, to provide broad insurance that OPS will set ceiling prices which allow fair margins.

The proposed amendment is designed to make the second sentence of section 402 (d) (3) a little broader and much more specific, so that there can be no

misunderstanding as to congressional mandate and intent. It is no part of the purpose of this amendment to bring about any fundamental change in congressional intent, or to weaken price-control authority in any respect. On the contrary, the changes which are herewith proposed for this second sentence rest on three or four of the basic purposes or intents of Congress, as I understand them, which we have tried again and again to express in the Defense Production Act. In brief, these purposes or intents are, first, we do not want ceilings at the farm level below certain specified points and we want to remove any obstacles which prevent farm prices from rising freely up to these points; second, we expect price ceilings on finished products to reflect fair and equitable margins; third, we feel, as witness the Capehart amendment—section 402 (d) (4)—that pre-Korea margins for manufacturers or processors, adjusted for dollars and cents cost changes since pre-Korea are fair and equitable; fourth, we feel that immediate pre-Korea percentage margins for wholesale and retail distributors are a sound guide to fairness and equity, as witness the Herlong amendment—section 402 (k); and, fifth, we are deeply concerned, as witness section 701 of the act, that we do not impose undue burdens on small-business enterprises.

The experiences of the processors and distributors operating under OPS price ceiling regulations, which have been brought to my attention time and time again, have convinced me that we need to make the language of the act more specific in order to be sure that we carry out these basic purposes. And that is all and it is exactly what this amendment is designed to do.

The first change which this amendment creates is the addition of distributors at wholesale and retail to the proviso regarding fair and equitable margins. The justification for this should be obvious. I will say quite frankly that there has been much difficulty encountered by people in the dairy industry, in production and the processing of dairy products. The distributing function must be performed in order to get our farm and food products to market. It is just as essential and often more costly than the processing job. In many cases the same business concern performs both processing and distribution. In any event, a margin squeeze on distributors represents just as serious a threat that farmers will not actually receive the full price which we in Congress want them to have as does a margin squeeze on processors. Also, Congress should be and I am sure it is just as concerned that distributing margins be fair and equitable as it is that processing margins be fair and equitable.

Certainly I know of no special bias that we should have toward processors, and no reason why we should knowingly discriminate against distributors or deny to them this degree of protection. The amendment proposes to say, therefore, processing and distribution, rather than just processing alone.

The second change is really not a change at all, but simply a transposition of the essence of the Capehart amendment—section 402 (d) (4)—and of the Herlong amendment—section 402 (k)—to this sentence for the sole purpose of making it clear right at this point what we mean by the words “fair and equitable.” The effect of the change is simply to state right at this point that when we say “fair and equitable” margins for processors, we mean margins at least equal to those which the Capehart amendment specifies, namely pre-Korea adjusted for actual cost changes. Similarly, when we say “fair and equitable” margins for wholesale or retail distributors, we mean margins at least equal to those which the Herlong amendment specifies, namely the same percentage margins as pre-Korea.

I would be among the first to agree with anyone who argued that such a change or amendment as this should not be necessary. I would also be among the first to argue, however, that such an amendment is in fact very necessary in order to guarantee that congressional mandate is carried out. There is abundant evidence, in the absence of any specific definition of “fair and equitable” that these terms get defined automatically by OPS in terms of 85 percent of earnings before taxes in the three best of the four pre-Korean years 1946-49. At today's tax rates on corporate income, this means that “fair and equitable” means about 56 percent of the net income enjoyed in the three best of the four pre-Korean years. In other words, “fair and equitable” means a 44-percent profit squeeze unless the terms are defined.

If this type of profit control and margin squeeze is what we in Congress meant by the terms “fair and equitable” then why did we amend the act in 1951 to incorporate the Capehart and the Herlong amendments? The answer is simply that we did not mean or intend that the terms “fair and equitable” should be defined or interpreted to mean profit control. The Senate Banking and Currency Committee in its report has made it even clearer than before that pre-Korea margins plus cost increases since pre-Korea is fair treatment for processors, and that pre-Korea percentage margins represent fair treatment for distributors. That is all this amendment says. But, it says it right at this point where we specify that margins shall be fair and equitable.

There was an excellent illustration only last week of the need for the type of clear language which this amendment represents. The office of one of our northern New England Senators was asked by the representative of a farmers' cooperative which happens also to be engaged in fluid-milk processing and distribution to find out whether its operations came under the Capehart amendment or the Herlong amendment. Both seemed to apply, yet the cooperative had not been able to obtain any ceiling or margin adjustment on either basis. The Senator's office was told, in a tone of greatest sincerity that this was a very

complex problem. The legal staff of OPS, so the Senator was told, had been studying and pondering since August 1, 1951, whether milk dealers came under Capehart or Herlong. As of today, they still have been unable to resolve this question. The net result is that they have given the milk industry the benefits of neither amendment. As of today, the margin adjustment policy for milk is to deny pre-Korea percentage mark-ups and to allow margin adjustments on a dollars-and-cents basis, not for all cost changes as the Capehart amendment specifies, but only for cost increases for labor and containers. I want Senators to note this point particularly. This means that cost increases since pre-Korea must be absorbed by milk dealers to the extent that such increases represent higher costs for tires, trucks, gasoline, depreciation, rent, local taxes, repairs, advertising, selling, transportation, heat, light, power, rent, interest, or a hundred other cost categories.

I submit that when we voted last summer to extend the price control authority for another year, we expressed at that time our clear intention that we were not delegating to OPS the authority to squeeze margins and to control profits. We enacted an emergency excess profits tax for the latter purpose and it is a very high tax. Certainly, we do not need to buttress it with other regulatory powers to keep profits down. We voted instead a 1-year extension of price control authority, stating that price controls should be used only when necessary, and that specific standards of fairness should be observed in the exercise of this authority. Our experience has shown that we did not set forth in the act adequate safeguards that this control authority should confine itself to these specified limits. This amendment represents an attempt to redefine those limits—but not to change them. It represents a simple attempt to define “fair and equitable” by relating those words specifically to the essential meaning of the Capehart and Herlong amendments.

Mr. Arnall in his letter of May 19, 1952, to the chairman of the Senate Banking and Currency Committee on the proposed amendment regarding State minimum price laws, for example, implied very clearly that the Herlong amendment specifying pre-Korean percentage margins is applicable to retail and wholesale distributors. Yet we are told by the lawyers in OPS that after 10 months' study they still are unable to resolve this complex problem of whether Herlong or Capehart applies. They have compromised by not applying either one. Fluid milk handlers in several of our New England areas presented petitions to OPS last September, using July 1951 cost data for comparison with pre-Korean cost data. When they finally got their margin adjustments, one market as late as May 1952, the adjusted margins covered only their cost increases for labor and containers, and not their other costs, as the Capehart amendment requires up through July 1951.

In a business which is as freely competitive as local food processing and dis-

tribution, with thousands of local independent businesses including proprietorships, partnerships, cooperatives, and corporations, it is almost impossible to obtain detailed cost and price data from every single business unit in the industry. Some have gone out of business since pre-Korea and other new ones have come in. Many such businesses balance their books only once a year, are too small to have a regular accountant on their payroll, and generally keep books only for income-tax purposes.

If price or margin relief for an industry in a local area is delayed until unit cost and price data are filed with OPS from every single concern in the industry, it will mean a delay up to a year's time in many cases or it will mean that there will be no relief. In many cases in the openly competitive local markets, no business concern can increase its prices, or margins unless the general market level moves up. If one or more concerns is not permitted to raise its prices, therefore, this may very well prevent any concern from doing so. This provides another very effective sabotage, therefore, of the clear intent of Congress, unless we make it clear beyond question that adjustments for the entire industry shall be granted when information is available from a majority of those in the industry and such information indicates that such an adjustment is warranted under the provisions of the act.

An example of what has been done by OPS under the act as it now stands is furnished by General Overriding Regulation 21, issued December 5, 1951, and designed to carry out the Capehart amendment. It is worth noting first that it took from August 1, 1951, to December 5, 1951, just to work out the procedure, which is delay with a vengeance. Under this regulation 21, each individual concern has to file and apply for relief. Those with over 1,000,000 sales apply to Washington, those under 1,000,000, apply locally. Five and one-half Federal Register pages are required to print this regulation and to spell out all the detailed cost and earnings data required to accompany each firm's application. The “statement of considerations” accompanying the regulation takes another two pages, admits that the regulation is complex, imposes a heavy administrative burden, and may well yield different results for different sellers.

Mr. Arnall, in his May 19 letter to the Senator from South Carolina [Mr. MAYBANK], deplores the situation where, under State minimum-price laws, the highest cost seller sets a market pattern, but at the same time this regulation 21 makes the lowest cost seller set the market pattern; neither actually happens in actual business practice, generally speaking, and one extreme would be as bad as the other. This amendment would use the average of a majority of the market.

I hope the Senate will accept the amendment.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. HAYDEN. I heard the amendment being read. Does it apply to the average margin in the periods of time set forth or to the highest margin?

Mr. SCHOEPPPEL. It applies to the average. It should be neither the highest nor the lowest. It applies to the average, as I understand and as it has been represented to me.

Mr. HAYDEN. I thought the amendment referred to the highest.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. SALTONSTALL. On page 2, line 6, the term "highest margin" is used. I wondered about that. In line 9 the term "highest average margin" is used. I wonder why it should be the highest.

Mr. SCHOEPPPEL. It should be the highest margin.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I yield.

Mr. FERGUSON. How can it be the highest?

Mr. SCHOEPPPEL. It should not be the lowest, certainly.

Mr. FERGUSON. Should it not be the average?

Mr. SCHOEPPPEL. I would have no objection to making it the average margin between those dates.

Mr. SALTONSTALL. That is what it ought to be, apparently.

Mr. SCHOEPPPEL. Yes. I understand your position.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. Yes.

Mr. BRIDGES. Is the Senator willing to amend his amendment by inserting the word "average" in place of the word "highest"?

Mr. SCHOEPPPEL. I would accept that modification of my amendment if it is not below the average margin between January 1, 1950, and June 24, 1950.

The PRESIDING OFFICER (Mr. HOEY in the chair). The Senator from Kansas modifies his amendment accordingly.

Mr. MAYBANK. I should like to understand what the distinguished Senator from Kansas is accepting. Does he modify the amendment to read the average price in February 1950, or in February 1951?

Mr. SCHOEPPPEL. I will say to the distinguished Senator from South Carolina—

Mr. MAYBANK. It has not been mentioned, but it should be remembered that the agricultural laws apply to milk and milk products, and also that parity is involved.

Mr. SCHOEPPPEL. I may say that even in section 3 of the act those express dates are used for other commodities. Therefore I wonder why it would not be necessary to do so likewise for the dairy industry.

Mr. MAYBANK. My information is that milk has not reached parity. The Government is not buying milk. Certain prices are mentioned in the control law. I have asked that question because I do not know the answer until I find out. Under what conditions is the average price to be applied? I under-

stood the Senator from New Hampshire or the Senator from Massachusetts to suggest the use of the average price. I should like to know what date for the average price is to be used insofar as milk is concerned and how it would relate to the parity price.

Mr. SCHOEPPPEL. In the section of the act, as I read it—

Mr. MAYBANK. If the Senator will bear with me, I should like to ask him what section he is referring to.

Mr. SCHOEPPPEL. I have before me the original act. I am reading from page 8, which reads:

No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices.

Mr. MAYBANK. That is correct.

Mr. SCHOEPPPEL. I continue to read:

The parity price for such commodity, as determined by the Secretary of Agriculture—

And so forth. Certainly I will say to the distinguished Senator that it will be the responsibility of someone to determine it.

Mr. MAYBANK. We have several copies of the act before us. I have before me the 1950 act, as amended. Would the Senator from Kansas tell me which section he has in mind? We had a long argument about it, as the Senator will remember, and I accepted some amendments from the dairy interests which at the time I thought would protect them.

Mr. SCHOEPPPEL. It is Public Law 774, Eighty-first Congress, chapter 932, second session. I was reading from page 8. I do not understand you.

Mr. MAYBANK. Unfortunately, we have various revisions of the act.

I have section 402 before me. Is that the one?

Mr. SCHOEPPPEL. I believe it is if it is the same document that I have referred to. I thought it was important enough to bring the matter to the attention of the Senate.

The PRESIDING OFFICER. Will the Senator from Kansas indicate how he wishes to modify his amendment?

Mr. SCHOEPPPEL. The change would be made in the second paragraph of section 3—

Mr. MAYBANK. Mr. President, if the Senator from Kansas will yield to me, I wish again to call his attention to the fact that this is what the law says:

No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices.

With that I agree.

The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act—

And so forth. I would never be willing to agree to what the Senator from Massachusetts or the Senator from New Hampshire suggested, namely, the average price, because the law says that it must be the highest price, and that is what it should be in my judgment.

Mr. SCHOEPPPEL. That may happen to be the view of the Senator from South Carolina; section 402 (d) (3) of the De-

fense Production Act is the one that is sought to be amended.

Mr. MAYBANK. But if the Senator from Kansas will go further to subsection (1), under subsection (d), and subsection (3), under subsection (d), and if the Senator will bear with me on subsection (3), under subsection (d), I should like to read part of the provision to be found at that point. It is as follows:

No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices: (1) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture—

And so forth, and so on—

or (11) the highest price received by producers during the period May 24, 1950, to June 24, 1950, inclusive—

And so forth. I am not going to vote to change any agricultural law for the dairy industry or for anyone else. This law applies to every agricultural commodity in the United States.

Mr. SCHOEPPPEL. It is not my intention to have such a change made.

Mr. MAYBANK. But I understood some Senator to say that the "average price" was to be substituted. I do not say the Senator from Kansas said that.

The PRESIDING OFFICER. The time of the Senator from Kansas has expired.

Mr. MAYBANK. Mr. President, may the Senator from Kansas have the time which remains in opposition to the amendment, because we wish to have this matter discussed?

The PRESIDING OFFICER. Does the Senator from Kansas desire further time?

Mr. SCHOEPPPEL. No, Mr. President. The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. MAYBANK. Mr. President, I hope the amendment will be rejected.

The PRESIDING OFFICER. Does the Senator from Kansas desire to modify the amendment?

Mr. SCHOEPPPEL. I modify it by inserting the word "average."

The PRESIDING OFFICER. Is that word to be inserted in lines 6 and 9, on page 2?

Mr. SCHOEPPPEL. It is to be inserted on page 2, in line 6, and also in line 9, where the word "highest" appears.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Kansas. [Putting the question.]

The amendment, as modified, was rejected.

The PRESIDING OFFICER. Are there further amendments to be proposed?

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. If there are no further amendments to be proposed, the question is agreeing to the committee amendment as amended. [Putting the question.]

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. What is pending at this moment?

The PRESIDING OFFICER. The committee amendment as amended.

Mr. MAYBANK. Mr. President, let me say that when the question was just put on that proposition, I voted "no," because I understood that the Senator from Florida wished to submit an amendment.

Mr. HOLLAND. Mr. President—

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, I submit, and ask immediate consideration for, an amendment which is proposed by me in behalf of myself, my colleague, the junior Senator from Florida [Mr. SMATHERS] and the Senators from Idaho [Mr. DWORSHAK and Mr. WELKER]. It is an amendment to section 102.

The PRESIDING OFFICER. The amendment submitted by the Senator from Florida, for himself and other Senators, will be stated.

The CHIEF CLERK. On page 3, between lines 6 and 7, it is proposed to insert a new section as follows:

SEC. 102. Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling shall be established or maintained under this title for fresh fruits or vegetables."

Mr. HOLLAND. Mr. President, this amendment would simply provide that no ceilings could be made applicable under this bill to fresh fruits and vegetables. Of course, the words "fresh fruits and vegetables" would cover all the ordinary fresh fruits when marketed in a fresh condition, and also all the ordinary fresh vegetables. I shall briefly discuss the Irish-potato problem, because that particular fresh vegetable has caused the most trouble in recent weeks.

However, I call attention to the fact that this amendment relates to fresh fruits and vegetables in general, whose production is a very hazardous undertaking; this whole field of production is a highly hazardous one. All these products are highly perishable, and they are not storable. These products have never had Government price supports, with the exception of one of the commodities—namely, Irish potatoes—which is in the very unusual position of having had the former support price removed at the request of those who produce the crop. That action was taken because the potato growers were willing to "go it alone" and were willing to attempt to meet a situation which they knew was difficult, but which they did not know would become additionally difficult as a result of having a ceiling imposed by their Government which they were relieving of the burden of heavy price-support payments.

Under the conditions which have prevailed in the last few weeks, we have seen potatoes become so scarce in the market that the situation has become almost a tragedy for many persons. Certainly it has become a Nation-wide fiasco. We have seen the potato indus-

try itself badly hurt because the producers found it necessary in many cases not to plant potatoes because they could not absorb the losses they would have encountered in the event they had to meet ceiling prices.

Mr. President, I remind the Senate that most of the vegetable producers grow more than one vegetable. If they take a loss on one crop which is not under a ceiling, they certainly cannot recoup any of that loss from the other crop they grow, if that crop is under a ceiling. The result is that they abandon the crop which is under the ceiling, and they concentrate all their production in the crops which are not under ceilings.

I hold in my hand affidavits from six different vegetable producers in the Okeechobee Lake area. These affidavits show the abandonment just this spring of 980 acres of land which were prepared for the production of potatoes, but were planted in another crop because those producers found they already had a loss on their fall crop, and they knew they could not recoup that loss if they planted potatoes and produced them under a ceiling. Therefore they simply had to abandon their production of potatoes and go to other crops.

Aside from the fact that the growers have been badly hurt, and aside from the fact that potatoes have disappeared from the market, I call attention to the fact that black-market conditions of the worst kind have already made themselves evident. It is so easy for such a situation to develop by means of tie-in sales and other means of avoiding the production controls. In fact, the situation has deteriorated to such an extent that the Washington office tells us that 450 cases of violations have already been reported, and 105 of those cases are already being prosecuted in court.

Mr. President, there is just no sense in creating a situation of that sort, and there is no sense in driving good people out of the production of crops on which there were support prices up to 2 years ago, but on which the producers elected to "go it alone" in the effort to be fair to their Government and to agricultural producers in general.

So hazardous in nature is this business and so completely nonstorable is the product and so completely necessary is it for the product to be moved quickly and competitively—and I remind the Senate that crops of this kind are produced in nearly every State of the Union, and there is keen competition between areas, as well as between the individuals in each area—that it is simply unreasonable to continue the handicaps arising from the possibility of price ceilings on all fruits and vegetables, when price ceilings on them have not been brought into actuality, except in the case of one vegetable. In that case, the price ceiling has brought into existence such bad conditions that the entire Nation is ashamed of the situation which has been created by a bad law, badly enforced.

Mr. President, I now yield 7½ minutes to my distinguished colleague the Senator from Idaho [Mr. WELKER], who will allot the time among our colleagues on the other side of the aisle who are joined

with us in sponsoring or supporting this amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. WELKER. Mr. President, I thank my colleague, the distinguished senior Senator from Florida. I do not need to say anything about the OPS or what it has done to the production of potatoes in Idaho; I think everyone knows that situation. Suffice it to say that in many places in America one cannot buy a potato today.

Let me say that the OPS by its order has reduced the size of a No. 1 potato from 2 inches to 1½ inches, with the result that the producers of potatoes in Idaho were permitted to ship 2,000 carloads of culls to the consuming public in the East. As a consequence, poor potatoes were sold to persons who were paying the price which should have been paid for No. 1 Idaho potatoes.

What happened to the No. 1 potatoes, Mr. President? It is reported to me that all over our country the black marketers are receiving from \$300 to \$800 a carload for potatoes which should be sold on the open market subject to the law of supply and demand and not controlled by OPS and its impossible restrictions.

Mr. President, like the Senator from Florida, who knows this subject well, I say that certainly these short-cycle crops must be decontrolled. The grower of fruits, vegetables, and potatoes takes a terrific gamble. If his crop fails because of weather or for another reason there is practically no chance for him to recover his loss. As I say, they must be removed from control by the Office of Price Stabilization, because no producer can take the gamble that is required of one who grows a short-cycle crop when it is subject to price controls.

For instance, my distinguished colleague, the senior Senator from Idaho [Mr. DWORSHAK] and I went to see Mr. Disalle months and months ago before these controls went into effect. We told him exactly what would happen if the OPS price was placed upon potatoes in our country. We told him that the year before many Idaho growers had lost hundreds of thousands of dollars in trying to sell potatoes from our State. However, this arbitrary price was imposed. As a result, potatoes by the carload are being shipped to Canada, where there is no price ceiling, and the American people cannot buy one of the great products, Idaho produces.

Mr. BREWSTER. Mr. President, will the Senator from Idaho yield to me?

Mr. WELKER. I am glad to yield to the Senator from Maine.

Mr. BREWSTER. Is it not true that potatoes are practically a continuous crop during every month of the year, and that if controls had not been imposed, the problem of the potato shortage would have been solved long since, with a minimum of dislocation?

Mr. WELKER. That is correct. I may say that a crop of potatoes is harvested every 120 days.

Under the OPS plan, the State of Maine shipped to the Pacific coast more than 1,000 carloads of potatoes, and re-

ceived for them, on the Pacific coast, a higher price than the Idaho growers could get even on potatoes sold in the State of Idaho or on the Pacific coast. OPS has destroyed our Idaho potato market and has seriously hurt our industry. This amendment should be adopted. We have no support prices for fruits, vegetables, and potatoes. Let us return to the formula of supply and demand.

Mr. President, in Idaho the Office of Price Stabilization has a payroll of better than \$322,000 per year for office help alone. At the same time one of Idaho's greatest assets, namely, the potato industry, has been seriously injured. If we take away these controls the potato grower will produce a larger and better supply of potatoes. Prices will be stabilized and the black market which has taken potatoes off of the open market, will be done away with. I hope the Senate will pass this amendment, not only for the potato growers but for the fruit and vegetable industry, which is a large industry in the State of Idaho.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I wish to support this amendment, because I think it is the best possible solution to the perishable-products problem. If we do not adopt this amendment, then there will be other amendments on specific perishable products, such as potatoes. I think it better to have this blanket amendment on all perishable agricultural products than to have a series of amendments on individual perishable agricultural commodities.

It is a matter of regret, Mr. President, that I have to say what I now say in regard to the treatment that some of us have received from the Department of Agriculture and from OPS in regard to perishable products. However, the sad fact is, Mr. President, that we have run into nothing but incompetency and arbitrary action both in the Department of Agriculture and in the OPS in handling of perishable commodities. They have demonstrated to me time and time again that they cannot be relied upon to adopt a fair policy of controls for perishable products. They have been working great injustices on the farmers in connection with perishable products.

Mr. President, over the months I have endeavored to work cooperatively with the Department of Agriculture and OPS in connection with the problem which exists in Idaho, Washington, and Oregon in connection with premium potatoes.

I ran into a situation early this year in which I discovered that they had not even brought in a single producer for advice with regard to the potato problem which confronts us in the Pacific Northwest. I have reluctantly come to the conclusion that such incompetency and arbitrary action in the handling of perishable products now makes it desirable, and I think imperative that we proceed to take these perishable products out from under the control of the Department of Agriculture and OPS. In doing it, Mr. President, in my judgment

we shall do a favor to the consumers of perishable products as well as to the producers. No harm will be done to the inflation-control program by the adoption of this amendment, because the very perishable nature of these products is in and of itself a natural control against the possibility of excessive prices. Where the crop is very good the price is bound to be relatively low because the farmer must sell these products quickly. Under those circumstances his prices cannot be inflationary. When the crop is poor he must get a relatively high price to meet expenses and a reasonable profit. The OPS officials have never seemed to comprehend the law of nature which controls the price of perishable products. We, therefore, should pass the amendment.

Mr. WELKER. Mr. President, I now yield 3 minutes to my distinguished colleague, the senior Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. DWORSHAK. Mr. President, one of the objectives of the Defense Production Act was to insure maximum production in order to curb inflationary trends. Last December, when the OPS announced the probability of placing price ceilings on potatoes, those of us who represent the potato-producing States pointed out that the inevitable result would be to force potatoes from normal marketing channels into the black market. Everyone knows that is exactly what happened.

One may pick up almost any daily paper and find headlines such as these: "Potato strike starts at Detroit with job truckers"; another one, "Federal grand jury investigates Detroit potato black market." Similar developments are reported from other cities.

Mr. President, one of the reasons for the potato industry having been completely demoralized—with the result that consumers have had available few potatoes even at high blackmarket prices—is that in 1950 we produced the last crop under the price support program. In 1951, this industry operated without price supports. Potato industry representatives in my State had advocated elimination of supports for a long time. I contend that so long as we have no price supports or floors for potatoes it is not economically sound to adopt price ceilings which make it impossible for the producers of potatoes to make an average profit. If he loses money in one year, certainly he cannot recoup losses in another year, when there are price ceilings which prevent such profit.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. DWORSHAK. No.

The PRESIDING OFFICER. The Senator from Idaho has but 1 minute remaining.

Mr. DWORSHAK. Mr. President, I am not only concerned about the producer because I believe the consumer of potatoes is entitled to an adequate supply at reasonable prices.

However, the OPS, under the price ceiling issued on January 19 of this year,

set up artificial obstacles and road blocks which have so disrupted the potato industry that, while we have faced shortages during the past few months, the likelihood is that we shall face even greater shortages when the current year's crop is harvested.

Mr. President, I believe that we can render a real service not only to the producer but to the consumers of potatoes, and not force them to eat substitutes, if we can encourage a maximum production, and thereby insure adequate supplies at reasonable prices. The OPS has forced most of the Idaho potatoes into the black market, and for several weeks the average consumer has not been able to get potatoes at any price. That has been the net result of the OPS's bungling and meddling with the potato industry.

Mr. WELKER. Mr. President, I now yield the remaining time to the distinguished junior Senator from Florida [Mr. SMATHERS].

Mr. SMATHERS. Mr. President, I desire to subscribe to those remarks which have already been made by those Members who are joining with Senators HOLLAND and me in sponsoring this amendment. I may say particularly that I endorse the remarks of the last speaker, the Senator from Idaho. Three weeks ago I was in Hastings, Fla., which is in one of our State's largest areas for producing potatoes.

I talked at that time with at least 15 or 20 farmers. I went out on their fields, where they pointed out to me their potato field. They said to me, "We are not going to dig potatoes at the OPS price; if we did, we would add to the loss which we have already suffered in planting, fertilizer, and cultivation." Those farmers also said they and many other farmers who they knew would not, under present conditions, ever think of planting a potato crop again. So far as the fruits and vegetables are concerned, they are a very small item in the total food consumption of this Nation. As a matter of fact, potatoes, which are the largest item under this list of fresh fruits and vegetables, constitute only about 6 percent of the total food consumption. We know that it is a very hazardous business which these farmers have. It is stated down in our State over and over again that a farmer expects to lose his crop about 3 years in a row, but, in the fourth year, if he is lucky, if the weather is good, if he does not suffer a hurricane, if he does not have some plant disease or insect sweep over his fields, then he may make a crop and be able to make enough money in that fourth year to pay for his losses in the preceding 3 years. Farming is a very hazardous business, particularly if the farmer grows crops classified as perishables. He cannot store them, he cannot hold them, he must dispose of them, he must sell at the price which is then offered. He has no price support, so he is the victim of the market. Now, if a Government agency puts a ceiling on the price a farmer can get for his perishables, then the farmer can be ruined, as

has been the case of potato growers in our State. He is at the mercy of the bureaucrat, and if the bureaucrat does not understand the farmer's plight, then the farmer is ruined. Perishables are not proper items of controls. To continue to control them guarantees us a continuance of shortages, for the farmer cannot risk further uncertainties to those he already has.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND], for himself and other Senators.

Mr. CAPEHART. Mr. President, I am wondering if the author of the amendment would accept a modification—to insert after the word "vegetables" the words "or any agricultural products"? I have in mind an example in Indiana. We grow corn, soybeans, wheat, and many other agricultural products. I am wondering if the Senator from Florida would so modify the amendment?

Mr. HOLLAND. I could not agree to it for two reasons. The first reason is that those crops are subject to price supports and the men who produce them do not undergo the risk that is undergone by those who produce fruits and vegetables.

The second reason is that they do not have to be moved in a few hours or a few days as perishable commodities have to be moved.

Mr. CAPEHART. Why should we decontrol vegetables and fruits and not decontrol other agricultural commodities?

Mr. DWORSHAK. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. DWORSHAK. The answer is because they are perishable. They cannot be stored as can most agricultural commodities. Therefore, they are in a particular classification. Fresh fruits and vegetables cannot be stored.

The PRESIDING OFFICER. The time has expired. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The LEGISLATIVE CLERK. At the proper place, it is proposed to insert the following:

Section 102. Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling shall be established or maintained under this title for fresh fruits and vegetables or other agricultural products."

Mr. MAYBANK. Mr. President, I understand that a similar amendment was defeated.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to modify the amendment to strike fruits and vegetables and limit the amendment to agricultural products.

Mr. MAYBANK. Mr. President, I ask that the clerk read the amendment as modified.

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The LEGISLATIVE CLERK. At the proper place it is proposed to insert the following:

SEC. 102. Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling shall be established or maintained under this title for agricultural products."

Mr. MAYBANK. Mr. President, I would have to object to that, and would have to request a roll-call vote. We have defeated several similar amendments. The price of cotton is dependent on the Commodity Credit Corporation. The price of tobacco is dependent upon acreage. We cannot remove all ceiling prices on all agricultural products and at the same time have the Government deciding what acreages shall be planted. In all fairness, how can we take ceilings off agricultural products which are supported by law, when the acreage is limited by law?

I hope the Senator from Illinois will not press his amendment, in justice to the Commodity Credit Corporation and in justice to the former Secretary of Agriculture who is a Member of the Senate. I do not believe he would approve it. We are asked to take off ceilings on the one hand and to support prices on the other hand. That is a pretty big order. There is no better friend of the farmer than I am. I have voted for parity; I have voted for funds for the Export-Import Bank.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Ohio [Mr. TAFT].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. TAFT. Mr. President, I am sorry I was not present a few days ago to vote in favor of the elimination of title IV from the bill. It seems to me the time has come to take off all price controls except possibly as to certain products which go directly into the defense program. I shall vote for the amendment, because I think it moves in the proper direction. Here is an administration deliberately stimulating prices, taking off all credit controls, spending Federal money to build up prices and hold up prices, and at the same time—

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MAYBANK. What administration is holding up prices on agricultural products? Did the Senator from Ohio oppose price supports when the law was passed?

Mr. TAFT. I do not think the system of price supports has anything whatever to do with price controls. Price supports are justified.

Mr. MAYBANK. I asked the Senator a question—

Mr. CAPEHART. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. TAFT. What was the Senator's question?

Mr. MAYBANK. What are we supporting today that the Senator thinks we should not support with reference to agricultural products?

Mr. TAFT. I am in favor of the price-support program. I think it is justified. It is justified in time of peace as well as in time of war. But it has no connection with the general price-fixing system itself. It is only a proposal to prevent agricultural prices falling to a point where agricultural purchasing power is destroyed and a serious depression may be precipitated.

Certainly the prevention of a depression is perhaps the most important economic problem we have to face. I do not think the question of price controls has anything to do with a general price-support system, fixing maximum prices.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MAYBANK. It is asked that the ceilings be removed from agricultural products. I agree with the Senator's theory of government, but, nevertheless, we cannot very well take ceilings off commodities we are supporting while we attempt to stabilize our economy through the use of controls. That is all I want to say to the Senator.

Mr. TAFT. I cannot yield any more time. We adopted a price-support system in the Aiken bill, in the Eightieth Congress. It was amended and carried on into the Eighty-first Congress. That has nothing whatever to do with the question of general price control.

Mr. Truman wanted prices controlled in time of peace, and we turned him down. Finally we granted it to him because there was a great emergency, a tremendous military program that was going to raise prices and create inflation. Apparently that emergency has passed, because prices are falling rather than rising. The administration itself is trying to stimulate prices by removing credit controls. It has removed credit controls from automobiles and other products, in order that consumer credit might operate to build up prices. It is utterly inconsistent to continue a price-control system when, as a matter of fact, the administration's policy is to try to stimulate prices, not to hold them down.

The inconsistency of this administration, it seems to me, is obvious. It seems to me perfectly clear that the general purpose is to send prices up so that we may have the greatest prosperity in November 1952 we have ever had. So long as the administration is pursuing that program, we do not need price controls, and I shall vote to take price controls off agricultural commodities.

Mr. AIKEN. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I have been told that there is a larger amount of agricultural commodities in this country than has been reported by the Department of Agriculture. I believe the Department

only yesterday or today increased its estimate of the carry-over of corn to some 50,000,000 bushels. Yet the grain trade reports that it is far below the actual amount which we have in this country.

Mr. DIRKSEN. Mr. President, let me illustrate to the Senate exactly what the Senator from Ohio has stated. Let us take one commodity for instance, eggs. Testimony before the committee was that as of February 15, the parity price of eggs was 78 percent of parity. A year ago it was 90 percent. Eggs are 11 cents a dozen lower than they were a year ago. The price of eggs has never been up to the ceiling. What has happened? The ceiling price on eggs is still maintained.

I have here information which comes from the Chicago Mercantile Exchange. On the 10th of April the Department announced it was going to buy 500,000 cases of eggs, to remove a temporary surplus. They refused to tell what price they paid for the eggs, and they are disrupting the egg market. Men from the Mercantile Exchange in Chicago have been here for the last 3 days, trying to get some satisfaction out of OPS, but it has been impossible to get any kind of definite action.

So, with money taken from the Treasury, 500,000 cases are removed from temporary surplus, while another agency fixes a ceiling price on eggs, and makes producers and others go through the harassment of maintaining all kinds of records.

Let us look at turkeys. It was testified before the committee that the price of turkeys was never up to the ceiling, and they are 4.2 cents below ceiling at the present time, and present production is higher than it ever was.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BRICKER. Does the Senator remember one operator who testified that he and three of his employees had to spend one-third of their time making reports to the OPS, under the regulations?

Mr. DIRKSEN. I do. Let us look at ducks. Ducks constitute one-half of 1 percent of all poultry that is sold. Yet a duck order was issued that was unworkable. It had to be withdrawn and changed three times. One firm lost \$150,000 in that kind of deal. The same thing is true of turkeys; the same thing is true of chickens and eggs.

In my judgment, this matter has become rather farcical, and I think the time has arrived when controls should be taken off farm commodities, because controls are nothing but a nuisance. The American Farm Bureau Federation has been pleading year after year, not selfishly, but in the interest of uninterrupted, undisrupted agricultural production, that ceilings might be taken off.

Mr. CASE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CASE. The Senator will recall that when we were discussing the potato amendment, much was made of the fact that in the large production cycles price controls were particularly oppressive.

But is it not truer to a greater extent that price controls in longer cycles are even more oppressive in any phase of the livestock industry? In the longer cycle, the risk is perhaps greater, and the oppression of price controls is correspondingly greater.

Mr. DIRKSEN. The logic applies to everything. Look at how farcical this thing has become. The president of Admiral Radio wrote me that, on their general model, the ceiling price is \$304.95. However, Admiral sells it for \$229.95. They sell it for \$75 below ceiling. They would like to have the ceiling taken off. So the president of the company wrote to the Price Stabilizer. What kind of letter did he receive in return? This is what Mr. Arnall said to him on April 29:

Your letter of April 25, advocating suspension of price controls on television, and so forth, has been referred to the OPS Study Committee on the Relaxation of Controls.

If Admiral charged the ceiling on that model, they would charge \$75 more than they get for it in the retail market at the present time.

So, whether it be agriculture or anything else, the time has arrived when we should come to grips with this strait-jacket that is on the economy of America. Everywhere in the country today markets are getting soft. Ask any banker who is on textile paper, furniture paper, or appliance paper. He is getting a little worried about it, and the Federal examiners are beginning to look at such bank paper with a rather baleful eye. We have done a lot of cheese paring here. We took the ceiling off fruits and vegetables. Let us go whole hog and do away with this type of regulation that has become an incubus on farmers.

Mr. YOUNG. Is it not true that practically all grains, oats, wheat, flax, barley, and rye, are not only below ceilings but below support levels?

Mr. JENNER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JENNER. What will be done with all the job holders making \$9,600 a year?

Mr. DIRKSEN. I have some concern in my heart for those merchants of the country who have been up against this harassment and nuisance so long. I am thinking also a little about the taxpayers. There were 11,460 employees on the rolls as of January. It was expected that there would be 12,500 on the rolls as of June 30, and it is costing the taxpayers \$71,000,000 a year.

Mr. MAYBANK. Mr. President, I wish to remind my distinguished friends, the Senator from Indiana and the Senator from Illinois, that most of the job-holders, so far as I know, are members of the Republican Party. I do not know to what party Mr. Charlie Wilson belonged; I am not sure. But I can assure Senators that as chairman of the Committee on Banking and Currency I have never been consulted as to who was to be appointed.

Mr. DIRKSEN. Mr. President, I do not know what is the political persuasion of those who administer the affairs of OPS. I do know, however, that OPS is

getting to be a real burden upon the country. Sooner or later this thing must be removed. We might just as well do it now as any other time, in the face of a constantly softening economy.

It was rather interesting to note the other day that Leon Keyserling, Chairman of the Board of Economic Advisers, indicated—and I hope I do him no disservice when I draw upon my memory as to what he said—that he thought probably some controls could be lifted, in view of the fact that the economy is beginning to soften up in various places.

I suggest that tonight, before we recess this session, we think about Mr. Keyserling. I suggest we reflect on the Federal Reserve Board. Already they have suspended regulation W on installment paper, and there is an amendment in contemplation to suspend regulation X relating to housing credit.

This is the responsibility of Congress, not the responsibility of a lot of appointed people, who set themselves up as economic emperors and economic czars in America. I have lifted my voice against this from the time I landed on the Committee on Banking and Currency, and I intend to continue to do so for those who are faint-hearted about it.

I may say that in the last month I have traveled from the Atlantic to the Pacific, and from the Dominion to the Gulf. Wherever I have mentioned this matter before very substantial audiences of American people, they have greeted the idea with gusto and with real enthusiasm. So let us have some spunk, let us take heart, and let us do this job. We are not doing it for Republicans; we are doing it for productive America. This is the time; this is the place.

Mr. MAYBANK. I cannot help appreciating the remarks made by the distinguished Senator from Illinois, but I must oppose his amendment, and I hope he will not press for a vote on it.

I yield to the distinguished majority leader whatever time he may need.

I wish to remind Senators that this is a matter to which the Committee on Agriculture should attend, if we are to take off support prices. That is the business of the Senator from Louisiana and the Senator from North Carolina. There is nothing in this amendment which has to do, for instance, with what the Senator from South Dakota has said about cattle, and I have great regard for him.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. I am sure the Senator does not want the Record to show that he said support prices. The Senator does not mean that this amendment or any other amendment has anything to do with support prices.

Mr. MAYBANK. Oh, yes, I do, because agricultural commodities which are protected by support prices, in my judgment, should have ceiling prices, when we have general price control.

Mr. CAPEHART. But what does the ceiling price have to do with the support price under the Commodity Credit Corporation?

Mr. MAYBANK. That would be a long story. I could stand here and explain it. As the Senator from Indiana understands, I know something about farming, and I could go back to the support price on potatoes.

Mr. CAPEHART. Has any Senator on the floor today suggested that support prices be discontinued?

Mr. MAYBANK. I did not suggest that, but I understood that the senior Senator from Ohio suggested something about support prices the Eightieth Congress had imposed, when, as a matter of fact, we had such a law when Roosevelt was President. There was such a law on the books before I came to the Senate. There was a law I helped write when my distinguished colleague was in the Senate, and when the Senator from New Mexico [Mr. ANDERSON] was in the House of Representatives.

Mr. CAPEHART. I have always found the able Senator from South Carolina to be very fair.

Mr. MAYBANK. I do not want to be unfair.

Mr. CAPEHART. In this instance I think he is being unfair, because he is trying to leave the inference that some Senator suggested on the floor of the United States Senate that support prices ought to be eliminated. I do not believe it happened. I think the RECORD ought to show that it did not happen.

Mr. MAYBANK. If I made such a statement, I was only drawing an inference from what the distinguished Senator from Ohio [Mr. TAFT], for whom I have great admiration, said. He said that all agricultural price controls should be removed, in accordance with the amendment which was offered. I stated that I hoped the amendment would not be pressed.

Mr. CAPEHART. What he said was that he was in favor of taking price ceilings off agricultural prices, but he said nothing about eliminating support prices.

Mr. MAYBANK. I did not say that he said it. I said that all ceilings on agricultural products, many of which have support prices, cannot be removed when we have general price control.

Mr. CAPEHART. In other words, the Senator from South Carolina is the one who suggested it.

Mr. MAYBANK. I never suggested any such thing. The Senator knows better than that.

Mr. CAPEHART. I merely wish to keep the RECORD straight. I know that the Senator from South Carolina does not favor the elimination of support prices. No Senator has so indicated on the floor of the Senate today.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. I have tried to point out that the two things have nothing to do with each other. Support prices are justified and have been justified. They were in effect when there was no price control whatever. Their justification has nothing to do with price ceilings. This amendment has nothing to do with removing price supports. I never have advocated the removal of price supports.

Mr. MAYBANK. Let me make it plain that I have never suggested that the distinguished Senator from Ohio, for whom I have great respect, as he well knows, advocated such a thing. However, I did believe, and I still believe, despite what the Senator from Ohio believes, that support prices and ceiling prices are rather tied together in the intricate economy of the present time.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. THYE. Mr. President, I am astonished to listen to a statement—

The PRESIDING OFFICER. Does the Senator from South Carolina yield, and if so, to whom?

Mr. MAYBANK. I presumed that the Senator from Minnesota, who comes from an agricultural community, would ask me a question.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Minnesota?

Mr. MAYBANK. I yield.

Mr. THYE. The question which I should like to ask the distinguished Senator from South Carolina is this: Am I to understand that he is endeavoring to tell us that the price-support program with respect to agricultural commodities has any relationship to the ceiling prices which have been established by OPS? In the past year agricultural commodities have been—

Mr. MAYBANK. The amendment which was recently adopted with respect to fresh fruits and vegetables concerns products which have no price supports, and are also products which cannot be stored. Commodities which have support prices and are capable of storage must be subject to price control if we are to have economic stabilization. Commodities which do not have price support are in a different category from agricultural products which have prices that are cushioned and supported.

Mr. THYE. I am sure the distinguished Senator from South Carolina was not trying to associate ceiling prices with support prices, because the two have no relationship.

Mr. MAYBANK. They certainly are related during a period when we have wage and price control. As the Senator from Florida so well stated, and as the Senator from Idaho so ably stated, there are certain hazards involved in planting potatoes or fresh fruits and vegetables. They are in a different category from a commodity with floor prices.

Mr. THYE. Mr. President, will the Senator from South Carolina yield about a minute to me?

Mr. MAYBANK. No; I promised to yield first to the Senator from Arizona [Mr. McFARLAND]. After that I shall be glad to yield to the Senator from Minnesota.

Mr. McFARLAND. Mr. President, the Senate does not want to march up the hill and then march down again. The Senate voted on the amendment of the Senator from Illinois [Mr. DIRKSEN], and rejected it.

What would it mean if we were to exempt agricultural products? I come

from an agricultural State. I should like to please my people, if possible, and to help them if I can. But I do not think I could go back to Arizona and tell them that I voted to take the ceiling off agricultural products without taking it off livestock. And if we take it off livestock and take it off agriculture, I do not believe that other Senators can go back to their home States and tell their people, "We have left price ceilings on manufactured products and other things."

Mr. President, we must use some common sense. If we are to remove price ceilings from one product, we must remove them from other products. I can appreciate what the Senator from Illinois wants to do. He wants to kill the entire program. He so stated. He said that it ought to be killed. If that is the way Senators believe, they should vote accordingly, and remove price ceilings from all agricultural products.

What would that mean to the people? What would it mean to the agricultural population? If the prices of agricultural products should go up, prices of farm implements, which the farmers must buy, would also go up. Prices of labor would go up, and the spiral would continue to climb. No program is any good if it is not a complete program.

That is all there is to it. If we do not remove price ceilings from copper, how can I go back to Arizona and say, "We removed price ceilings on agricultural products, but we did not do the same with respect to copper." Of course, those who buy copper, those who manufacture automobiles and other products, would not want to see the miners of Arizona receive more money for copper because it would mean that they would have to pay a higher price for copper, and they would have to pay a higher price for practically everything else.

Mr. President, it should be an easy thing to vote down this amendment. I should like to help the farmers of my State, if possible. It would not help them to vote half a bill. I submit that this amendment should be defeated overwhelmingly.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CASE. Mr. President—

Mr. LEHMAN. Mr. President, will the Senator from South Carolina yield to me for 2 minutes?

Mr. MAYBANK. I yield 2 minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, I merely wish to say that I do not think there is anything that requires price ceilings and price controls more than does food. People can get along without automobiles. They can get along without even the comfort of washing machines, and without many other things which go to make up the comforts of life. But there are two things which the people cannot get along without. They are food and shelter.

I voted against the amendment to change the date on which rent control should end, because I felt that rents were very important. But even rent is no more important than foodstuffs. I need not remind my colleagues that foodstuffs go into every home. They

are the most important factor in the life of every family in the country, and particularly families of low or medium incomes.

As the distinguished majority leader has pointed out, I do not believe that I could possibly go home to my State and say, "Yes; we are continuing controls on manufactured articles, such as automobiles, but we are not continuing them on foodstuffs." So I hope this amendment may be roundly beaten.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

The Senator from South Carolina has 2 minutes remaining, and the Senator from Illinois [Mr. DIRKSEN] has 1 minute remaining.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MAYBANK. My purpose in suggesting the absence of a quorum was that I had promised some Senators that I would suggest the absence of a quorum when another yea and nay vote was had.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

I announce further that if present and voting the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from Oregon [Mr. CORBON], the Senator from Vermont [Mr. FLANDERS], and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

If present and voting the Senator from Pennsylvania [Mr. DUFF] and the Senator from Massachusetts [Mr. LODGE] would each vote "nay."

The result was announced—yeas 29, nays 49, as follows:

YEAS—29

Aiken	Dworshak	Millikin
Bennett	Eastland	Mundt
Brewster	Ferguson	Schoeppel
Bricker	Gillette	Taft
Bridges	Hickenlooper	Thye
Butler, Nebr.	Ives	Watkins
Cain	Jenner	Welker
Capehart	Kem	Wiley
Case	McCarran	Young
Dirksen	McCarthy	

NAYS—49

Anderson	Humphrey	Neely
Benton	Hunt	Nixon
Butler, Md.	Johnson, Colo.	O'Connor
Clements	Johnson, Tex.	O'Mahoney
Connally	Johnston, S. C.	Pastore
Douglas	Kerr	Robertson
Ellender	Kilgore	Saltonstall
Frear	Lehman	Smathers
Fulbright	Long	Smith, Maine
George	Martin	Smith, N. J.
Green	Maybank	Smith, N. C.
Hayden	McClellan	Sparkman
Hendrickson	McFarland	Stennis
Hennings	McKellar	Underwood
Hill	Monroney	Williams
Hoey	Moody	
Holland	Morse	

NOT VOTING—18

Byrd	Flanders	Malone
Carlson	Kefauver	McMahon
Chavez	Knowland	Murray
Cordon	Langer	Russell
Duff	Lodge	Seaton
Ecton	Magnuson	Tobey

So Mr. DIRKSEN's amendment was rejected.

Mr. McFARLAND. Mr. President, I wonder how many more amendments remain to be acted upon. It is very evident that we cannot conclude action on the bill tonight.

Earlier I told various Senators that the Senate would remain in session until approximately 10 o'clock. Of course, under the unanimous-consent agreement it takes half an hour to debate an amendment, and then 15 or 20 minutes are required for the vote on the amendment, if the yeas and nays are ordered.

We could dispose of a short amendment in a few minutes, and I would not mind having a short one taken up at this time, if an amendment of that sort is now available.

Mr. AIKEN. Mr. President—

Mr. McFARLAND. Does the Senator from Vermont have a short amendment to present?

Mr. AIKEN. Probably the amendment will not require more than half an hour's time, although I do not know how much discussion there will be in regard to it.

Mr. McFARLAND. What is the amendment?

Mr. AIKEN. It is a proposal for a modified version of section 104.

Mr. McFARLAND. Does the amendment relate to fats and oils?

Mr. AIKEN. Yes; it is a revised version of the fats and oils amendment.

Mr. MAYBANK. Mr. President, will the Senator from Arizona yield to me?

Mr. McFARLAND. I yield.

Mr. MAYBANK. Of course, I have the utmost confidence in the Vice President and in the majority leader, and I wish to say that I hope very much that any amendment which is submitted will at least be germane and will not be one which in substance has already been voted upon. Four amendments which have been voted on have, under my interpretation, been substantially the same.

The Senator from Arkansas [Mr. FULBRIGHT] has already opposed the milk amendment; but if we are to vote on all sorts of amendments which are similar in substance, we shall be on this bill for another month.

If there is a general desire to have the Senate take a recess at this time, such a course will be agreeable to me; but I hope that on tomorrow amendments which, in substance, already have been voted upon will not be called up again, because in my humble judgment we have voted on substantially the same amendments at least three different times.

Mr. McFARLAND. Mr. President, my only thought is that we should not remain in session too late.

The VICE PRESIDENT. The Chair understands that the amendment referred to would be one in the so-called 15-minute category; in other words, 15 minutes would be available to each side for debate on the amendment.

Mr. McFARLAND. Yes.

Mr. President, I hope Senators will not require us to go over and over the same subject by submitting substantially identical amendments.

Mr. AIKEN. Mr. President, I now submit the amendment.

The VICE PRESIDENT. The amendment submitted by the Senator from Vermont will be stated.

Mr. AIKEN. Mr. President, I do not ask that the amendment be read. This amendment was intended to be proposed by the Senator from Illinois [Mr. DIRKSEN]. The amendment is numbered "5-19-52-A," at the bottom of the page. It is on the desks of the Senators. The amendment is a modified and more workable version of section 104, which was in the Defense Production Act last year.

The amendment offered by Mr. AIKEN is as follows:

On page 2, strike out lines 17 and 18 and insert in lieu thereof the following:

"(b) Section 104 of the Defense Production Act of 1950, as amended, is hereby amended to read as follows: 'Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other

dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program: *Provided, however*, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 10 percent of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise the authority and powers conferred by this section."

Mr. AIKEN. Mr. President, it will be recalled that section 104 came into being because the United States, in order to obtain enough milk and other dairy products for our cities, established a price-support program, and that program was so attractive to producers in foreign countries that they began to ship dairy products into the United States by the tens of millions of pounds. I believe 10,000,000 pounds were included in the first shipment which arrived. That shipment was placed on the market, and dairy products produced in the United States then began to go into storage.

As a result, Congress enacted section 104, which required the Secretary of Agriculture to place quotas on certain imported commodities including dairy products when he found such imports were breaking down the support-price programs existing in the United States.

I am sorry to say that the Secretary of Agriculture did not apply this section as was anticipated by this body. The commodity for which he found it necessary to establish quotas happened to be cheese. The trouble originally arose from excessive imports of Cheddar cheese. However, the Secretary of Agriculture established across-the-board quotas on all kinds of cheese. He gave Italy a quota which was not used; he gave Switzerland a quota which was used before Christmas. But the Secretary of Agriculture did not see fit to allow Switzerland to import more cheese, even though Italy did not take advantage of the quota which was given to her.

This amendment provides that the Secretary of Agriculture shall impose "import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products," as such quotas may be necessary to protect the price-support programs in the United States.

It is obvious that if we establish support prices in order to induce farmers to produce sufficient of certain commodities in the United States, we shall simply defeat the purpose if we permit the United States to become the world's dumping ground for imported commodities of those sorts.

However, the Secretary of Agriculture adhered so rigidly to across-the-board quotas for all types of cheeses last year—which was not in accordance with the intent of Congress; at least I am sure it certainly was not my intent, and I supported the amendment—he could have been more tolerant toward the producers of high-priced cheese coming from European countries—that certain difficulties arose and certain countries felt they were not treated fairly. Certainly cheese costing \$1.50 a pound does not break down the price-support program for cheese that sells for 40 or 50 cents a pound; but the Secretary of Agriculture did not see fit to be more tolerant in that respect.

So the amendment provides for this year—

That the Secretary of Agriculture, after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 10 percent of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade.

I still think the Secretary of Agriculture did not apply the cheese-import limitation as was intended by Congress last year, and I think he could under the amendment now proposed vary the amounts of the different types of cheeses allowed to be imported.

However, this amendment permits a tolerance of 10 percent, so that if a country finds itself in the position that Switzerland found herself last year, when her quota had been exhausted by Christmas-time, the quota could be increased.

Mr. DIRKSEN. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. DIRKSEN. This amendment will vary from section 104 by placing in the Secretary of Agriculture discretionary power to the extent of 10 percent of the import limitations; and, in the second place, the amendment differs from the Mundt amendment which was submitted some time ago, in that this amendment does not include oats, grain, and several other items.

Mr. AIKEN. That is correct; the amendment now pending does not cover those items, which included several types of grain. Neither is the pending amendment so rigid as was the Mundt-Young amendment. However, the amendment will allow the Secretary of Agriculture to increase import quotas 10 percent on any variety of cheese.

The VICE PRESIDENT. Let the Chair ask the Senator from Vermont about the amendment he is offering. The clerk at the desk has called the attention of the Chair to the fact that the amendment offered by the Senator from Vermont as amendment "A" is not the same amend-

ment "A" that is on the desks of Senators. Wherein does it differ?

Mr. AIKEN. I obtained my copy of the amendment from the Secretary. The amendments were printed as intended to be introduced by the Senator from Illinois [Mr. DIRKSEN].

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

The VICE PRESIDENT. The Senator has offered an amendment heretofore intended to be proposed by the Senator from Illinois [Mr. DIRKSEN], and referred to the Committee on Banking and Currency. The reference is to an amendment to another bill.

Mr. AIKEN. That is correct.

The VICE PRESIDENT. It is not identical with amendment A, which has been on the desk of the staff.

Mr. AIKEN. I have five copies, which are all alike, and this is the one I want to offer.

Mr. MAYBANK. Mr. President, this amendment has been voted upon. I do not desire to take any time in opposition to it. I wish the Senate would vote. We have been voting on section 104 for a year, and every time we find another amendment. That is what I desire to call to the attention of the distinguished occupant of the chair. So let us get through. Let us stay here until 12 o'clock and get through with it.

When the Senator from Vermont concludes, I shall desire no time. I only ask that the Senate vote.

The VICE PRESIDENT. Has the Senator from Vermont yielded to the Senator from South Carolina? [Laughter.]

Mr. AIKEN. No; I did not yield.

Mr. MAYBANK. Mr. President, will the Senator yield, in order that this may be charged to my time?

Mr. AIKEN. No.

The VICE PRESIDENT. The Senator from Vermont has the floor. He has a little bit of his own time remaining. All the Chair was endeavoring to do was to clarify the situation as to what amendment we were considering.

Mr. AIKEN. I identify this amendment as "5-19-52-A." Mr. President, I was about to yield to the Senator from Massachusetts. I now yield to him.

Mr. SALTONSTALL. Do I correctly understand that, whereas the present section 104 keeps out imports of oil, fats, and so forth, this amendment would allow discretion to the Secretary of Agriculture to let in some oil and fats, up to 10 percent, provided it would not affect our production or create an excessive surplus?

Mr. AIKEN. That is correct. The Senator from Massachusetts is entirely correct that this allows the Secretary of Agriculture to increase imports quotas of any one variety up to 10 percent. I do not know that anything more need be said on this amendment. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. Does the Senator from South Carolina desire to use any time?

Mr. MAYBANK. Mr. President, I do not desire to use my time. I hope we shall have a vote for the last time on section 104, which has been voted on to the best of my knowledge for over a year.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Vermont [Mr. AIKEN] on which the yeas and nays have been ordered. Senators favoring the amendment will vote "yea," those opposed will vote "nay." The clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Washington [Mr. MAGNUSON], and the Senator from Nevada [Mr. McCARRAN] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness. The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

I announce further that if present and voting, the Senator from Washington [Mr. MAGNUSON] and the Senator from Connecticut [Mr. McMAHON] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Nebraska [Mr. SEATON] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from California [Mr. KNOWLAND] is absent by leave of the Senate.

The Senator from Maryland [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

On this vote the Senator from Pennsylvania [Mr. DUFF] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 38, nays 38, as follows:

YEAS—38

Alken	Ferguson	Saltonstall
Bennett	Hickenlooper	Schoeppel
Brewster	Hoey	Smith, Maine
Bricker	Humphrey	Smith, N. C.
Bridges	Ives	Taft
Butler, Nebr.	Jenner	Thye
Byrd	Kem	Underwood
Cain	Martin	Watkins
Capehart	McCarthy	Welker
Case	Millikin	Wiley
Dirksen	Morse	Williams
Dworshak	Mundt	Young
Ellender	Nixon	

NAYS—38

Anderson	Hill	McKellar
Benton	Holland	Monroney
Clements	Hunt	Moody
Connally	Johnson, Colo.	Neely
Douglas	Johnson, Tex.	O'Connor
Eastland	Johnston, S. C.	O'Mahoney
Flanders	Kerr	Pastore
Frear	Kilgore	Robertson
Fulbright	Lehman	Smathers
Green	Long	Smith, N. J.
Hayden	Maybank	Sparkman
Hendrickson	McClellan	Stennis
Hennings	McFarland	

NOT VOTING—20

Butler, Md.	Gillette	McCarran
Carlson	Kefauver	McMahon
Chavez	Knowland	Murray
Cordon	Langer	Russell
Duff	Lodge	Seaton
Ecton	Magnuson	Tobey
George	Malone	

So Mr. AIKEN's amendment was rejected.

Mr. DOUGLAS. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Illinois.

The CHIEF CLERK. On page 4, line 4, it is proposed to strike "Declaratory of existing law."

The VICE PRESIDENT. The Senator from Illinois is recognized for 15 minutes.

Mr. DOUGLAS. Mr. President, the texture of legislation is frequently vulgar. It is only because one such issue happens to be involved in the amendment submitted by the committee that I bring up the issue now, and not for the purpose of bringing comic relief at this hour of the night or presenting smoking room stories. But I ask the Members of the Senate to read page 4, of the committee bill, at lines 12 and 13, with some care, and I think they will find that there are exempted from price regulation "charges for the use of washroom and toilet facilities in terminal stations."

Mr. MAYBANK. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I decline to yield, temporarily.

Mr. President, it is quite within the power of this body to exempt such facilities from price control, but I invite attention to the fact that in line 4, on page 4, it is stated that this is "declaratory of existing law." It is that language, "declaratory of existing law," which I should like to have stricken.

The history of this particular situation is as follows:

In January of 1951, the Pennsylvania Railroad and the Grand Central Station increased the charges for pay toilets from 5 cents to 10 cents, and in washrooms with comb and toilet service from 10 cents to 25 cents. OPS advised the railroad and the Grand Central Station that they were violating the general price freeze which OPS had instituted, on January 19, 1951. The Grand Central Station which, incidentally, had raised its prices only the day before the price freeze was instituted, reverted to its previous charges of 5 and 10 cents, but the Pennsylvania Railroad which raised its prices some weeks after the price freeze insisted on maintaining the price of 10 cents and 25 cents, claiming exemption as a common carrier. OPS

finally denied the exemption, brought suit, and the case went into the courts.

On the 28th of April a hearing was held, but judgment has not been rendered, so that the matter is now in litigation.

The amendment of the committee, adopted, I am sure, in an inadvertent moment, not only freed comfort stations and toilets from future price regulation, which is quite within our power, but it also committed the very grave constitutional dereliction of declaring that these changes were freed from regulation in the past. In effect, what it may well do is to wipe out and eliminate the grounds for suit on the part of the Government against the Pennsylvania Railroad—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I shall not yield.

The VICE PRESIDENT. The Senator declines to yield.

Mr. DOUGLAS. Mr. President, as I have said, the texture of legislation is frequently vulgar, but we have to deal with these issues. I think there is a very grave constitutional principle which is involved in this matter. [Laughter.]

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I shall not yield.

Mr. CASE. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I shall not yield.

Mr. President, the fact that what we are now doing is to try to interpret language which was introduced in 1950 and to rule out of court existing suits amounting to \$385,000, started by OPS against the Pennsylvania Railroad. I submit it is a matter for the courts of the country to decide what the law of 1950 is. I have searched the debates of that time, and I find no reference whatsoever to comfort stations or toilet facilities. This matter should be left to the courts, and we should not intrude upon judicial functions. It is the function of this body to pass laws for the future, but it is the function of courts to interpret laws once passed.

I am really concerned about the suit which has been instituted against the Pennsylvania Railroad seeking damages of \$385,000, which might be ruled out of court completely if the phrase "declaratory of existing law" is retained. I believe we should respect the judiciary in these matters, and let them decide what the law of 1950 actually was.

Some notable jurists have commented on this very question. Chief Justice Marshall, in *Wayman v. Southard* (10 Wheat. 1, 46, 6 L. ed. 253, 263), said:

The difference between the departments undoubtedly is that the legislature makes, the executive executes, and the judiciary construes the laws.

No less a jurist than Mr. Justice Holmes commented in *Prentiss v. Atlantic Coast Line Co.* (211 U. S. 210, 53 L. ed. 150, 29 S. Ct. 67):

A judicial inquiry investigates, declares, and enforces liabilities as they stand on present or past facts and under laws supposed already to exist. That is its purpose and its end. Legislation, on the other hand, looks to the future and changes existing conditions by making a new rule to be ap-

plied thereafter to all or some parts of those subject to its power.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. Yes.

Mr. KILGORE. Is not the point at issue in the Senator's amendment the question of legislating at this time a direction to the Court to find a verdict upon an existing question?

Mr. DOUGLAS. That is correct.

Mr. President, I hope the amendment will be adopted and that the words "declaratory of existing law" will be stricken out.

I yield the floor.

The VICE PRESIDENT. If the Senator from South Carolina wishes to oppose the amendment—

Mr. MAYBANK. I understood the Senator from Illinois desired to strike out certain language about agricultural commodities.

The VICE PRESIDENT. If the Senator from South Carolina does not oppose the amendment—

Mr. MAYBANK. I do oppose the amendment, but I understood the Senator desired to eliminate all reference to agriculture.

The VICE PRESIDENT. If the Senator from South Carolina does not oppose the amendment, the Senator from Indiana [Mr. CAPEHART] is entitled to control the time in opposition.

Mr. CAPEHART. Mr. President, I yield 5 minutes to the able Senator from Delaware.

Mr. FREAR. Mr. President, the proposed amendment to subsection (b) of section 103 of the bill before the Senate is merely a clarification of language in the present law which has within the last year been interpreted by the OPS in a manner not intended by the Congress.

I call attention to the report of the Committee on Banking and Currency, No. 2250, Defense Production Act of 1950, page 37, subsection 402 (f). This subsection exempts from price and wage control under this title certain categories of items. Number 5 under that subsection includes rates charged by any common carrier, indicating that it was surely the intent of Congress that those rates would not be controlled by OPS.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. FREAR. Mr. President, I shall yield when I finish my statement.

The VICE PRESIDENT. The Senator from Delaware declines to yield at the present time.

Mr. DOUGLAS. Mr. President, will not the Senator yield for a question?

The VICE PRESIDENT. The Senator declines to yield at the present time.

Mr. FREAR. The language of the present law exempts "rates charged by any common carrier or other public utility." Taken at its face, this exemption would seem to exempt all charges made by a common carrier in its capacity as a common carrier. The agency, however—and by "the agency" I mean the OPS—has taken the position that this exemption applies only to rates that are approved by a regulatory commission. Since the amendment was first agreed

to by the committee, the agency has exempted by regulation the per diem charge for cars of one railroad used by another, the charges for heating and refrigeration service, and some few other charges which do not require the approval of regulatory agencies. So, we find that the agency has to that extent already conceded that some charges not having approval of a regulatory body properly come under the language of the exemption in the present law. However, there has been one lawsuit filed in Philadelphia against a common carrier to require that carrier to roll back its prices and to pay the amount of the increased charges for pay toilets and washroom facilities into the agency. This suit was filed before my amendment was offered and accepted by the committee. It seemed, at that time, to me and to a majority of the committee, that the suit should not have been filed and this clarifying language has been adopted in order to make that point clear. This policy of the OPS has been followed since the adoption of the amendment by the committee by the filing of a similar suit in Washington, D. C., against another common carrier, and other suits may be expected to be filed at many other places throughout the country unless the agency is given this clear-cut direction by the Congress.

The utter foolishness of applying price control to pay toilets in railroad stations is demonstrated best by reminding the Members of the Senate that in all stations that have pay toilets we likewise find free toilets, so there is no gouging of the public by the slight 5-cent increase because if a person feels that that's too much to pay for the toilet facility, he finds toilets adjoining that he may use at no charge whatever.

The agency has insisted that the railroads are not acting as common carriers in the furnishing of toilets, yet we find that in almost every State of the Union, railroads are required by law, or regulation having the force of law, to furnish toilet facilities for the use of the traveling public. In many States, railroads are the only persons required to furnish toilets. In one State—Indiana—the law reads as follows:

All railroad companies operating lines through cities and towns of 100 population or more shall provide and maintain suitable waiting rooms, together with separate water-closets for men and women, for the convenience of the traveling public, and shall keep such rooms open for the period of not less than 1 hour next preceding the arrival of all passenger trains that are allowed by schedule or flagging to stop at all stations (Acts, 1895, ch. 51, sec. 1, p. 99).

The VICE PRESIDENT. The time of the Senator from Delaware has expired.

Mr. CAPEHART. Mr. President, I yield the Senator from Delaware three more minutes.

The VICE PRESIDENT. The Senator from Delaware is recognized for 3 minutes more.

Mr. FREAR. From the wording of this statute and others in effect throughout the country, it can easily be seen that they are required to furnish such facilities only because they are railroads and,

consequently, the charges for the facilities should come under the exemption in the act.

I have heard some opposition expressed to the amendment on the grounds that charges made by a hotel which is owned by a railroad company would also come under the terms of the exemption of the clarifying language which is contained in my amendment. Such is not the case, and I think is not at all implied, but in order to satisfy any Members of the Senate who have such fears, let me say that I shall be happy to agree, and will ask the Senate to agree to an amendment, if any Senator cares to propose it, which would add to the language of my amendment the qualification that the exemption shall apply to rates and charges of any common carrier "which rates and charges are made in connection with or incidental to the performance of transportation service." I sincerely trust that the Senate will adopt the clarifying language of the amendment already approved by a majority of the committee.

Mr. President, I also wish to call the attention of the Senate to the fact that should this amendment prevail the port authority or the public utilities controlling the ports under the Knowland amendment would also be affected.

I call attention also to the fact that the Kennedy amendment of 1951, covering the same subject as does the amendment of the Senator from Illinois was not accepted by the Congress.

I believe that OPS has declared inherent powers with respect to the telephone companies, although the Congress has denied it that right.

I sincerely hope that the Senate will not adopt the amendment offered by the Senator from Illinois.

Mr. CAPEHART. Mr. President, how much time remains?

Mr. DOUGLAS. Mr. President, how much time have I?

The VICE PRESIDENT. Four minutes remain to each side.

Mr. CAPEHART. Mr. President, I yield 3 minutes to the able Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. Mr. President, the distinguished minority leader [Mr. BRIDGES] wished to have in the RECORD certain clarifications with respect to a number of points which have nothing to do with the pending amendment. He intended to ask me a few questions. I have obtained the advice of counsel, and have had the law checked. I desire to place the answers in the RECORD so that there may be no misunderstanding.

The VICE PRESIDENT. Is the Senator from Indiana yielding 3 minutes to the Senator from South Carolina?

Mr. MAYBANK. I yield to the Senator from New Hampshire to ask the questions which he wishes to ask for the RECORD. I shall insert the answers in the RECORD.

The VICE PRESIDENT. Is the Senator from South Carolina yielding back to the Senator from Indiana the time yielded to him?

Mr. MAYBANK. No. I am holding my time so that I may clarify the RECORD, in order that the minority leader may

understand exactly how the Herlong and Capehart amendments apply.

Mr. CAPEHART. I withdraw the time which I yielded to the Senator from South Carolina and yield it to the able Senator from New Hampshire [Mr. BRIDGES].

The VICE PRESIDENT. The Senator from New Hampshire is recognized for 3 minutes. The Senator from Indiana has 4 minutes in his own right.

Mr. BRIDGES. Mr. President, I address these questions to the distinguished chairman of the Committee on Banking and Currency in order to clarify some phraseology in the act, particularly as applied to the amendment which was offered by the Senator from Kansas [Mr. SCHOEPP].

The first question I wish to ask is as follows:

Is the so-called Capehart amendment supposed to apply to all processors, such as processors of food products?

Mr. MAYBANK. Yes; it does, in the opinion of the legal counsel whom I have consulted.

Mr. BRIDGES. Secondly, what about a processor who does his own wholesale and retail distribution? Does he come under the so-called Capehart amendment or the Herlong amendment?

Mr. MAYBANK. The best legal advice I can obtain coincides with my own judgment. It is to the effect that part of his business would come under the Capehart amendment and part under the Herlong amendment, assuming that processor could allocate his business according to whether, and to what extent, it constituted processing, and the extent to which it was wholesale or retail.

Mr. BRIDGES. Is it the intention to let the Capehart and Herlong amendments be the congressional standards of fairness and equity?

Mr. MAYBANK. I will say to the Senator that it is not my belief, nor the belief of the committee, in my judgment, that such is the case. I have been advised that the general provision with respect to fairness and equity is found in section 402 (c) of the law. That is in addition, of course, to the amendment which we have discussed.

Mr. BRIDGES. So far as the so-called Schoeppel amendment is concerned, the clarification given may to a certain extent take the place of the Schoeppel amendment, if the clarification becomes a part of the legislative history.

Mr. MAYBANK. If I understand the question—

The VICE PRESIDENT. The time of the Senator from New Hampshire has expired.

Mr. CAPEHART. Mr. President, I yield one additional minute to the Senator from New Hampshire.

Mr. MAYBANK. I shall use some of my own time.

The Schoeppel amendment would change the cut-off date in the Capehart amendment for agricultural processors, as I tried to make clear when the distinguished Senator from Kansas offered his amendment.

Mr. BRIDGES. I thank the Senator.

Mr. MAYBANK. I thank my distinguished friend.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, how much time have I?

The VICE PRESIDENT. The Senator from Illinois has 4 minutes.

Mr. DOUGLAS. Mr. President, we come back to the 1950 act, which exempted the rates charged by common carriers and other public utilities. Those rates were exempted because they were presumed to be regulated by State or other Federal authority. The Senate committee report on the 1950 act so states. However, prices charged in dining cars were not regulated by State or other Federal authorities, and they are under OPS, or at least may be subject to OPS control. The same thing applies to rates charged for the use of toilets in stations. Such rates were not under State or other Federal regulation and therefore were subject to regulation by OPS.

Consider the situation of the Grand Central Station, which is not a common carrier. Its rates for comfort stations will be subject to regulation by OPS. That will not apply to the institutions owned by the Pennsylvania Railroad, if we approve the language suggested by the committee. So, Mr. President, I think it would be much better to strike out this declaratory language with respect to existing law, and let the courts decide what the act of 1950 means.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS]. [Putting the question.]

Mr. DOUGLAS. Mr. President, I ask for a division.

The VICE PRESIDENT. A division is requested. Those who favor the amendment will rise and remain standing until counted.

Mr. DOUGLAS. I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays have been asked for and declined. The demand for the yeas and nays was not sufficiently seconded. A division is now in progress.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. May I ask for the yeas and nays the second time?

The VICE PRESIDENT. Those opposed—

Mr. HUMPHREY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senate is in the midst of a division.

Mr. MAYBANK. Mr. President, no business has been transacted since the last quorum call.

The VICE PRESIDENT. The Senate is in the midst of a division, and the suggestion of the absence of a quorum cannot be entertained.

Those opposed to the amendment will please rise and remain standing until counted.

The amendment is rejected.

Mr. DOUGLAS. I suggest the absence of a quorum.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

Mr. McFARLAND. Mr. President, will the Senator from Illinois withhold his suggestion for a moment?

Mr. DOUGLAS. Certainly.

The VICE PRESIDENT. The Chair had not recognized the Senator from Illinois. Therefore, he could not make the point of no quorum.

Mr. McFARLAND. Mr. President, I do not see that anything would be gained by suggesting the absence of a quorum, when there is plainly a quorum present. I voted with the distinguished Senator from Illinois, but he did not have the votes necessary to adopt his amendment. If there had been a yeas-and-nays vote, he would not have had the votes.

Mr. President, I should like to ascertain how many amendments remain. This afternoon I made the statement that we would try to quit around 10 o'clock. I feel obligated to live up to my statement.

The present situation is an illustration of the difficult position in which a majority leader often finds himself. Along about this time of night certain Senators come to him and say, "Let us finish; let us continue until 12 o'clock." Others say, "Let us go home." So the majority leader is torn by the desire to please all Senators, which cannot be done.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. BREWSTER. Why do we not do what the Senator said we would do? The Senator from Arizona said we would adjourn at 10 o'clock.

Mr. McFARLAND. Mr. President, I do not think that I should be reminded of anything like that. I resent the question of the Senator from Maine.

Mr. BREWSTER. I apologize.

Several Senators addressed the Chair.

Mr. McFARLAND. Mr. President, I do not yield at this time. I am trying to find out whether we can expedite the consideration of the pending bill. I should like to know how many amendments will be offered in addition to the so-called seizure amendment.

Mr. THYE. Mr. President, will the Senator from Arizona yield for one moment?

Mr. McFARLAND. I yield.

Mr. THYE. I should like to say to the majority leader that he is doing all right. We are getting legislative questions disposed of, and that is perfectly all right; and I am sure none of us will complain if we keep on grinding them out as we have done in the last few hours.

Mr. McFARLAND. I thank the Senator very kindly. I should like to know how many amendments are still to be

offered. I am advised there are approximately four. I should like to inquire whether the Senate would be willing to have the Senators proposing those amendments send them to the desk at this time, with an understanding that tomorrow the Senate will consider only those amendments, the seizure amendment, and amendments to the amendments. Otherwise, we would be considering amendments indefinitely.

Mr. CASE. Mr. President, reserving the right to object—

The VICE PRESIDENT. The Senator from Arizona has made no request.

Mr. McFARLAND. Mr. President, I shall make a request in a moment. I yield to the Senator from South Dakota for a question.

Mr. CASE. There is one other amendment which I had previously discussed with the Senator from Illinois [Mr. DIRKSEN]. He may or may not offer it. At least I should like to reserve my rights in that connection.

Mr. McFARLAND. I ask unanimous consent that Senators may send to the desk the amendments which they desire to offer tomorrow, and that only those amendments and the seizure amendment, and amendments to the amendments, be considered tomorrow.

Mr. MORSE. Mr. President, reserving the right to object, I certainly think we need time to look over what I consider to be some of the great damage that has been done to the bill today, to ascertain what sort of repair work we may have to do tomorrow by way of amend-

ments which may come to us between now and the time we complete our study of the bill. I do not believe that we would save any time by the adoption of the suggestion made by the majority leader. I do not think that we should prevent the Members of the Senate from taking a survey of what the bill looks like and determining what action must be taken. Therefore I object.

The VICE PRESIDENT. The attention of the Chair has been called to the fact that some Senators did not understand that the Chair had announced that the amendment of the Senator from Illinois [Mr. DOUGLAS] had been rejected. The Chair did announce the result of the vote. The amendment was not agreed to. If there is any doubt about it, the Chair announces again that the amendment offered by the Senator from Illinois [Mr. DOUGLAS] was rejected. The RECORD will show the announcement.

ADJOURNMENT

Mr. McFARLAND. I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 10 o'clock and 25 minutes p. m.) the Senate adjourned until Thursday, June 5, 1952, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 4, 1952:

UNITED STATES MARSHALS

John E. Hushing, of Illinois, to be United States marshal for the district of the Canal Zone. He is now serving in this office.

Benjamin F. Ellis, of Alabama, to be United States marshal for the middle district of Alabama. He is now serving in this office under an appointment which expired February 28, 1952.

Raymond E. Thomason, of Alabama, to be United States marshal for the northern district of Alabama. He is now serving in this office under an appointment which expired June 3, 1952.

Julius J. Wichser, of Indiana, to be United States marshal for the southern district of Indiana. He is now serving in this office under an appointment which expired April 26, 1952.

Rupert Hugo Newcomb, of Mississippi, to be United States marshal for the southern district of Mississippi. He is now serving in this office under an appointment which expired February 28, 1952.

Frank Golden, of Nebraska, to be United States marshal for the district of Nebraska. He is now serving in this office under an appointment which expired April 26, 1952.

William T. Brady, of New Jersey, to be United States marshal for the district of New Jersey, vice Hubert J. Harrington, term expired.

Gerald K. Nellis, of New York, to be United States marshal for the northern district of New York. He is now serving in this office under an appointment which expired February 6, 1952.

Clemens F. Michalski, of Wisconsin, to be United States marshal for the eastern district of Wisconsin, vice Anton J. Lukaszewicz, retired.

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1952

Ordered to lie on the table and to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. MORSE to the amendment proposed by Mr. MAYBANK to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended: in lieu of the matter proposed in the amendment, insert the following, viz: On page 9, after line 16, insert the following new section:

1 “SEC. 108. Title IV of the Defense Production Act of
2 1950, as amended, is amended by adding, at the end thereof,
3 the following new section:

4 “SEC. 412. (a) That title II of the Labor Management
5 Relations Act, 1947, is amended by renumbering present
6 sections 211 and 212 as sections 216 and 217, respectively
7 and inserting the following after section 210:

8 “‘SEC. 211. Whenever the head of an appropriate de-

1 partment or independent agency reports to the President,
2 and the President finds, that a national emergency is threat-
3 ened or exists because a stoppage of work or operations has
4 resulted or threatens to result from a labor dispute (includ-
5 ing the expiration of a collective-bargaining agreement) in
6 a vital industry or plant which seriously affects the security
7 of the United States, and the Director of the Federal Media-
8 tion and Conciliation Service advises the President that all
9 attempts at mediation and conciliation have been exhausted
10 without success, the President shall issue a proclamation to
11 that effect and call upon the parties to the dispute to refrain
12 from a stoppage of work or operations, or, if such stoppage
13 has occurred, to resume work and operations in the public
14 interest.

15 “ ‘PROCEDURE FOLLOWING PROCLAMATION

16 “ ‘SEC. 212. (a) Immediately after issuing a proclama-
17 tion pursuant to section 211, the President shall submit to
18 the Congress for consideration and appropriate action a full
19 statement of the case based upon such information as has
20 been made available to him through the appropriate agencies
21 of Government, together with such recommendations as he
22 may see fit to make as to procedures for effecting final settle-
23 ment of the dispute and, pending settlement, for maintaining
24 operation of the enterprise or enterprises involved.

25 “ ‘(b) The President may include a recommendation

1 that the United States take possession of and operate the
2 business enterprise or enterprises involved in the dispute.
3 The President may make such additional reports and recom-
4 mendations as he deems advisable. If the President recom-
5 mends that the United States shall take possession of and
6 operate such enterprise or enterprises, the President shall
7 have authority to take such action forthwith. If the Congress
8 by concurrent resolution within ten days after the submission
9 of such recommendation to it determines that such action
10 should not have been or should not be taken any property
11 seized shall be returned to its owners and no future seizure
12 shall take place during that dispute without congressional au-
13 thorization by concurrent resolution: *Provided*, That during
14 the period in which the United States shall have taken
15 possession, the Federal Mediation and Conciliation Service
16 shall continue to encourage the settlement of the dispute by
17 the parties concerned, and the agency or department of the
18 United States designated to operate such enterprise or
19 enterprises shall have no authority to enter into negotiations
20 with the employer or with the labor organization for a col-
21 lective-bargaining contract or to alter the wages, hours, or
22 the conditions of employment existing in such industry prior
23 to the dispute, except in conformity with the recommenda-
24 tions of the emergency board or an agreement of the parties:
25 *Provided further*, That in case an emergency board assumes

1 jurisdiction over any form of union security which requires
2 an employee to join a union as a condition of employment the
3 putting into effect of its recommendations during a period
4 of Government possession shall require the acceptance of
5 the labor organization and the employer concerned in the
6 dispute. If the Congress or either House thereof shall have
7 adjourned sine die or for a period longer than three days,
8 the President shall convene the Congress, or such House
9 forthwith for the purpose of consideration of an appropriate
10 action pursuant to such statement and recommendations.

11 “ ‘(c) After the issuance of a seizure order, it shall be
12 the duty of any labor organization of which any employees
13 who have been employed in the operation of such enterprise
14 are members, and of the officers of such labor organization,
15 to seek in good faith to induce such employees to refrain
16 from a stoppage of work and not to engage in any strike,
17 slow-down, or other concerted refusal to work, or stoppage of
18 work, and if such stoppage of work has occurred, to seek in
19 good faith to induce such employees to return to work and
20 not to engage in any strike, slow-down, or other concerted
21 refusal to work or stoppage of work until the dispute is
22 settled or until possession of such enterprise is relinquished
23 by the United States, whichever occurs sooner.

24 “ ‘(d) After the issuance of a seizure order or any
25 time thereafter, the President may direct the Attorney

1 General to petition any district court, having jurisdiction of
2 the parties, to enjoin such stoppage of work or operations,
3 and if the court finds that the President has reasonable cause
4 to believe that a national emergency is threatened or exists
5 because a threatened or actual stoppage of work or operations
6 may result or has resulted from a labor dispute (including
7 the expiration of a collective agreement) in a vital industry
8 or plant which seriously affects the security of the Nation,
9 it shall have jurisdiction to enjoin such stoppage of work
10 or operations, or the continuing thereof, and to make such
11 other orders as may be appropriate. In granting such in-
12 junction or relief, the jurisdiction of courts sitting in equity
13 shall not be limited by the Act entitled 'An Act to amend the
14 Judicial Code and to define and limit the jurisdiction of
15 courts sitting in equity, and for other purposes, approved
16 March 23, 1932' (U. S. C., Supp. VII, title 29, secs. 101-
17 115). Such injunction or order shall be dissolved when the
18 dispute is settled or possession of an enterprise seized pur-
19 suant to this section is relinquished by the United States,
20 whichever occurs sooner.

21 " 'EMERGENCY BOARDS

22 " 'SEC. 213. (a) After issuing such a proclamation,
23 the President may appoint a board to be known as an
24 "emergency board".

1 “(b) Any emergency board appointed under this sec-
2 tion shall promptly investigate the dispute, shall seek to in-
3 duce the parties to reach a settlement of the dispute, and
4 in any event shall, within a period of time to be determined
5 by the President but not more than thirty days after the
6 appointment of the board, make a written report to the
7 President, unless the time is extended by agreement of the
8 parties, with the approval of the board. Such report shall
9 include the findings and recommendations of the board and
10 shall be transmitted to the parties and be made public. The
11 recommendations shall be consistent with all laws and regu-
12 lations otherwise applicable to compensation, hours, and
13 other terms and conditions and incidents of employment.
14 The Director of the Federal Mediation and Conciliation Serv-
15 ice shall provide for the board such stenographic, clerical,
16 and other assistance and such facilities and services as may
17 be necessary for the discharge of its functions.

18 “(c) An emergency board shall be composed of a
19 chairman and such other members as the President shall
20 determine, and shall have power to sit and act in any place
21 within the United States and to conduct such hearings either
22 in public or in private, as it may deem necessary or proper,
23 to ascertain the facts with respect to the causes and circum-
24 stances of the dispute.

1 “(d) Members of an emergency board shall receive
2 compensation at the rate of \$75 for each day actually spent
3 by them in the work of the board, together with necessary
4 travel and subsistence expenses.

5 “(e) For the purpose of any hearing or inquiry con-
6 ducted by any board appointed under this title, the pro-
7 visions of sections 5 (f), 9, and 10 (relating to the attend-
8 ance of witnesses and the production of books, papers, and
9 documents) of the Federal Trade Commission Act of Sep-
10 tember 16, 1914, as amended (U. S. C., title 15, secs. 45
11 (f), 49, and 50, as amended), are hereby made applicable
12 to the powers and duties of such board.

13 “(f) When a board appointed under this section has
14 been dissolved, its records shall be transferred to the Director
15 of the Federal Mediation and Conciliation Service.

16 “(g) No member of an emergency board shall be an
17 officer or employee of the organization of employees or any
18 employer involved in the dispute.

19 “SEC. 214. (a) In the event that the Government
20 shall take possession of and operate any business enterprise
21 or enterprises involved in a given dispute, the President shall
22 designate the agency or department of Government which
23 shall take possession of any business enterprise or enter-
24 prises including the properties thereof involved in the dis-

1 pute and all other assets of the enterprise or enterprises
2 necessary to such continued operation thereof as will protect
3 the national security.

4 “ ‘ (b) Any enterprise or properties of which possession
5 has been taken under this title shall be returned to the owners
6 thereof as soon as (1) such owners have reached an agree-
7 ment with the representatives of the employees in such enter-
8 prise settling the issues in dispute between them, or (2) the
9 President finds that the continued possession and operation
10 of such enterprise by the United States is no longer necessary
11 under the terms of the proclamation provided for in section
12 211: *Provided*, That possession by the United States shall
13 be terminated not later than sixty days after the issuance
14 of a seizure order unless the period of possession is extended
15 by concurrent resolution of the Congress.

16 “ ‘ (c) Beginning not later than thirty days after issuance
17 of a seizure order, the United States shall impound and hold
18 all income received from the operation thereof in trust for
19 the payment of general operating expenses, just compen-
20 sation to the owners as hereinafter provided in this sub-
21 section, and reimbursement to the United States for ex-
22 penses incurred by the United States in the operation of
23 the enterprise. Any income remaining shall be covered into
24 the Treasury of the United States as miscellaneous receipts.
25 In determining just compensation to the owners of the

1 enterprise, due consideration shall be given to the fact
2 that if the United States had not initiated the procedures set
3 forth in sections 211 to 215 of the Act the owners' production
4 would have been interrupted by a stoppage of work or opera-
5 tions, to the fact that the United States took or continued
6 possession of such enterprise when its operation had been
7 interrupted by a stoppage of work or operations or that
8 stoppage of work or operations was imminent; to the fact
9 that the United States would have returned such enter-
10 prise to its owners at any time when an agreement was
11 reached settling the issues involved in such stoppage of
12 work or operations; and to the value the use of such enter-
13 prise would have had to its owners in the light of the labor
14 dispute prevailing, had they remained in possession during
15 the period of Government operation: *Provided*, That any
16 increase in wages or other compensation or any increase re-
17 sulting from a change in the method of computing wages or
18 other compensation which are agreed to by the parties retro-
19 actively for the period of Government operation or any
20 portion of that period shall be deemed costs or expenses
21 for such period.

22 “(d) During the period in which possession of any
23 enterprise has been taken by the United States under this
24 section, the employer or employers or their duly designated
25 representatives and the representatives of the employees in

1 such enterprise shall be obligated to continue collective
2 bargaining for the purpose of settling the issues in the dispute
3 between them.

4 “ ‘(e) (1) The President may appoint a compensation
5 board to determine the amount to be paid as just compensa-
6 tion under this title to the owner of any enterprise of which
7 possession is taken. For the purpose of any hearing or
8 inquiry conducted by any such board the provisions relating
9 to the conduct of hearings or inquiries by emergency boards
10 as provided in section 213 of this title are hereby made
11 applicable to any such hearing or inquiry. The members of
12 compensation boards shall be appointed and compensated
13 in accordance with the provisions of section 213 of this title.

14 “ ‘(2) Upon appointing such compensation board the
15 President shall make provision as may be necessary for
16 stenographic, clerical, and other assistance and such facilities,
17 services, and supplies as may be necessary to enable the
18 compensation board to perform its functions.

19 “ ‘(3) The award of the compensation board shall be
20 final and binding, unless within thirty days after the issuance
21 of said award, a party moves to have the said award set
22 aside or modified in the United States Court of Claims in
23 accordance with the rules of said court.

24 “ ‘SEC. 215. When a dispute arising under this title
25 has been finally settled, the President shall submit to the

1 Congress a full and comprehensive report of all the pro-
2 ceedings, together with such recommendations as he may
3 see fit to make.'

4 “(b) Section 717 of this Act, as amended, shall not
5 apply to this section 412.”

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. Morse to the amendment proposed by Mr. MAYBANK to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 5, 1952

Ordered to lie on the table and to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Proposed by Mr. MORSE to the amendment proposed by Mr. BYRD to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

1 At the proper place in the bill insert the following:

2 “Title V of the Defense Production Act of 1950, as
3 amended, is hereby amended by adding a new section, as
4 follows:

5 “SEC. 504. Resolved, That, by reason of the work
6 stoppage now existing in the steel industry, the national
7 safety is imperiled, and the Congress requests the President
8 to immediately invoke the national emergency provisions
9 (secs. 206 to 210, inclusive) of the Labor Management
10 Relations Act, 1947, for the purpose of terminating such
11 work stoppage.’”

- 1 Strike out the word “requests” in the first sentence and
2 substitute the word “recommends”, and strike out the word
3 “immediately” and insert the words “within seven days from
4 this date”.

Calendar No. 1529

82ND CONGRESS
2ND SESSION

S. 2594

AMENDMENTS

Proposed by Mr. Morse to the amendment proposed by Mr. Byrd to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 5, 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1952

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10 work stoppage."

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JUNE 5, 1952

Ordered to be printed

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. FREAR, Mr. BUTLER of Maryland, and Mr. O'CONOR) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: At the appropriate place in the bill insert the following:

- 1 Notwithstanding any other provision of this Act, when-
- 2 ever price ceilings are declared in effect on any agricultural
- 3 commodity at the farm level, the Director of Price Stabiliza-
- 4 tion must at the same time put into effect margin controls
- 5 on processors, wholesalers, and retailers, such margin con-
- 6 trols to allow the processors, wholesalers, and retailers the
- 7 normal mark-ups as provided under this Act, except that
- 8 under no circumstances are the sellers to be allowed greater
- 9 than their normal margins of profit.

S. 2594

AMENDMENT

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. FREAR, Mr. BUTLER of Maryland, and Mr. O'CONNOR) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 5, 1952

Ordered to lie on the table and to be printed

82^D CONGRESS
2^D SESSION

Calendar No. 1529

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 5, 1952

Ordered to be printed

AMENDMENTS

Proposed by Mr. MORSE to the amendment proposed by Mr. BYRD to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

- 1 Strike out the word "requests" in the first sentence and
- 2 substitute the word "recommends", and strike out the word
- 3 "immediately" and insert the words "within seven days from
- 4 this date".

★6-5-52—I

AMENDMENTS

Proposed by Mr. MORSE to the amendment proposed by Mr. BYRD to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 5, 1952

Ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 6, 1952
For actions of June 5, 1952
82nd-2nd, No. 97

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HIGHLIGHTS: Both Houses agreed to conference report on 3rd supplemental appropriation bill. Senate debated defense production bill. Senate made agricultural appropriation bill its unfinished business. Senate received nomination of Duggan to FCA. Senate committee reported bill to increase school lunch funds for territories and possessions. House adopted conference report on foreign aid bill. House passed cotton parity standard bill. House passed Korean veterans' G. I. bill. Conferees agreed on report for road authorization bill.

SENATE

1. **THIRD SUPPLEMENTAL APPROPRIATION BILL, 1952.** Both Houses agreed to the conference report on this bill, H. R. 6947, and acted on amendments which had been reported in disagreement. The bill was then sent to the President. . The House agreed to the Senate amendment providing \$500 pay increases for certain \$14,000 officials. The House also agreed to the provision that the smoke-jumper facilities item be the total cost of the project. The House reduced the item for Civil Service Commission investigations to \$4,000,000, and the Senate concurred in this action. In addition to the items listed in Digest 95, the bill, as finally passed, also contains an item of \$4,000,000 (Senate figure) for the Immigration and Naturalization Service which is largely for the Mexican farm-labor program. During House debate, Rep. Fisher moved that the bill be recommitted to conference with instructions that the House conferees insist on disagreement to the Senate amendment increasing the amount for the farm-labor program, but this motion was rejected, 35-149. (pp. 6709, 6747-56.)

2. **DEFENSE PRODUCTION.** Continued debate on S. 2594, to continue and amend the Defense Production Act (pp. 6702-10, 6712-39). Rejected, 27-54, a Dirksen amendment barring price ceilings after Sept. 1, 1952, on any material or service unless it is in short supply or threatens inflation (pp. 6703-6). Voted, 42-38, in favor of a McFarland motion to postpone debate on this bill until Mon., June 9, after Sen. Byrd had presented an amendment advising the President to use the Taft-Hartley Act in connection with the steel strike.

3. AGRICULTURAL APPROPRIATION BILL, 1953. This bill, H. R. 7314, was made the unfinished business (pp. 6740, 6742). Sen. Douglas gave notice that he will move to suspend the rules and offer an amendment which would make Sec. 32 of the Act of Aug. 24, 1935 (relating to disposal of surplus commodities) merely an authorization rather than a permanent appropriation. In addition, Sens. Williams, Case, and Douglas submitted various amendments which they intend to propose to the bill. (p. 6701.)
4. NOMINATION. Received the nomination of Ivy W. Duggan to be Governor of FCA for 6 years from June 15, 1952 (p. 6744).
5. SCHOOL LUNCH PROGRAM. The Labor and Public Welfare Committee reported with amendments H. R. 1732, to increase the school lunch program allotments for the territories and possessions (S. Rept. 1677)(p. 6698).
6. PERSONNEL. The Rules and Administration Committee reported with amendments S. 3061, to permit and assist Federal personnel and their families to exercise their voting franchise (S. Rept. 1675)(p. 6698).
7. MIGRATORY LABOR. The Labor and Public Welfare Committee voted to report (but did not actually report) a new bill to establish a Federal Commission on Migratory Labor (p. D544).
8. PUBLIC LANDS; TAXATION. Sen. Humphrey inserted a Minneapolis City Council resolution favoring additional Federal payments in lieu of taxes on public lands (p. 6697).
9. FARM CREDIT. Sen. Humphrey inserted a Fergus Falls Production Credit Association resolution favoring legislation to make the cooperative farm credit system more independent of the Federal Government (pp. 6697-8).

HOUSE

10. FOREIGN AID. Adopted the conference report on H. R. 7005, to amend the Mutual Security Act of 1951 (pp. 6774-78).
11. COTTON PARITY. Passed, 156-62, as reported H. R. 5713, providing that Low Middling seven-eighths-inch cotton shall be the standard grade for determining parity and price support for the 1952 cotton crop if this Department makes an official estimate that the 1952 crop will equal or exceed 16 million bales. This bill is designed to protect farmers against a disastrous price decline if they produce 16 million bales or more in 1952. (pp. 6751-4.)
12. VETERANS' BENEFITS. Passed, 361-1, as reported H. R. 7656, authorizing educational and training allowances for Korean veterans. The bill also provides home farm, and business loan credit assistance, old age and survivors' insurance credits, and employment assistance. (pp. 6759-61.)
13. ROAD AUTHORIZATIONS. Conferees on H. R. 7340, authorizing appropriations for road construction in 1954 and 1955, agreed to file (but did not actually file) a conference report. The "Daily Digest" states that the conferees agreed to an annual total of \$550 million for Federal aid to highway systems for each of the fiscal years. (p. D547.)
14. APPROPRIATIONS. Agreed to conferences with the Senate on the following bills:
H. R. 6854, Treasury-Post Office Appropriation bill for 1953, appointing as conferees Reps. Gary, Fernandez, Passman, Sieninski, Cannon, Canfield, Wilson (Ind.), James, and Taber. (p. 6745). Senate conferees were appointed April 29

H. R. 7072, Independent Offices appropriation bill for 1953, appointing Reps. Thomas, Gore, Andrews, Yates, Cannon, Phillips, Coudert, Cotton, and Taber (p. 6745). Senate conferees were appointed June 3.

H. R. 7151, Labor-Federal Security appropriation bill for 1953, appointed Reps. Fogarty, Hedrick, McGrath, Denton, Cannon, Stockman, Busbey, Miller (Md.), and Taber (p. 6745). The Senate had appointed conferees on April 29.

5. RUBBER. Disagreed to Senate amendments to H. R. 6787, to extend the Rubber Act of 1948 for 2 years to June 1954, and requested a conference, appointing Reps. Vinson, Brooks, Kilday, Short, and Shafer as conferees (p. 6745).
6. EMERGENCY POWERS. Granted permission to the Judiciary Committee to file by midnight Friday a report on H. J. Res. 477, extending the emergency war powers of the President (p. 6756).
17. LAND TRANSFER. The Agriculture Committee ordered reported (but did not actually report) S. 1536, to effect the permanent transfer of lands in New Mexico now administered by the Carson and Santa Fe National Forests (p. D546).
18. LAND EXCHANGE. The Agriculture Committee ordered reported (but did not actually report) H. R. 5055, authorizing the exchange of certain Federal lands situated in Ontonagon County, Mich., for lands within the Ottawa National Forest, Mich. (p. D546).
19. ADJOURNED until Mon., June 9 (p. 6789). LEGISLATIVE PROGRAM, as announced by the majority leader: Mon., D. C. calendar and hydroelectric power on Cumberland River; remainder of week undetermined (pp. 6778-9).

BILLS INTRODUCED

20. EDUCATION. S. 3294, by Sen. Stennis, to amend the Vocational Education Act of 1946 to authorize the appropriation of additional funds to cover reductions, occurring as a result of the 1950 United States census, in Federal funds apportioned for expenditure in the States and Territories; to Labor and Public Welfare Committee (p. 6698).
21. ORGANIZATION, EXECUTIVE. S. J. Res. 163, by Sen. Benton (for himself and Sen. O'Connor), for the establishment of the Second Commission on Organization of the Executive Branch of the Government; to Government Operations Committee (p. 6698). Sen. Benton stated that the purpose of his measure is to examine those areas of the Government in which reorganization legislation has not yet been enacted, and he inserted a tabulation reviewing the background and status of unenacted recommendations of the Hoover Commission including bills relative to reorganization of this Department (pp. 6710-12).
22. FOREIGN AID. S. Con. Res. 82, by Sen. Smith, N. J., H. Res. 666, by Rep. Bolton, H. Res. 667, by Rep. Fulton, H. Res. 668, by Rep. Javits, H. Res. 669, by Rep. Kelly (N.Y.), H. Res. 670, by Rep. Merrow, H. Res. 671, by Rep. Roosevelt, and H. Res. 672, by Rep. Zablocki, to favor the economic development and improvement of India, and "the south Asian subcontinent," respectively; to Foreign Affairs Committees (pp. 6699, 6790). Remarks of Rep. Javits (pp. 6779-80).
23. PERSONNEL; TRANSPORTATION. H. R. 8095, by Rep. Rivers, to amend section 7 of the Administrative Expenses Act of 1946, as amended; relating to travel and transportation of household goods for new appointees for foreign assignments, and their families; to Expenditures in the Executive Departments Committee (p. 6789).

24. RECLAMATION. H. R. 8094, by Rep. Patton, authorizing construction of works to restore to Palo Verde irrigation district, California, a means of gravity diversion of its irrigation water supply from the Colorado River and providing certain benefits to the Colorado River Indian Reservation, Ariz.; to Interior and Insular Affairs Committee (p. 6789).
25. DEFENSE PRODUCTION. H. R. 8097 and H. R. 8098, by Rep. Talle, to amend the Defense Production Act of 1950, as amended; to Banking and Currency Committee (p. 6789).
26. EMERGENCY POWERS. H. J. Res. 477, by Rep. Celler, to continue the effectiveness of certain statutory provisions for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, but not beyond June 30, 1953; to Judiciary Committee (p. 6790).

ITEMS IN APPENDIX

27. SOIL CONSERVATION; WATER UTILIZATION. Extension of remarks by Rep. Ostertag criticizing the New York-New England Interagency Committee's survey of county needs and related data for conservation and improvement of farm land and for water-utilization practices being conducted by FMA and SCS which he stated "have all the earmarks of a boondoggle of monstrous proportions" (pp. A3643-4).
28. DAIRY INDUSTRY. Extension of remarks of Rep. Van Pelt favoring retention of Section 104 of the Defense Production Act, which restricts cheese imports; he also inserted a newspaper article outlining Wisconsin's achievements in producing record amounts of dairy products (p. A3616).
29. IMMIGRATION. Sen. Benton inserted a newspaper article criticizing the McCarran immigration bill (pp. A3619-20).
30. ST. LAWRENCE SEAWAY. Rep. Martin inserted a newspaper editorial claiming construction of this project "would represent a needless waste of money, manpower, and materials at a time when rigid conservation of all these resources should be practiced" (p. A3622).
31. TAXATION. Sen. Frear inserted a statement and tabulations entitled, "Federal Tax Burdens Per Capita, By States" (pp. A3627-9).
32. VETERANS' BENEFITS. Extension of remarks of Rep. Kennedy supporting passage of H. R. 7656, the Korean veterans' GI bill (p. A3630).
33. FORESTRY. Rep. Simpson inserted Senior Research Forester Mickalitis' (State of Pa.) article which claims that a colony of box huckleberry growing in Perry County, Pa. is, according to botanists' estimates, about 13,000 years old, making it the oldest known living thing in the world (pp. A3632-3).
34. FOREIGN AID. Rep. Allen, La., inserted a newspaper editorial agreeing with his position that the economic foreign aid program should be terminated (pp. A3648-9).
- Rep. Phillips inserted a statement from the Board of Consultants to the Food, Agriculture, and Resources Development Staff of the TCA which states that the value of the TCA program lies in personal work and that it should not be required to administer funds not contributing directly to its fundamental aims (p. A3651).

By submitting the resolution, I do not intend to convey the thought that I am necessarily opposed to Reorganization Plan No. 3, but I believe the committee itself should be able to inform the Senate whether judicial review in the Bureau of Customs is preserved. There is involved a rather serious question as to how far judicial review is preserved. I am therefore submitting the resolution so that the committee may be able to submit a report to the Senate, rather than to indicate my own viewpoint on the question at this time. Frankly, I have not had time to consider the subject since it has been presented to me.

The VICE PRESIDENT. The resolution will be received, and referred, as requested by the Senator from Georgia.

The resolution (S. Res. 331), submitted by Mr. GEORGE, was referred to the Committee on Government Operations, as follows:

Resolved, That the Senate does not favor Reorganization Plan No. 3 of 1952 transmitted to Congress by the President on April 10, 1952.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS—AMENDMENT

Mr. JOHNSON of Colorado (for himself and Mr. MILLIKIN) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 7314) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1953, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MCKELLAR submitted an amendment intended to be proposed by him to House bill 7314, supra, which was ordered to lie on the table and to be printed.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952—AMENDMENTS

Mr. WILLIAMS (for himself, Mr. FREAR, Mr. BUTLER of Maryland, and Mr. O'CONOR) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, which was ordered to lie on the table and to be printed.

Mr. CASE submitted an amendment intended to be proposed by him to Senate bill 2594, supra, which was ordered to lie on the table and to be printed.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENT OF AGRICULTURE APPROPRIATION BILL

Mr. DOUGLAS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 7314) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1953, and for other purposes, the following amendment, namely:

On page 61, after line 5, insert a new section as follows:

"Sec. 414. Section 32 of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, is amended—

"(a) by striking out, in the first sentence of the first paragraph thereof, 'There is appropriated for each fiscal year beginning with the fiscal year ending June 30, 1936' and inserting in lieu thereof the following: 'There is authorized to be appropriated for each fiscal year beginning with the fiscal year ending June 30, 1953';

"(b) by striking out, in the second sentence of the first paragraph thereof, 'Such sums' and inserting in lieu thereof the following: 'Sums appropriated under authority of this section'; and

"(c) by striking out, in the second paragraph thereof each place it appears therein, 'sums appropriated under this section' and inserting in lieu thereof: 'sums appropriated under authority of this section.'"

On page 37, after line 5, insert the following:

"REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

"To enable the Secretary to carry out the provisions of section 32 of the act of August 24, 1935 (7 U. S. C. 612c), an amount equal to 30 percent of the gross receipts from duties collected under the custom laws during the period January 1, 1951, to December 31, 1951, both inclusive."

Mr. DOUGLAS also submitted amendments intended to be proposed by him to House bill 7314, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1953, and for other purposes, which were ordered to lie on the table and to be printed.

(For text of amendments referred to, see the foregoing notice.)

EXECUTIVE MESSAGES REFERRED

As in executive session.

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session.

The following favorable reports of nominations were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

Maj. Gen. Willard Gordon Wyman, United States Army, for appointment as lieutenant general in the Army of the United States;

Maj. Gen. Williston Birkhimer, Army of the United States (brigadier general, U. S. Army), for appointment as lieutenant general in the Army of the United States;

Maj. Gen. George Henry Decker, Army of the United States (colonel, U. S. Army), for appointment as Comptroller of the Army, with the rank of lieutenant general and as lieutenant general in the Army of the United States;

Maj. Gen. Samuel Ernest Vandiver, Jr., Georgia Air National Guard, adjutant general, State of Georgia, for appointment as major general in the Air National Guard of the United States, United States Air Force;

Maj. Gen. Glenn Oscar Barcus, Regular Air Force, to be commanding general, Fifth Air Force, with rank of lieutenant general;

Charles Anthony Dever, and sundry other officers for promotion in the Regular Air Force;

Admiral Robert B. Carney, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Allied Forces, southern Europe;

Vice Adm. Jerault Wright, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander in chief, United States Naval Forces, Eastern Atlantic and Mediterranean; and

Rosemarie S. Armstrong, and sundry other women officers of the Navy for permanent promotion to the grade of lieutenant (junior grade) in the line; and

Debbie P. Belka, and sundry other women officers of the Navy for permanent promotion to the grade of lieutenant (junior grade) in the Supply Corps.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON of Texas:

Address delivered by Senator GILLETTE before the Democratic State Convention, Des Moines, Iowa, on May 28, 1952.

By Mr. SALTONSTALL:

Article entitled "The Court and the Steel Case," written by Walter Lippmann and published in the Washington Post of June 5, 1952.

By Mr. BRIDGES:

Article entitled "Explorations of the Year," written by Commander Wendell Phillips Dodge and published in the Book of Knowledge Annual for 1952.

By Mr. FREAR:

Statement and tabulations entitled "Federal Tax Burdens Per Capita, by States, Calendar Year 1951."

By Mr. BENTON:

Article entitled "Immigration Bill Discriminatory, Say Fairfield University Forum Speakers."

Summarization of rules on limitation of debate in State legislatures.

Summary of American press opinion with reference to the success with which former Gov. Chester Bowles is performing his duties as Ambassador to India.

By Mr. WILEY:

Article entitled "Business Tops Donors to Health and Welfare," published in the Milwaukee Journal of May 30, 1952.

By Mr. MARTIN:

Editorial entitled "White Elephant," published in the Oil City (Pa.) Derrick of June 3, 1952, relating to the St. Lawrence seaway.

By Mr. KNOWLAND:

An address delivered by him at a final campaign rally in Oakland, Calif., on June 2, 1952.

By Mr. McCLELLAN:

Article entitled "A Way To Spend Wisely," written by Roland Sawyer, and published in the Christian Science Monitor on June 4, 1952.

By Mr. WATKINS:

Article entitled "The Court and the Steel Case," by Walter Lippmann, published in the New York Herald Tribune of June 5, 1952, which will appear hereafter in the Appendix.

By Mr. HUMPHREY:

Article entitled "The Need and the Chance for Equality," by Malcolm Ross, published in the New York Times Magazine on May 25, 1952.

REVISION OF LAWS RELATING TO IMMIGRATION, NATURALIZATION, AND NATIONALITY—EDITORIALS

Mr. HUMPHREY. I have in my hand two editorials urging veto of the McCarran immigration bill. One is from the magazine the Reconstructionist and is entitled "Kill the McCarran Immigration Bill." The other is from the Chicago Sun-Times of May 26 and is entitled "Veto the Immigration Bill." I ask unanimous consent that these two editorials be printed in the body of the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Reconstructionist of May 29, 1952]

KILL THE MCCARRAN IMMIGRATION BILL

The halls of Congress are a long way from Ellis Island and other points of entry where immigrants to the United States undergo the formalities of health inspection and certification. They are even farther away from the many United States consular offices scattered throughout the world, at which thousands of wretched human beings make their desperate bid for the available visas to the land of freedom and plenty. Perhaps this distance from contact with real people enables the members of Congress to disregard the suffering resulting from the immigration bills which are brought up for consideration from time to time.

The plight of refugees from behind the Iron Curtain and of those Orientals who are attracted by the American way of life has apparently failed to touch some of our legislators. But if they lack compassion, our Congressmen ought, at least, take into account the basic traditions of democracy in formulating the quotas under which immigrants are to be admitted into our country.

These remarks are prompted by the possibility that the McCarran Immigration bill now before the Senate, may be passed. The corresponding House measure sponsored by Congressman Walter has already been passed. If this happens to the Senate bill, grave injustices will be perpetrated on innocent men and women, and American democracy will suffer a severe blow.

Contrary to the American tradition of hospitality, the bills seem destined to discourage rather than to welcome immigration to these shores. They prevent the admission of the total annual quota of immigrants by failing to make provision for the transfer of unfulfilled quotas. Thus, for example, if immigrants from England are below the annual quota, the remaining allotment cannot be used by refugees from Poland.

Supporters of the bills have made much of the allotment of quotas to orientals as abolishing racial discrimination in respect to immigration. But the fact is that, to all intents and purposes, the discrimination continues. The quotas assigned are too small to be significant. Colonial regions are limited to 100 immigrants, even though the mother country's quota is not filled, thus discriminating indirectly against immigration from such places as Jamaica, Trinidad and other colonies in the West Indies, most of whose inhabitants are Negroes. Moreover, ancestry rather than place of origin determine eligibility for admission.

Such legislation obviously renders ineffective, among the colored races, our foreign policy declarations about the value of democracy. What it does to our own spiritual development is self-evident.

Another evil feature of the Bill makes naturalized citizens subject to deportation if, within 5 years of their naturalization, they

have joined an organization listed as subversive by the Attorney General. There is no appeal from the immigration authorities to the courts.

Frequently we are faced with no alternative in regard to legislation but to accept or reject the measure proposed. In this case, however, defeat of the McCarran-Walter proposals does not mean that necessary changes in our immigration laws need be delayed. The Senate Judiciary Committee is now sitting on a bill sponsored by Senators HUBERT H. HUMPHREY and HERBERT H. LEHMAN which forms the basis of a humane and sensible approach to immigration. Congressman FRANKLIN D. ROOSEVELT, JR., has introduced a similar bill in the House.

What the McCarran-Walter bills deny about humanity and democracy, the Humphrey-Lehman-Roosevelt bills affirm. Where the former deny the ability of our country to absorb new racial, religious and national strains into our culture, the latter affirm it. Where McCARRAN and WALTER apparently believe in the inequality of men, on the basis of their origins, HUMPHREY, LEHMAN and ROOSEVELT remain true to the democratic tradition of equality. Where the former would force all naturalized citizens to live under the constant threat of deportation by an arbitrary administrator, the latter would offer them full protection of the law.

There can be no greater test of the caliber and strength of American society than our immigration laws. If we follow the path of McCARRAN-WALTER, we shall soon constitute ourselves a closed society. There is no surer way to lose whatever spiritual authority we have left among freedom-loving people throughout the world. There is no surer way to lose all that has made America great. The McCarran bill, therefore, must be defeated and an adequate hearing must be given to the Humphrey-Lehman-Roosevelt bills.

[From the Chicago Sun-Times of May 26, 1952]

VETO THE IMMIGRATION BILL

The so-called McCarran-Walter bill to regulate the immigration, naturalization and deportation of aliens will soon reach President Truman's desk. He should veto the legislation in the interest of fair play—and we have every reason to believe he will do so.

As we have pointed out before, the chief merit of the legislation is that it wraps up all of our scattered immigration statutes into one package. But the bad features of the McCarran-Walter measure far outweigh any good that could come from merely having the legalistic advantage of a single immigration code.

Constant misrepresentation has created the false impression that the bill effects long-overdue reforms in American immigration laws.

Actually, as its opponents have charged, the legislation establishes at least 13 new grounds for keeping out immigrants at at least 20 new grounds for deporting recent immigrants. More importantly, naturalized Americans would become, in effect, second-class citizens, for the legislation sets up innumerable new grounds for revoking their citizenship. In many instances the new provisions violate the spirit, if not the letter of the Bill of Rights.

While much is made of the fact that the bill lifts, for the first time in American history, restrictions prohibiting Japanese and certain other Asians from becoming United States citizens, there is a catch to that, too. The new immigration quotas that would be established for oriental nations are so small as to make the citizenship victory a very hollow one, indeed.

It is unfortunate that some Japanese-American groups have been forced to con-

clude that it is better to accept this grudgingly given crumb than nothing at all. In the long run we believe that their cause and the cause of all Asians, and all Americans of Asian descent, will be better served if the McCarran-Walter bill does not become law.

The recodification of our immigration laws is not so urgent that the matter cannot be studied for another year or two—in the interest of enacting legislation that is less hypocritical and more in keeping with our best traditions than is the McCarran-Walter bill.

NOTICE OF SPEECH BY SENATOR WILEY TOMORROW

Mr. WILEY. If we finish the consideration of the pending bill today, I understand there will be a session tomorrow. I give notice that I shall use some time tomorrow to speak on the question of the Bonn contract and on my reactions during my recent trip to Europe to the European situation.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The committee amendment is open to further amendment.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "5-27-52-D."

The VICE PRESIDENT. The amendment offered by the Senator from Illinois will be stated.

The CHIEF CLERK. On page 5, after line 18, it is proposed to insert the following new subsection:

(d) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(ix) Annual or semiannual payments in the nature of compensation made to employees or officers of a business or enterprise which constitutes a distribution of a portion or percentage of its profits according to a profit-sharing plan or practice which was established and in effect on or before January 15, 1950. If the determination of any amount or part of the plan or practice involves the exercise of the discretion of managers of the business or enterprise, such plan or practices may be continued and payments made thereunder so long as the discretion is exercised according to the same policy standards and principles which were applicable and in effect on or before January 15, 1950."

Mr. DIRKSEN. Mr. President, I should like to address myself particularly to the chairman of the committee, Mr. MAYBANK. I do not know whether or not he has had an opportunity to examine the amendment, but I should like to tell him briefly what is involved.

Mr. MAYBANK. Mr. President, the Senator from Illinois has 15 minutes, and I have 15 minutes. I intend to be very frank with the Senator. When the Senator has completed his remarks, to which I shall listen with great interest, I should like to read into the Record a statement

which I have prepared in connection with the amendment.

Mr. DIRKSEN. That is quite all right. I merely wished to take a moment to say to the chairman of the committee that there are a number of firms in the country which have developed profit-sharing plans with their employees. They have done so on a contract basis. As I understand, when an employee goes on the rolls he automatically becomes one of the beneficiaries of the profit-sharing plan.

Mr. MAYBANK. Does not the Senator believe that if this amendment were agreed to the result would be an increase in the number of such profit-sharing plans which would be subject to the amendment, and therefore exempted from certain provisions of law? I am fearful that the situation might become like a running sore.

Mr. DIRKSEN. The profit-sharing plan must have been in effect on or before January 15, 1950. The amendment has no relation to new profit-sharing plans.

Mr. MAYBANK. If the Senator does not mind, I should like to read this brief statement from a memorandum which I have prepared.

More important, the operation of this amendment would constitute special tax legislation for a preferred group. It would necessarily turn into spendable dollars a great many millions of dollars which are now available only as profits after taxes. The flow of these additional spendable dollars into our economy would add one more very serious pressure.

Mr. CAPEHART. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Illinois has the floor.

Mr. DIRKSEN. I yield to the Senator from Indiana.

Mr. CAPEHART. I should like to urge the chairman of the committee to accept the amendment and take it to conference, so that there will be an opportunity to study it, with no obligation connected with it.

Mr. MAYBANK. I should be glad to accept the amendment if it could be distinctly understood, as the Senator from Indiana has said, there would be no obligation in connection therewith, in order that we might have an opportunity to study it. I wish to be perfectly frank with my friend from Indiana and other Senators. If the amendment affects the tax structure, I am opposed to it.

Mr. DIRKSEN. That course is agreeable to me. If I may make this additional observation, what is actually involved in cases of this kind is the right of contract between the employers and the employees.

Mr. MAYBANK. I am not suggesting that the Senator is not correct; but if this amendment affects the tax laws, as I understand it does, I am opposed to it. I shall be glad, however, to take it to conference.

Mr. DIRKSEN. What is involved is wage stabilization. The company certainly has its hands tied. It cannot perform its share of the contract with the new employees who come into its em-

ployment. The company is placed in the difficult position of either being in violation of a stabilization policy on the one hand or, on the other hand, in violation of a contract which it has made, which automatically inures to the benefit of the employees. So I trust the chairman will take this amendment to conference and give it consideration. There are probably not many firms which are in this difficulty, but it is a legal difficulty which confronts them.

Mr. MAYBANK. Mr. President, if the Senator will yield me a minute of his time—or it can be charged to my time—I was in error when I said that the amendment would increase the number, because such profit-sharing plans must have been in existence prior to January 15, 1950. However, it has been called to my attention that an important by-product of all this would be the opportunity for companies who happened to have a bonus form of compensation prior to January 15, 1950, to offer substantial financial inducements to the employees of companies which did not have such a plan.

Mr. DIRKSEN. This amendment would apply only in cases in which a profit-sharing contract had been in existence prior to January 15, 1950. It would not open the door to any new contracts or to any possible abuses.

Mr. MAYBANK. Again I say to the Senator that I shall be glad to take the amendment to conference, with the understanding that I am not to be bound.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "5-27-52-A."

The VICE PRESIDENT. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 5, after line 21, it is proposed to insert the following new section:

SEC. 105. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof a new subsection as follows:

"(j) On and after September 1, 1952, no ceiling shall be applicable with respect to a material or service unless the President makes a specific finding of fact, and sets forth the basis for the finding, in the rule, regulation, order, amendment or supplement thereto imposing such ceiling that (1) such material or service is in such short supply as to threaten to cause the price of such material or service to rise unreasonably, and (2) such material or service is important in relation to business costs or living costs. Thereafter, the President shall review such findings of fact and all rules, regulations, and orders issued thereunder, and add to or remove from such individual services or materials such ceilings in accordance with the afore-mentioned standards; but no ceiling on any material or service shall be reimposed or maintained below the ceiling price on such material or service in effect on the date the ceiling on such service or material was suspended."

Mr. DIRKSEN. Mr. President, on yesterday the Senate passed on the

question of the suspension of controls. It came in the form of an amendment which was submitted by the ranking Republican member of the Committee on Banking and Currency, the Senator from Indiana [Mr. CAPEHART]. It approached the matter of suspension in a slightly different manner than the amendment which I have offered.

The pending amendment provides a definite date and states that no ceiling shall be applicable after that date, except in the case of a contingency, the contingency being that if there were a finding, as a result of a survey, which showed that a material or service was in such short supply as to threaten to cause the price of such material or service to rise unreasonably, and coupled therewith there was no inflationary threat, then and only then could controls be reimposed.

The point has been made, in connection with the effort to strike out titles IV and V of the act, that to do so would not permit the existence of any machinery which would be available in case a threatening situation developed.

The pending amendment is a suspension amendment, as distinct from a de-control amendment. It provides for the suspension of price controls, but it leaves the machinery intact so that it is usable at any time. It picks out a definite date and makes it possible for the President to reimpose controls, after a review and a finding that a material or service is in short supply and threatening to our economy.

Therefore, Mr. President, for all practical purposes the pending amendment would suspend the controls as of September 1, 1952. The date is not particularly arbitrary. It is sufficiently beyond July 1, 1952, to make possible a reordering of whatever is necessary in the administrative machinery.

I felt that the Senate should have an opportunity to pass on the question.

The VICE PRESIDENT. Does the Senator from South Carolina wish to take any time?

Mr. MAYBANK. I wish to call the attention of the Senate to the fact that the amendment prohibits the maintenance of price control over any material after September 1, 1952, unless, first, the material is in such supply that the price threatens to rise unreasonably and, second, the material is important to business costs or living costs.

This amendment would kill price controls.

There are many materials, such as milk, oil, cigarettes, which are not scarce, but prices are pressing ceilings and producers are asking higher prices. With prices of these materials going up, the pressure on other prices and on wages would start another spiral of price-wage increases.

Right after Korea prices went up sharply, even though there were few shortages, and even though the budget was balanced and defense spending had not started. Scare buying, and the resulting price increases, can and did take place, without any shortages.

Defense spending is still increasing, the budget is unbalanced, and the ac-

tual inflationary pressures are greater than just after Korea.

We cannot afford to gamble on the chance that there will be no international incident which will start off a new round of scare buying.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Until all time for debate on both sides has been exhausted the possibility exists that the time available to both sides will be consumed in the development of a quorum. The Chair therefore suggests, until all debate has been concluded, that the suggestion of the absence of a quorum be withheld.

Mr. McFARLAND. Mr. President, I believe that Senators will want to know what they are voting on. I ask unanimous consent that we may have a quorum call and that the time be not charged to either side.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will call the roll.

The legislative clerk called the roll.

Alken	Gillette	Monroney
Anderson	Green	Moody
Bennett	Hayden	Morse
Benton	Hendrickson	Mundt
Brewster	Hennings	Neely
Bricker	Hickenlooper	Nixon
Bridges	Hill	O'Connor
Butler, Md.	Hoey	O'Mahoney
Butler, Nebr.	Holland	Pastore
Byrd	Humphrey	Robertson
Cain	Hunt	Russell
Capehart	Ives	Saltonstall
Case	Johnson, Tex.	Schoeppel
Chavez	Johnston, S. C.	Smathers
Clements	Kefauver	Smith, Maine
Connally	Kem	Smith, N. J.
Cordon	Kilgore	Smith, N. C.
Dirksen	Knowland	Sparkman
Douglas	Lehman	Stennis
Duff	Long	Thye
Dworshak	Martin	Tobey
Eastland	Maybank	Underwood
Ellender	McCarran	Watkins
Ferguson	McCarthy	Welker
Flanders	McClellan	Wiley
Frear	McFarland	Williams
Fulbright	McKellar	Young
George	Millikin	

Mr. JOHNSON of Texas. I announce that the Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. KERR], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The VICE PRESIDENT. A quorum is present.

The Senator from Illinois [Mr. DIRKSEN] is recognized.

Mr. DIRKSEN. Mr. President, I yield whatever time he may desire to the Senator from Ohio [Mr. BRICKER], who has an amendment substantially similar to the one now pending.

The VICE PRESIDENT. The Senator from Ohio is recognized.

Mr. MAYBANK. Mr. President, I should like to inquire how much time remains?

The VICE PRESIDENT. The Senator from Illinois has 7 minutes; the Senator from South Carolina has 14.

Mr. BRICKER. Mr. President, I support the amendment offered by the Senator from Illinois. As he has explained, I had submitted to the committee an amendment somewhat similar to this, which would relieve from price control all material selling for a 60-day period at a price below the ceiling. It would permit the President to reestablish controls if, for a period of 30 days, after the removal of the controls, any goods should go above the ceiling price. I like this amendment because of the fact that it would relieve businessmen generally from the perpetual paper work which is essential in order to comply with wage regulations, rules, orders, and edicts of OPS, which are being issued with amendments, qualifications, and exceptions so fast that businessmen cannot keep track of them.

I have in my hand one volume about 3 inches thick, which involves but one segment of the retail business in our country. It is impossible to keep up with these rules and regulations, and when one undertakes to read them, he finds it impossible at times to understand them. They have been written and prepared by men who are technically expert, possibly, but who certainly use language calculated to confuse their thought rather than to clarify it.

In the hearing before our committee it was testified by certain representatives of various segments of business, that it took about a third of their time to prepare reports for the Government. We likewise had testimony to the effect that, for every employee of OPS, it takes about 10 employees throughout the country, in order to comply with their rules and regulations. We have had personal contact, of course, with a great many business people, who have confirmed the testimony presented to our committee.

This amendment would place the responsibility upon the administration, upon the President, and through him, upon OPS, to establish positively and affirmatively whether a regulation should be in effect after the first day of September of this year. That clearly brings the question into the realm of need. At the present time many goods are in adequate supply, and many in surplus supply throughout the country. The market is soft in many industries, and prices have been declining in many fields. It is absurd for the Federal Government to maintain control through ceiling prices on materials and goods which are selling far below ceiling prices.

There have been several instances of the OPS having attempted to lower prices and roll them back. I particularly remember one, that in the case of fats and oils, where there was a rollback order. Within only 2 or 3 months under the rollback order, which was issued with tremendous fanfare and publicity in order to influence people to think that OPS was acting in their interest, the product was selling at one-half the ceiling price. On the other hand, where ceiling prices were fixed by the OPS, as in the case of scrap iron, the steel companies were forced to go a great distance for scrap. Ceiling prices were placed on scrap, and scrap went into hiding. Scrap of inferior quality was necessarily bought, and extra work was required in order to make it available and useful in the production of steel. So, generally, confusion has resulted from the orders of OPS and their interference with the orderly conduct of business.

Mr. President, I grant you that price control might have been necessary in the case of commodities which were in short supply. Some of them may be in short supply yet, such as minerals and metals which are essential to the defense program, with respect to which we shall have to continue controls. But this amendment makes that responsibility the responsibility of the Federal administration, the President of the United States, operating through OPS. It would relieve business generally except in the few instances where there is a short supply of articles needed in connection with the Federal Government's defense-production program. It would relieve businessmen of the country from the additional cost, from the confusion, from the burden of making interminable reports, and from keeping track of the rules and regulations and orders and amendments and supplements thereto issued by OPS.

Mr. President, the time has come in our economy when production is rapidly catching up in all fields. It was testified before our committee that even in the case of steel, by the end of this year, barring an extensive strike, the steel industry would be producing at about 90 percent of its capacity.

The copper situation is such that last week authority was granted to American companies to buy outside our country or offshore and to carry through the cost to 80 percent, of course, of the amount paid, in addition to the ceiling price. Yet, domestically, the ceiling price that is maintained is causing utter confusion in the copper market and is further limiting the supply.

So, in my judgment, Mr. President, the time has arrived when we ought to look forward to an early date when all price and wage regulations can be removed. This amendment is a step in the right direction, removing them only where they are no longer necessary, and relieving business generally of the business of reporting and keeping track of the regulations and orders issued by OPS.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield to the Senator from New York.

Mr. IVES. Granting that there is considerable provocation for the type of amendment with respect to prices which the Senator is in this instance supporting, I should like to inquire of my able colleague from Ohio what plan he has with respect to wages in those industries where price controls would thus be removed.

Mr. BRICKER. There is no plan at all in this amendment in regard to wages.

Mr. IVES. They would still remain controlled, would they?

Mr. BRICKER. They would still remain under stabilization.

Mr. IVES. That is, virtually controlled.

Mr. BRICKER. That is the import of the amendment. The amendment is submitted, not by the Senator from Ohio, but by the Senator from Illinois. The stabilization program, as the Senator from New York well knows, is operated under an entirely different formula and in an entirely different way from that in which the price control program is operated. One has been more or less in the nature of a freeze, the other has been operated in the nature of adjustments. Most of the adjustments have been upward, and the pressure has been upward. The pressure on prices has been downward, until at the present time I would say in a great majority of the fields, prices are below the ceilings fixed by OPS.

Mr. IVES. Mr. President, will the Senator yield for another question?

Mr. BRICKER. I yield.

Mr. IVES. The Senator from New York would like to ask his colleague from Ohio whether he does not feel that, if controls over prices in any particular industry in any particular area should be removed, controls of any type and of every type over wages, to the extent that the controls over prices are affected by such an order, should also be removed?

Mr. BRICKER. I agree with the Senator from New York. As he well knows, I am in favor of taking them all off now so far as that is concerned.

Mr. IVES. I do not think we should remove controls over prices without removing controls over wages, where they are involved.

Mr. BRICKER. That involves an entirely different situation. Where prices are low, there would of course be no demand for an increase of wages in those fields. The fields which would be exempt from price control are fields wherein there is not a great element of labor. In those fields there is not going to be much pressure for an increase of wages, and in some places they may decline. As the Senator from New York well knows, where there is at the present time a suppressed market and a softening of prices there have even been some decreases in wages. So, I do not think the effect which the Senator from New York fears might result because of not removing wages from controls is very important.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Illinois.

Mr. DIRKSEN. If the Senate were to show a disposition to deal with this matter in conformity with this amendment, it could then deal with the other matter.

Mr. BRICKER. The question of controls could easily be dealt with, and I would join in and heartily support an amendment having such an objective.

Mr. IVES. Mr. President, will the Senator from Ohio yield in order that I may address a question to the Senator from Illinois?

Mr. BRICKER. I ask unanimous consent that I may yield to the Senator from New York for that purpose, provided I do not lose my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. IVES. Would it not be far better to have the two questions combined in a single amendment, so that we might know what we were doing?

Mr. DIRKSEN. The Senator from Illinois combined them in a proposal for joint action on titles IV and V, but in that particular case he was not very successful.

Mr. IVES. Surely, if we turned down the earlier effort in connection with titles IV and V, we should not now be abolishing one or the other.

Mr. DIRKSEN. If it is not done "whole hog," then it will be necessary to take two bites of the cherry. I do not think that would work in this particular instance. We are dealing with but one segment of the problem at the present time. I do not know how it would be possible to combine them.

Mr. BRICKER. I assure the Senator from New York that if an amendment were submitted along the line of his suggestion, I would give it my full support.

I point out, Mr. President, that at the present time OPS is increasing its staff—

The VICE PRESIDENT. The time of the Senator from Ohio has expired. All time of the proponents of the amendment has expired. The Senator from South Carolina has some time on the amendment.

Mr. MAYBANK. Mr. President, this amendment would terminate price control on September 30, 1952, except for materials which are in such short supply as to threaten an unreasonable price rise, and are important in relation to business costs or living costs.

In order to permit control of these materials, a formal finding would have to be made and its basis set forth. That is the important thing. We have voted to do away with rent control at the end of February. I supported the action, as chairman of the committee. But, Mr. President, please remember that a formal finding of facts will have to be made to ascertain what is to be discontinued and what is not to be discontinued. The finding of facts is subject to court review. The courts will have to review the finding before September.

Furthermore, the amendment attempts to insulate individual commodities in an entirely unrealistic manner, instead of recognizing the danger of gen-

eral inflationary pressure against which we must protect the consumer, the farmer, and the entire Nation.

I repeat, Mr. President, that this amendment could not be administered and would, in effect, achieve the same purpose of eliminating price controls which the earlier amendment of the Senator from Illinois [Mr. DIRKSEN] sought to achieve more directly. If we want to do away with price controls, let us do away with them by adopting a concurrent resolution.

My good friend from Illinois knows that there must be findings of fact as to the materials which are to be released from controls. How can we have findings of fact and court decisions between now and September, when almost everyone is going either to the Republican convention in early July, or to the Democratic convention later in July?

Mr. McFARLAND. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. McFARLAND. After a finding of facts the situation might change in 2 weeks.

Mr. MAYBANK. That is correct. And the courts have to review the facts.

Mr. McFARLAND. I agree with the Senator. Instead of merely knifing it, let us do away with it.

Mr. CAPEHART. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. It would be too bad if the administration had to find the facts.

Mr. MAYBANK. I think Governor Arnall has found many facts in connection with wool. Certainly, the distinguished Senator from Indiana was interested, as I was, in tallow, hides, and pork products. Governor Arnall removed controls from those commodities.

Mr. DIRKSEN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. DIRKSEN. The point was made that there must be a court review. There is nothing in the amendment about a court review.

Mr. MAYBANK. The law provides that there must be court review.

Mr. DIRKSEN. There must be an inflationary threat before controls could be restored.

Mr. MAYBANK. Title 7 has not yet been eliminated from the bill.

Mr. DIRKSEN. The amendment is a suspension amendment, and, in my opinion, it meets every point which has been made.

Mr. MAYBANK. If the Senator wants to do away with price controls by concurrent resolution, that is one thing, but what about the findings of fact which have to be made?

Mr. McFARLAND. The amendment states that "such material or service is important in relation to business costs or living costs." There is no standard established.

Mr. MAYBANK. Mr. Arnall will have to find the facts, and the courts will have to review them. If the Senator from Illinois thinks that can be done by next September, he is very much mistaken.

Mr. McFARLAND. What about children's shoes? I used to go barefooted when I was a child. Maybe Governor Arnall went barefooted, and might think that shoes are not very important, but some people think children ought to wear shoes. There is no standard at all.

Mr. MAYBANK. There must be a finding of facts, with a court review.

Mr. DIRKSEN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. DIRKSEN. OPS does not need any criteria now to check their own good judgment. They took antiques and squash seed off the list as having no bearing on the cost of living. I think the Senator's argument is wholly irrelevant.

Mr. MAYBANK. I am sorry the Senator disagrees with me.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. KERR], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

I announce further that if present and voting, the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. BRIDGES. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

If present and voting the Senator from Massachusetts [Mr. SALTONSTALL] would vote "nay."

On this vote the Senator from New Hampshire [Mr. TOBEY] is paired with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 27, nays 54, as follows:

YEAS—27

Bennett	Cordon	McCarthy
Brewster	Dirksen	Millikin
Bricker	Dworshak	Mundt
Bridges	Ferguson	Schoeppel
Butler, Md.	Flanders	Thye
Butler, Nebr.	Hickenlooper	Welker
Cain	Kem	Wiley
Capehart	Knowland	Williams
Case	Martin	Young

NAYS—54

Aiken	Hennings	Monroney
Anderson	Hill	Moody
Benton	Hoey	Morse
Byrd	Holland	Neely
Chavez	Humphrey	Nixon
Clements	Hunt	O'Connor
Connally	Ives	O'Mahoney
Douglas	Johnson, Tex.	Pastore
Duff	Johnston, S. C.	Robertson
Eastland	Kefauver	Russell
Ellender	Kilgore	Smathers
Frear	Lehman	Smith, Maine
Fulbright	Long	Smith, N. J.
George	Maybank	Smith, N. C.
Gillette	McCarran	Sparkman
Green	McClellan	Stennis
Hayden	McFarland	Underwood
Hendrickson	McKellar	Watkins

NOT VOTING—15

Carlson	Langer	Murray
Ecton	Lodge	Saltonstall
Jenner	Magnuson	Seaton
Johnson, Colo.	Malone	Taft
Kerr	McMahon	Tobey

So Mr. DIRKSEN's amendment was rejected.

The VICE PRESIDENT. The bill is open for further amendment.

Mr. CAIN. Mr. President, I send to the desk an amendment, and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 10, beginning with line 17, it is proposed to strike out subsection (p), and to insert in lieu thereof the following:

(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any locality which has previously been decontrolled under this act until a public hearing, after 30 days' notice, has been held in such locality, and the governing body of said locality has by resolution, adopted in accordance with applicable local law, found that the conditions set forth in subsection (1) exist in said locality.

The VICE PRESIDENT. The Senator from Washington is recognized for 15 minutes.

Mr. CAIN. Mr. President, Senators know that at present the Government can, without public hearings of any kind, reimpose Federal rent control, in localities in critical defense housing areas which have previously been decontrolled, provided the President has certified that there exist in each such locality (a) new or expanded military or defense installations, (b) a substantial immigration of military or defense personnel, (c) a substantial housing shortage or (d) an excessive increase of rents or the threats of excessive increases in rents.

Senators know that a locality can remove Federal rent controls through affirmative action taken by its local governing body.

Senators know that the pending bill, S. 2594, includes an amendment by the Senator from Virginia [Mr. ROBERTSON], which provides that the Government shall not reimpose Federal rent controls on a locality which has previously been decontrolled until a public hearing, after 30 days' notice, has been held in such area.

The amendment which I have offered is merely a logical addition to the Robertson amendment. My amendment requires that the Government shall not reimpose Federal rent controls on a locality which has previously been decontrolled unless the local governing body, after a public hearing, has by resolution found that the four conditions to which I have made reference do exist.

It seems obvious to me that, following a public hearing to determine the facts, a locality is better equipped and qualified to determine the need for reimposing Federal rent controls than is the Federal Government. Without the adoption of my amendment, there are likely to be cases where the Government will insist on reimposing Federal rent controls only to have the local governing body immediately take steps to remove the controls.

Such a circumstance is as unnecessary as it would be costly and confusing.

Yesterday the Senate agreed that price, wage, and rent controls shall terminate at the close of February 28, 1953. Every caution should therefore be taken to prevent reimposing Federal rent controls on localities previously decontrolled unless the reasons for doing so are compelling and accepted as being valid by the locality affected. It would be improper and, in my opinion, unwise for us to assume that any American locality is less patriotic or intelligent than is the Federal Government. If a public hearing proves conclusively that rents in any locality are excessive and that a housing shortage exists because of the substantial immigration of defense or military personnel, I take it to be true that the governing body of such a locality would resolve that Federal rent controls should be reimposed.

What my amendment recommends is based on logic. In having previously provided by law that a locality can rid itself of Federal rent controls, we ought now to provide that localities shall be the agency to determine if Federal rent controls ought to be reimposed. Should my amendment be adopted, we shall acknowledge our respect for American localities and our confidence in their ability and readiness to take proper action in accordance with facts which are developed in the public hearings which will be required by the amendment of the Senator from Virginia.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. As I understand the amendment, it differs from the amendment of the Senator from Virginia [Mr. ROBERTSON]. I should like to have the attention of the Senator from Virginia.

If there were a public hearing and the Federal Government believed that rent control was necessary in a community which today has 5,000 people, but which, we will say for the sake of argument, in December may have 100,000 people because of the construction of an atomic energy plant or a military installation, the city council which was in existence when the community consisted of 5,000 people would have the power to veto the action of the Government, whatever the Government might claim with respect to the area being a critical defense area. The amendment of the Senator from Virginia provides for a public hearing with respect to larger communities.

I asked the hypothetical question because that was the way I understood the amendment would apply. I am not against landlords, as the Senator well knows. I have never said anything against them, and I am not opposed to them. But I have sense enough to know that there are certain communities in America which are very small today, and which may be very large tomorrow if present plans are carried out. The President has asked for \$3,000,000,000 additional for the construction of atomic plants. There might be in existence today a community of 5,000 people with a council form of government, which could veto the decision of the Federal Government.

For example, take Oak Ridge, Tenn. I believe the Senator from Tennessee [Mr. McKellar] is very much interested in trying to prevent a similar situation arising anywhere else in America. At the site of the new atomic plants there may be very few people today. There may be many thousands tomorrow. I am not sure about the wisdom of allowing a few local people to veto a finding of fact with respect to a critical defense area.

Last night I opposed shortening the limitation on rent control from 12 months to 8 months. That made no serious difference. We have no rent control in my State, except where atomic energy plants or military installations are located or to be located.

Mr. CAIN. Mr. President, the Senator from South Carolina and the Senator from Washington are by no means far apart. I believe that within the next few minutes that fact will be established.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. Mr. President, the time consumed in this colloquy may be charged to my time.

Mr. CAIN. I am very grateful to the Senator from South Carolina.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield, gladly.

Mr. ROBERTSON. The Senator from Virginia was successful in persuading the committee to adopt the amendment to which reference has been made. We thought that when an area had been decontrolled there should be some definite expression, through a public hearing, of the necessity for recontrol before it was imposed. In a community such as Hampton Roads, which is in a critical defense area, or in the nearby counties of

Arlington and Fairfax, which I believe are critical defense areas, I can see no particular objection to the additional safeguard which the Senator from Washington proposes. However, I can see that in some areas there might be difficulties. I have visited the atomic energy plant at Savannah Valley. There are about 65,000 new workers at that site, compared with 1,000 or 2,000 local people in the community. The Government must furnish the houses. The Government cannot bring workers in there unless it can provide housing at a reasonable price. Rents must be controlled, at least temporarily, in areas of that kind. As the Senator from South Carolina has pointed out, we run into certain difficulties in connection with the amendment offered by the distinguished Senator from Washington.

Mr. CAIN. Mr. President, I appreciate the comments made by the Senator from Virginia. Let me say to the Senator from South Carolina—I think he did not hear it—that among other things the Senator from Virginia indicated that he saw no objection to the adoption of my amendment, but he raised several questions in connection with it, which I wish now to answer.

Mr. MAYBANK. Mr. President, I do not intend to raise objections to the Senator's amendment before the Senator has explained it. I only asked a hypothetical question, as to whether or not his amendment would apply to an area which had been declared to be a critical defense area, and where there might be two or three thousand people today, and many thousand tomorrow. There may be such areas in Arizona, New Mexico, Virginia, or South Carolina. Tomorrow there may be 100,000 people in such a community because of expenditures by the Federal Government either for the armed services or in connection with the atomic energy program.

Mr. CAIN. I ask the Senator from South Carolina to bear with me for about 2 minutes.

The present law provides that there shall be a finding of fact by the Federal Government before Federal rent controls can be reimposed on a community which had previously been decontrolled. Secondly, the Senator from Virginia [Mr. ROBERTSON] has provided in his amendment that there shall be a public hearing.

Mr. MAYBANK. That is correct.

Mr. CAIN. To be of assistance in the finding of fact.

Mr. MAYBANK. The Senator from Virginia will bear me out in the statement that I supported his amendment throughout in the committee.

Mr. ROBERTSON. That is correct.

Mr. CAIN. In the third place, the Senator from Washington is suggesting in his amendment that the finding of fact as to the need for recontrolling an American municipality shall be where he believes it belongs, with the American municipality or locality.

Mr. MAYBANK. How large would the new municipality be?

Mr. CAIN. From the smallest up to the highest population figure for any city in the United States.

Mr. MAYBANK. Of course, a community of 10,000 would be a comparatively small place. In the case of Savannah Valley, the population jumped to 50,000. I am considering what my own people are up against. The same thing would be true in Paducah, Ky., where the distinguished Vice President comes from.

Mr. CAIN. I feel quite certain that the Senator from South Carolina will agree with me that if it is apparent in any American local area that there is a housing shortage, that there is substantial in-migration of defense and other workers, and that there is or threatens to be an excessive increase in rents, the community's local government will be as responsive to the needs of their community, and more so, than the Federal Government can ever be.

Mr. MAYBANK. The Senator from Washington would be absolutely correct so far as the city of Norfolk or the city of Memphis, for example, would be concerned. It is the mushroom cities—and I say that respectfully—where atomic plants and new defense installations are being constructed, which give me concern, because they have old-line governments. Sometimes they were unincorporated communities even a year ago.

Mr. CAIN. We have in such circumstances, in nearly every State in the United States, a Board of County Commissioners. The only difference between the law as it is now written and what I am suggesting is that the power of determination ought, by way of compliment and out of respect, to be vested in the American local government, as opposed to the dead-hand government of a Federal agency which is often located as much as 3,000 miles away.

Mr. MAYBANK. Let me suggest—and I say this knowingly—that there are communities in my State, and there are communities in Kentucky, if I may say so, as there are communities in New Mexico, in which the local people do not know, to the best of my knowledge, what the extent of the in-migration will be. For example, in my State it is said there is going to be a certain amount of in-migration. I know better than that from what officials of the Federal Government have told me. I am not going to talk about what the Atomic Energy Commission has told me, or about the \$3,000,000,000 in additional appropriations the President has requested, but the Federal officials know factually about the in-migration of workers long before the local people know about it. That is what gives me concern.

Mr. CAIN. I will allay the Senator's concern. The Senator from Virginia in his amendment makes certain that there is to be a public hearing in which the facts will be developed, as a result of which the local authorities, whatever the situation may be, will be as fully conscious of the facts as the Federal Government.

Mr. McKellar. Mr. President, will the Senator from Washington yield to me?

Mr. CAIN. I yield to the distinguished Senator from Tennessee.

Mr. McKELLAR. We have a situation in Tennessee which I wish to call to the attention of the Senate, particularly the Senator from Washington, which is very unusual. At Oak Ridge, Tenn., which I think is now the fifth largest city in the State—and it has been made so by the atomic energy plant which has been built there—there is no civic government at all. Every foot of ground is owned by a foreign corporation. It is not a local corporation at all. They increased the rents last year by 26 percent. In January of this year they gave notice that they were going to increase the rents 26 percent more. I was appealed to. I was asked to prevent the additional increase, if possible. We did prevent it.

I would like to know how the Senator's amendment would affect that particular city. It ought to be protected against a further increase in rents.

Mr. CAIN. Indeed, sir. I see no problem whatever in that situation because the foreign corporation to which the Senator from Tennessee makes reference are in fact agents of the United States Government.

Mr. McKELLAR. That is correct.

Mr. CAIN. If it be so that one agency of the Government cannot cooperate with and understand the intentions of another agency of the Federal Government, there can be no help or solution for a problem of that character.

Mr. McKELLAR. The Senator's amendment does not apply to that situation in any way?

Mr. CAIN. Oh, no.

Mr. McKELLAR. What ought to be done? We ought to adopt an amendment to take care of it. Probably I shall offer an amendment. The Government should take steps to find out what the people in that community want. It should find out whether they want their rents increased. Even though the Government owns all the land, the foreign corporations let out the business places, such as restaurants. But everything is owned by the Government. It is an impossible condition; it is an undemocratic condition; it is a communistic condition that exists there today. They have raised the rents on the poor people who work for the Government.

Mr. CAIN. I would encourage the Senator from Tennessee to offer such an amendment. Certainly the Senator from Washington would support it. What the Senator from Washington seeks to accomplish is to make unnecessary and to make impossible the existence of conditions in American municipalities which the Senator from Tennessee suggests with cause exist in a Federal city in a sovereign State. I am only suggesting and urging the adoption of the pending amendment in order that the local communities may have a full and complete chance to express their own will. I know that the Senator from South Carolina basically believes as I do.

Mr. McKELLAR. I thank the Senator from Washington.

Mr. MAYBANK. Mr. President, I have always been on the side of my distinguished colleague, the chairman of the Committee on Appropriations in connection with the Manhattan Project ever

since 1941, when it was established. The people in the communities have no right to vote, even. They have no government.

Mr. McKELLAR. They cannot vote. That is correct.

Mr. MAYBANK. They have no government.

Mr. CAIN. The Senator from South Carolina was absent from the floor when I answered that question precisely. In Oak Ridge, Tenn., there is a Federal city.

Mr. MAYBANK. That is correct.

Mr. CAIN. It is a ward of a Federal agency.

Mr. MAYBANK. That is correct.

Mr. CAIN. My amendment has no relationship to the relationship between different Federal agencies. That will continue to be their own responsibility.

Mr. MAYBANK. It is a very bad responsibility. It is bad for the people of Tennessee, as the Senator from Tennessee has so often said on the floor.

Mr. McKELLAR. Will the Senator from South Carolina accept an amendment providing that localities which have no city government, but which are cities just the same, should have the right to pass on an increase in rents?

Mr. MAYBANK. Mr. President, the Senator from Tennessee has asked me whether I would accept an amendment to the amendment of the Senator from Washington. I cannot accept it as an amendment to the pending amendment. I shall be glad to consider it as a separate amendment.

Mr. McKELLAR. I will prepare one and submit it later.

Mr. CAIN. I would suggest that as soon as a vote is had on my amendment I should like to join with the Senator from Tennessee in urging the adoption of such an amendment.

Mr. McKELLAR. I thank the Senator very much.

Mr. CAIN. Mr. President, I think I have stated substantially and fundamentally the essence of the amendment which has been offered by the Senator from Washington. All I seek to accomplish is that a finding of fact concerning the need for reimposing Federal rent controls on an American municipality in a critical defense housing area shall be determined by the local governing body of that municipality, rather than by the Federal agency concerned.

In all sincerity I urge the adoption of the amendment out of my respect for the self-reliance, for the patriotism, and for the intelligence of the average normal American community and locality.

Mr. President, I request the yeas and nays.

The yeas and nays were not ordered.

Mr. CAIN. Mr. President, I do not desire to labor the point, but under the circumstances I shall suggest the absence of a quorum. We may as well dispose of the amendment in order to determine whether—no, not to determine whether one is for the Federal Government or for the cities. I merely wish to provide an opportunity for Senators to support the amendment who wish to do so.

Mr. MAYBANK. I agree with the Senator.

Mr. President, a quorum call has been requested; but before the absence of a

quorum is actually suggested, I merely wish to say that when I vote against the amendment of my good friend, the Senator from Washington [Mr. CAIN], I shall not be voting for the Federal Government, as against local government. I shall vote against this amendment because I simply do not believe it is workable in communities in which today the Federal Government is expending huge sums of money—for instance, communities in the State of Kentucky or communities in my own State. I do not believe it would be workable to permit the government of a small town which last year was unincorporated, but which has 10,000 inhabitants today, to determine what immigrant workers will have to pay for rent and what rent charges will be made, at a time when labor is so scarce.

Mr. CAIN. Mr. President, the Senator from South Carolina is not unmindful, I am sure, that we are speaking only of communities in the United States which previously have been under Federal rent control, but which by local action have decontrolled themselves. The Senator from South Carolina has no doubt of what the facts in this case are, I trust.

Mr. MAYBANK. I have no doubt as to what the facts are or as to what the Senator from Washington is attempting to do. He and I are really trying to do the same thing, in substance, although we may differ as to the method.

I thought the Senator from Virginia covered the point well in his amendment.

Mr. CAIN. He took a positive step in that respect.

Mr. MAYBANK. Yes; and I supported the amendment of the Senator from Virginia.

Mr. CAIN. So, Mr. President, I shall suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The Chair wishes to inquire whether the Senator from South Carolina yields back the time which remains to him or whether he wishes the time required for the call of the roll, following the suggestion of the absence of a quorum, to be charged to his time.

Mr. MAYBANK. No, Mr. President, for the call of the roll might take even as long as an hour. Therefore, I ask unanimous consent that the time required for the call of the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CAIN. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Chavez	Green
Anderson	Clements	Hayden
Bennett	Cordon	Hendrickson
Benton	Dirksen	Hennings
Brewster	Douglas	Hickenlooper
Bricker	Duff	Hill
Bridges	Dworshak	Hoey
Butler, Md.	Eastland	Holland
Butler, Nebr.	Ellender	Humphrey
Byrd	Ferguson	Hunt
Cain	Frear	Ives
Capehart	Fulbright	Johnson, Tex.
Case	Gillette	Johnston, S. C.

Kefauver	McKellar	Smathers
Kem	Millikin	Smith, Maine
Kilgore	Monroney	Smith, N. J.
Knowland	Moody	Smith, N. C.
Lehman	Morse	Sparkman
Long	Mundt	Stennis
Martin	Neely	Thye
Maybank	Nixon	Underwood
McCarran	O'Connor	Watkins
McCarthy	O'Mahoney	Welker
McClellan	Pastore	Wiley
McFarland	Robertson	Williams

The PRESIDING OFFICER. A quorum is present. The question is on the amendment of the Senator from Washington [Mr. CAIN].

Mr. CAIN. I ask for the yeas and nays. The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. JOHNSON], the Senator from Oklahoma [Mr. KERR], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. BRIDGES. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The Senator from Vermont [Mr. FLANDERS], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Kansas [Mr. SCHOEPEL], and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

If present and voting the Senator from Massachusetts [Mr. LODGE] would vote "nay."

The result was announced—yeas 29, nays 46, as follows:

YEAS—29

Bennett	Cordon	McCarthy
Brewster	Dirksen	Millikin
Bricker	Duff	Mundt
Bridges	Dworshak	Nixon
Butler, Md.	Ferguson	Thye
Butler, Nebr.	Hickenlooper	Watkins
Byrd	Kem	Welker
Cain	Knowland	Wiley
Capehart	Martin	Williams
Case	McCarran	

NAYS—46

Aiken	Hoey	Moody
Anderson	Holland	Morse
Benton	Humphrey	Neely
Chavez	Hunt	O'Connor
Clements	Ives	O'Mahoney
Douglas	Johnson, Tex.	Pastore
Eastland	Johnston, S. C.	Robertson
Ellender	Kefauver	Smathers
Frear	Kilgore	Smith, Maine
Fulbright	Lehman	Smith, N. J.
Gillette	Long	Smith, N. C.
Green	Maybank	Sparkman
Hayden	McClellan	Stennis
Hendrickson	McFarland	Underwood
Hennings	McKellar	
Hill	Monroney	

NOT VOTING—21

Carlson	Kerr	Russell
Connally	Langer	Saltonstall
Ecton	Lodge	Schoeppel
Flanders	Magnuson	Seaton
George	Malone	Taft
Jenner	McMahon	Tobey
Johnson, Colo.	Murray	Young

So Mr. CAIN's amendment was rejected.

SUPPLEMENTAL APPROPRIATIONS, 1952—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6947) making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER (Mr. HILL in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see CONGRESSIONAL RECORD of June 3, 1952, pp. 6597-6598.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6947, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
June 5, 1952.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 22, and 45, to the bill (H. R. 6947) making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 7 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"For payment to Barbara Y. Schwabe, widow of George B. Schwabe, late a Representative from the State of Oklahoma, \$12,500.

"For payment to Lyla H. Murray, widow of Reid F. Murray, late a Representative from the State of Wisconsin, \$12,500.

"For payment to Anna M. Byrne, and Elizabeth B. Turkenkoph, sisters of William T. Byrne, late a Representative from the State of New York, one-half to each, \$12,500."

That the House recede from its disagreement to the amendment of the Senate numbered 25 to said bill and concur therein with an amendment as follows:

After the words "Public Law", in line 5 of said amendment, insert "298, Eighty-second Congress," and, in line 7 of said amendment, change "\$6,500,000" to "\$4,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 47 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"CHAPTER XII

"CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS

"For payment of claims for damages as settled and determined by departments and agencies in accord with law, audited claims certified to be due by the General Accounting Office, and judgments rendered against the United States by United States district courts and the United States Court of Claims, as set forth in House Document No. 471, Eighty-second Congress, and Senate Document No. 103, Eighty-second Congress, \$6,490,652, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or in certain of the settlements of the General Accounting Office or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than 30 days after the date of approval of this act."

Mr. McKELLAR. Amendment No. 7 provided an appropriation to the widow of George B. Schwabe. The House has added the beneficiaries of Representatives Byrne and Murray.

Amendment No. 25 provided an appropriation of \$6,500,000 for investigations by the Civil Service Commission. The House insisted on the appropriation being reduced to \$4,000,000.

Amendment No. 47 provided an appropriation to pay judgments and authorized claims. The House added additional judgments which were submitted in House Document No. 471.

I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 25, and 47.

The motion was agreed to.

DEFENSE PRODUCTION ACT
AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. McKELLAR. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, line 22, after the word "area", it is proposed to insert the words "including any

community owned and operated by the Federal Government."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Tennessee [Mr. McKELLAR].

Mr. MAYBANK. Mr. President, reserving the right to object, and I do not intend to object—

Mr. CAPEHART. Does the Senator from South Carolina intend to accept the amendment and take it to conference?

Mr. MAYBANK. I intend to do that after certain things are done.

Mr. CAPEHART. I understand.

Mr. MAYBANK. As I understand the amendment, it grants the people of Oak Ridge the right to vote, as people in other Federal communities have the right, and they should have that right.

Mr. McKELLAR. I thank the Senator for his statement.

Mr. MAYBANK. I shall be more than pleased to take the amendment to conference, with the hope that the conferees will agree to it.

The Senator from Connecticut has asked me if I would yield him a few minutes so that he could introduce a joint resolution. He could not introduce it without being yielded to for that purpose.

Mr. McKELLAR. Mr. President, will the Senator yield to me just a moment?

Mr. MAYBANK. I yield to the Senator from Tennessee.

Mr. McKELLAR. At Oak Ridge, which is a community where there is an atomic energy plant, the Government owns all the property. Sometime last fall, I believe in November, the rents charged the people who lived on that project were raised. Those people have no right to vote. They have no city government, they have no municipal government of any kind. They are controlled by a corporation that is domiciled outside of the State of Tennessee. As I have said, the people there have no right to vote. But their rents were raised 18 percent, and later notice was given them that the rents were to be raised an additional 28 percent.

The Senate agreed with me when the notice of rent increase was given, and prohibited that action, but I want the people to be put on the same basis with those in other communities in our country where citizens have a right to vote. That is all there is to this amendment.

Mr. BRICKER. Mr. President, will the Senator from Tennessee permit a question?

Mr. McKELLAR. Certainly.

Mr. BRICKER. What is the total amount of the land on which the Government has increased the rental on its own property in Oak Ridge?

Mr. McKELLAR. The rental has been raised only 18 percent up to this date, but those in control desire to increase it 28 percent more. The Senator will probably recall that I offered an amendment to prohibit that, and it was agreed to.

Mr. BRICKER. It was agreed to by the conferees.

Mr. MAYBANK. The increase was prohibited last year under the amendment of the Senator from Tennessee.

Mr. McKELLAR. We prohibited it last year, and our desire is to give the people the same right those in other communities have.

SECOND COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT

Mr. MAYBANK. Mr. President, how much time have I remaining on the pending amendment?

The PRESIDING OFFICER. The Senator from South Carolina has 12 minutes left.

Mr. MAYBANK. I yield 8 minutes to the Senator from Connecticut [Mr. Benton]. However, I wish to say to the Senator that I cannot yield him any more time than that.

Mr. Benton. I am grateful to the Senator from South Carolina. Eight minutes will be sufficient, but it will prevent me from yielding for questions.

Mr. President, for myself and the senior Senator from Maryland [Mr. O'Connor] I send to the desk for appropriate reference a joint resolution for the establishment of the Second Commission on Organization of the Executive Branch of the Government.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 163) for the establishment of the Second Commission on Organization of the Executive Branch of the Government, introduced by Mr. Benton (for himself and Mr. O'Connor) was read twice by its title and referred to the Committee on Government Operations.

Mr. Benton. Mr. President, I am much pleased to see so many Senators on the floor as I give this brief explanation.

Perhaps many of my colleagues noticed a newspaper story published yesterday morning, reporting on a letter from former President Hoover to the Honorable William L. Dawson, chairman of the Committee on Expenditures in the Executive Departments, of the House of Representatives. I wish there were time to read the whole letter, Mr. President, but the first part of it which I commend to the Congress is the two sentences, which I should now like to read. President Hoover gives these as general comment on the 29 separate legislative measures, calling for various kinds of reorganizations, now before the House committee. He states:

You will, as in all the enactments you have already made, be confronted with opposition. They will have the familiar form "reorganize everybody but me" or "don't touch that agency, it's sacred."

Mr. Hoover ends his letter with a paragraph which carries number 9, as follows:

To reestablish the Commission on Organization, 13 bills. While many commission recommendations have been adopted during the past 3 years, there are important reor-

ganizations of the Post Office, Treasury, Interior, Agriculture Department, the Veterans Administration and the Federal Security Agency which are not fully dealt with in the 29 bills before your committee. We must also recognize the enormous increase in Federal activities since the Commission's recommendations. I suggest, therefore, that these proposals to reestablish the Commission go over to the next Congress. It would be desirable that they should appoint a new Commission to examine these uncompleted tasks and to make recommendations on them. Moreover, the increase in the Federal Budget from about \$40,000,000,000 annually to about \$90,000,000,000 creates new problems of organization which should be studied.

Mr. President, I was most actively interested in this whole subject during my first year and a half in the Senate, when I had the privilege of serving on the Committee on Government Operations. During the year 1950, I was the only Member of the Senate who spoke on the floor with respect to some of the Hoover proposals. It may be recalled that during that year, 34 proposals came to the Senate, based on recommendations of the Hoover Commission, and 27 were approved.

In the Eighty-second Congress, only six plans have been submitted by the President. One pertaining to the RFC was approved last year. One relating to the Bureau of Internal Revenue has been approved this year. Three plans are pending—namely, for the Post Office Department, collectors of customs, and United States marshals—and they will go into effect on June 21, unless disapproved. The fifth and final plan with reference to the District of Columbia, will go into effect, unless disapproved, on July 1.

Mr. President, it does not seem to me that the Congress should delay in accepting this recommendation and suggestion of former President Hoover, who calls for the establishment of a second Commission on Organization. Let us start on this at once. The total cost to the taxpayers of the first Commission was, as I recall, roughly \$2,000,000. I suppose that the American people have had a greater return from that \$2,000,000, in increased efficiency and savings in the operation of the Federal Government, than from any other money spent in this generation. Why wait a year for the follow-up which former President Hoover recommends. Starting at once, instead of next year, may save hundreds of millions of dollars. There is one saving alone, not yet acted on, which President Hoover estimated to me, when I visited with him in his apartment in New York 2 years ago, at the vast sum of \$400,000,000 annually. This one project alone warrants a second Commission.

My resolution is modeled exactly after the prior resolution in 1947 which established the first Commission on Organization. The proposed Commission would be entirely nonpartisan and nonpolitical; appointed in exactly the same manner as the Commission of which ex-President Hoover was chairman. The only difference is that, instead of giving to the second Commission as its duty and

responsibility the examination of the entire Federal Government, with the injunction to review and report on the entire Federal operation, my resolution sets up as the duty and responsibility of the Commission the examination of those areas with respect to which reorganization legislation has not yet been enacted, and such other areas of the Federal Government as may seem appropriate to the Commission, due to the great increase in the budget, or for any other reason.

If we establish this Commission at once, we shall be a year ahead, and we may save hundreds of millions of dollars. What are the counterarguments? I do not know them.

I do not wish to suggest that I personally approve every recommendation of the first Commission on Organization. As an illustration, there are some facets of the proposals affecting the Veterans' Administration with which I disagree. But I do suggest that any recommendation by a Commission so responsibly

established should be studied and reviewed by the Congress. That is why I sponsored, along with the senior Senator from Michigan [Mr. FERGUSON], every one of the proposals coming before the Senate this year growing out of the Hoover Commission recommendations. They warrant careful consideration by appropriate committees.

It was not that I approved of each bill in detail. It was not that I would not, as a member of a committee reviewing any one of the bills, have advocated changes in the Hoover proposals. It was only that I thought every single one of them should be carefully studied. None should be ignored.

I earnestly hope that the Committee on Government Organization will move ahead rapidly in the consideration of my resolution, and that the resolution may be favorably acted upon by the Senate before Congress adjourns.

In conclusion, I have before me a sheet called A Legislative Box Score, which

has been made up by the citizens' committee in support of the proposals of the Hoover Commission. I ask unanimous consent that there be printed in the RECORD at this point this so-called legislative box score of 1951, which reviews the background and status of each of the unenacted recommendations of the Hoover Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LEGISLATIVE BOX SCORE

Below is a box score on the 20 bills prepared by the Citizens' Committee in 1951 incorporating all the unenacted recommendations of the Hoover Commission. The bills were introduced in the Senate on March 15, 1951; in the House in March and April 1951. In addition, the committee suggested 51 reorganization plans to the President on May 8, 1951. On April 30, 1951, the plan to reorganize the Reconstruction Finance Corporation was approved. Further, the Bureau of Internal Revenue was reorganized, effective March 15, 1952.

Subject and bill Nos.	Purpose of bills	Status
Agriculture: S. 1149; H. R. 3684, H. R. 3308.....	Provide better services to farmers at lower cost to all citizens.	In Senate Committee on Expenditures in the Executive Departments and the House Committee on Agriculture. Hearings held by Senate Committee from Aug. 28 to Sept. 18, 1951. No definitive action taken by Oct. 1.
Commerce: S. 1141; H. R. 3682, H. R. 3310.....	Give Commerce Department many governmental functions related to its mission but now located in other agencies.	In Senate and House Committees on Interstate and Foreign Commerce. No hearings held.
Displaced Persons Commission and War Claims Commission: S. 1147; H. R. 3690, H. R. 3319.	Consolidate these agencies in State Department.....	Referred to Senate Judiciary Committee and House Foreign Affairs Committee. No hearings held.
Federal-State relations: S. 1146; H. R. 3683, H. R. 3303.	Study relationships of Federal, State, and municipal governments.	In Senate and House Committees on Expenditures in Executive Department. Reported favorably and passed the Senate July 23, 1951. Motion made by Senator Ellender and carried to recall bill. No further action in either House.
Foreign affairs: S. Con. Res. No. 19; H. Con. Res. Nos. 92 and 78.	Combine Foreign Service and domestic employees of State Department into single career service.	In Senate Foreign Relations and House Foreign Affairs Committees. Hearings not held but State Department submitted alternate proposal designed to accomplish same end; however, falls short of Hoover Commission plan.
General management: S. 1134; H. R. 3304, H. R. 3674.	Provide President with necessary staff assistance and better departmental organization.	In Senate and House Committees on Expenditures in the Executive Departments. No hearings held.
General Services: S. 1136; H. R. 3676, H. R. 3314..	Centralize several "fringe" organizations in the General Services Administration.	In Senate District of Columbia Committee and House Committee on Expenditures in the Executive Departments. No hearings held.
Interior: S. 1143; H. R. 3680, H. R. 3309.....	Consolidate duplicating public works development programs into 1 agency.	In Senate Committee on Expenditures in the Executive Departments and the House Committee on Interior and Insular Affairs. No hearings held.
S. 1144; H. R. 3318, H. R. 3679.....	Eliminate interdepartmental competition for public works projects by establishing Board of Impartial Analysis.	In Senate and House Committees on Public Works. No hearings held.
Labor: S. 1142; H. R. 3691, H. R. 3315.....	Revitalize and expand responsibilities of Labor Department.	In Senate Committee on Expenditures in the Executive Departments and House Committee on Education and Labor. No hearings held.
Medical activities: S. 1140; H. R. 3688, H. R. 3305..	Coordinate all Federal medical services to avoid present waste of medical manpower and facilities.	In Senate and House Committees on Expenditures in the Executive Departments. No hearings held.
Overseas administration: S. 1166; H. R. 3697, H. R. 3406.	Study overseas programs so Congress will have sound basis for considering appropriations.	In Senate and House Committees on Expenditures in the Executive Departments. Reported favorably and passed by Senate on July 23, 1951. Motion made by Senator Ellender and carried to recall bill. No further action in Senate. House committee completed hearings, favorable report expected soon.
Personnel: S. 1135.....	Decentralize civil service recruiting and improve Government career service.	Passed by Senate in October 1951; now before House Post Office and Civil Service Committee.
Post Office: S. 1137; H. R. 3675, H. R. 3320.....	Bring hidden air subsidies into the open.....	Assigned to Senate and House Interstate and Foreign Commerce Committees. Hearings held by Senate committee from June 21 to July 30, 1951. A bill incorporating the major recommendations (S. 436) passed the Senate on September 19, 1951. No action has been taken by House.
S. 1148; H. R. 3691, H. R. 3312.....	Take Post Office out of politics, decentralize postal service and reset rates on certain special services.	In Senate and House Committees on Post Office and Civil Service. Both Houses passed rate bills (S. 1046, H. R. 2982) making penny postcards and special services self-supporting. Bills now in Senate-House conference. Senate committee held hearings September 5, 1951 and House committee in February 1951, on remaining Hoover proposals.
Regulatory Agencies: S. 1139; H. R. 3307, H. R. 3678.	Strengthen organization and assure bipartisan control of regulatory agencies.	In Senate and House Committees on Expenditures in the Executive Departments. Senate Committee redrafting bill.
Social security and education: S. 1145; H. R. 3689, H. R. 3306.	Create new Department of Social Security and Education combining all functions of Federal Security Agency except Public Health.	In Senate and House Committees on Expenditures in the Executive Departments. No hearings held.
Treasury: S. 1150; H. R. 3685, H. R. 3313.....	Realine Treasury Department and give it control of all fiscal programs.	In Senate Committee on Expenditures in the Executive Departments and the House Ways and Means Committee. No hearings held.
Veterans affairs: S. 1151; H. R. 3686, H. R. 3316.....	Eliminate wasteful methods in VA operation and provide better services for all veterans and dependents.	In Senate Committee on Expenditures in the Executive Departments and House Committee on Veterans Affairs. No hearings held.
S. 1138; H. R. 3317, H. R. 3677.....	Set up an insurance corporation within VA.....	In Senate Finance Committee and the House Committee on Veterans' Affairs. No hearings held.

See it through in '52.

The unenacted recommendations of the Hoover Commission are essential steps in any program to halt unnecessary nondefense spending; avert inflation; enable economical, efficient Government operation.

Of the 20 bills now before Congress, 6 are of primary importance. They are in areas where the greatest savings can be made, where waste, overlapping, and duplication are most prevalent and where the largest Government agencies and private pressure groups are in a position to offer the strongest resistance to change and improvement. To combat the violent opposition that can be expected, and which in some cases has already exploded, all citizens interested in putting the Government on a sound, businesslike basis must use their influence. They must write to the President and Members of Congress urging adoption of the Hoover report bills.

HERE ARE THE MAJOR TARGETS—THE BIG SIX

1. Improved Federal personnel management

The Federal Government today employs over 2,500,000 civilians and additions are being made at the rate of 43,000 monthly. The payroll exceeds \$3,300,000,000 a year, more than the cost of the whole Federal Government in any year before World War II. Yet, in spite of above-average employee benefits, generous vacation policy, good pension program, and job security the turnover of personnel averages 34.8 percent annually. The money and efficiency costs of replacing over 800,000 Government workers in a single year are literally beyond comprehension. Bill S. 1135 will go a long way toward correcting the outmoded personnel practices which are responsible for these wasteful and dangerous conditions.

2. A united medical administration

Today four great agencies and thirty smaller ones independently obtain funds annually, erect their own hospitals to care for their own clientele, and compete with each other for scarce medical personnel. The various agencies operate with no regard for the facilities available or the needs of the other agencies. As matters now stand, the Government is moving into uncalculated obligations in the medical field without consideration or understanding of their ultimate cost. The Nation's medical manpower, facilities, and skills must not be wasted. S. 1140, and H. R. 3688 and H. R. 3305 will correct the present chaotic conditions.

3. A reorganized Department of Agriculture

American farmers are "key men" in defense and deserve the best possible Federal service. They're not getting it despite the facts that the Department of Agriculture now spends \$32 for each \$1 it spent 20 years ago, and that its employees have risen from 20,000 to 80,000 not counting over 100,000 part-time workers. The great sprawling collection of agencies that serve the Nation's farmers can be simplified in its organization to the benefit of the farmers and the taxpayers alike. Passage of S. 1149, and H. R. 3684 and H. R. 3308 will accomplish it.

4. A revitalized Veterans' Administration

When former President Hoover established the Veterans' Administration in 1932, there were only 4,000,000 veterans. Today there are 19,000,000, and each year the number will increase. Before many years, nearly all the population may be veterans or the dependents of veterans. Obviously the machinery set up back in 1932 isn't adequate to meet today's and tomorrow's needs. The Veterans' Administration needs overhauling from stem to stern. Adoption of S. 1151, and H. R. 3686 and H. R. 3316, and S. 1138, and H. R. 3677 and H. R. 3317 will not in any way affect veterans' benefits, but will provide better and more efficient service for

veterans and their families at greatly reduced costs.

5. Proper organization of natural resources

Conservation of the Nation's natural resources as well as its manpower is vital. "Pork barrel" plans for utilization and development of the Nation's water resources and subsoil cannot be controlled unless the ruinous competition between the Army engineers and Bureau of Reclamation is halted. Passage of S. 1143, H. R. 3680, and H. R. 3309, and S. 1144, H. R. 3679 and H. R. 3318 will relate the national needs in this area of government to the national capacity to pay.

6. An improved postal service

The postal establishment today is a \$2,000,000,000 business. It has 42,000 post offices, 500,00 employees, 10,000 trucks, and 24,000 buildings. It handles over 37,000,000,000 pieces of mail (including 1,600,000,000 pieces of free mail) and handles more than 800,000,000 other transactions. Some Hoover Commission recommendations have already been adopted, greatly improving the efficiency of this vast organization; however, it still needs decentralization and the removal from politics of the appointment of 24,000 postmasters. Bills S. 1148, H. R. 3691 and 3312 are aimed at streamlining the Post Office and freeing it from politics.

The fate of the Hoover Commission's program lies with the Eighty-second Congress. The Eighty-first Congress enacted the first half of the bipartisan Commission's program by the adoption of 21 bills and 26 reorganization plans. They made possible annual savings of \$2,000,000,000 and greatly strengthened many areas of the Government. But only adoption of the full report will insure maximum benefits to the American people. Half the program is not enough. Every dollar saved in the operation of the Government helps keep expenses down—taxes within reason.

Help yourself and your government; urge adoption of the Hoover report bills.

CITIZENS COMMITTEE FOR THE
HOOVER REPORT.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BENTON. I am very grateful to the Senator from South Carolina [Mr. MAYBANK] for having yielded time to me.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKellar].

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. MOODY. Mr. President, I offer an amendment, which I send to the desk and ask to have stated. It was submitted yesterday by me, on behalf of the Senator from Oklahoma [Mr. MONRONEY], and myself. It is designated "6-4-52-E."

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

Mr. MOODY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD at this point.

The amendment offered by Mr. MOODY (for himself and Mr. MONRONEY) is as follows:

On page 3, line 13, substitute the following for all of section 103:

"(c) Section 402 (e) of the Defense Production Act of 1950, as amended, is further amended by adding after the words 'by an attorney or firm of attorneys engaged in the practice of his or their profession' in paragraph (ii) thereof the words: 'wages, salaries, and other compensation paid to professional architects licensed to practice as such employed in a professional capacity by a professional architect or firm of professional architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession'."

Mr. MOODY. Mr. President, the Committee on Banking and Currency inserted in the pending bill an amendment which would exempt certain classes of professional people from salary stabilization. That amendment was adopted by the committee with few or no dissenting votes. At a later time facts were presented which led some of us on the committee to the conviction that a part of the amendment should be reconsidered.

There is an acute shortage of engineers in the country. The Atomic Energy Commission and a number of corporations working on defense work have represented to me and to other Senators that if engineers are removed from the classification of persons whose salaries are stabilized under the law, a system of pirating will spread and continue, which will seriously jeopardize the production situation.

I should like to read briefly from an article in Fortune magazine for September 1951:

Aircraft engineers were so scarce that the situation led to the rise of "flesh-peddling" agencies, deplored by both industry and the profession. Dummy engineering companies hired batches of engineers outright on contract, then hired them out to aircraft and other companies at advanced salaries, pocketing the difference.

What is happening, apparently, is that a \$15,000 engineer is hired away from an aircraft company or some other company working on defense work or private work by one of the new "flesh-peddling agencies," as the article terms them, and paid a somewhat higher salary. His services are then sold back to the corporation for \$40,000 or \$50,000 a year. This practice not only disrupts the production schedules, but also costs the Government money, and results in higher costs of defense materials.

My amendment merely restates the previous amendment, but leaves the engineers out of the exemption. I have discussed this amendment with the Office of Salary Stabilization. That agency is very anxious that it be adopted. I

have also discussed it with other members of the committee. I believe that most of them, although not all of them, agree that the amendment is desirable.

Mr. BENTON. Mr. President, will the Senator yield?

Mr. MOODY. I yield.

Mr. BENTON. I congratulate the Senator from Michigan for offering this amendment. There are involved millions of dollars in costs to the Federal Government. I do not feel that it is just to set aside engineers as a group, for the special privileges proposed to be accorded.

The PRESIDING OFFICER. Is the Senator from South Carolina opposed to the amendment?

Mr. MAYBANK. Mr. President, I yield whatever time I have on this amendment to the Senator from Ohio [Mr. BRICKER]. I voted for the amendment in the committee.

Mr. BRICKER. Mr. President, the reason the amendment appearing in the bill as section 103 was submitted to the committee and adopted by the committee is the fact that private engineering firms are not under any restrictions, limitations, or ceilings, so far as their fees are concerned. However, the situation is such that they cannot increase the pay of the engineers whom they employ. The result is exactly the reverse of what was suggested by the Senator from Michigan [Mr. MOODY]. Industrial concerns have been raiding private engineering corporations. In my home town two men went out with a surveying party to work on the road. The representative of a big company came along and said to them, "I do not know what you are paid or what you are doing, but if you are graduate engineers we will pay you \$2,000 a year more than you are now receiving." The men quit their jobs in the middle of the day and accepted the new jobs.

Private engineering firms are laboring under a handicap which they are trying to have removed. The committee amendment would not cost the Federal Government one cent.

Mr. President, there are three or four fundamental issues involved in the committee amendment which should be retained, and in the amendment of the Senator from Michigan which should not be adopted.

The amendment offered by the Senator from Michigan takes engineers entirely out of the exemption. Lawyers are exempted, doctors are exempted, and accountants are exempted at the present time.

There has been no conflict with business whatsoever. Engineers are professional people, just as lawyers, doctors, and accountants. It is very difficult to regulate the salaries of professional people.

Engineers must be specially trained. They require 4 or 5 years of college work before they can qualify as registered engineers. Most of the States regulate the profession and require engineers to have certain educational qualifications before they can practice their profession.

As a result of that situation, the committee saw fit to exempt engineers and

put them in the same class as lawyers, doctors, and accountants.

Mr. President, let me refer to the testimony in the hearings. This is all the testimony that was given on the subject, as I remember. It is the testimony of Mr. Paul H. Robbins, executive director of the National Society of Professional Engineers. He said:

We submit that such an amendment would strengthen the defense economy, and, in addition, that it would be equitable, just, and proper for the individuals concerned, for their employers, and for the public.

In brief, what we propose is that the employed professional engineer—one who is in circumstances comparable to the already exempt physician and attorney—be treated by the law exactly as they are treated.

On the next page he said:

The usefulness of many consulting firms, however, and in some cases even their continued existence, is threatened by the controls imposed by the Defense Production Act. As matters now stand, consulting firms are limited in what they may pay their professional engineer employees. This despite the fact that increased effort and work on the part of the consulting firm has brought with it increased work and increased activity to professional employees.

Reading further:

The consulting firm, able and willing to share the profits which have accrued to the firm because of the skilled work of its professional employees, is now face to face with the prohibitions of the Defense Production Act. Consulting firms are generally convinced that their professional fees, exempt from controls under the Defense Production Act, result from the unified teamwork of all their professional employees. The fee in reality represents payment for the unstinting effort of all these professional men. It seems clear that it is only fair that these men should be properly recognized and rewarded.

Continuing to read on page 530:

On the other hand, the adoption of this amendment would permit the continued existence of many consulting engineering firms which are at present faced either with extinction or with a drastic curtailment of the services which they can render. If the activity of these firms is curtailed or if they are forced out of business the country will not have available to its defense production efforts the proved and well-tested services which have thus far contributed so much to our defense activity. A general loss of the services these firms can, and do, provide could be of serious consequence to our general economy.

Mr. President, there is another point involved in this very serious situation, and that is that the engineering schools of the country are low in the number of graduating students. They are 40 percent lower this year in graduates than the normal requirements. Industry has been competing for the services of the graduates of engineering schools. They are very much in demand, and there is a shortage of engineers. They are being offered all kinds of high salaries.

Of course, graduated scales are established by OPS, but what happens as a rule is that the firms that engage the graduate engineers do not employ the engineers under the first classification, but under the second, third, or fourth classification. In other words, the classification is raised in order to give them a higher salary. The result is that boys

coming out of engineering schools are getting four or five hundred dollars a month to begin with. I know of one graduate student, with only a master's degree, who was paid \$9,000 a year by one large industrial concern. The result is that there is a complete dislocation within the industry between the new employees and the engineers who have been employed for a number of years.

It is to permit an adjustment within the industry, a proper relationship between employer and employee in the engineering consulting firms, and a better relationship between the industry and the outside independent engineering concerns, that the amendment was adopted by the committee and reported to the Senate.

Furthermore, the committee amendment will encourage boys to go into engineering schools this fall, because they will know that if they obtain a good education and properly prepare themselves they will get their just rewards either in industry or in private engineering firms.

That is the fundamental interest I have in the subject. I have some relationship with the engineering college at Ohio State University. I have talked with the dean of the engineering college and I have talked with the head of the Atomic Energy Commission, as well as with the president of Case Institute, who is one of the members of the Commission and one of its most able members. They are all deeply concerned about the loss of students in the graduate schools, as well as in the baccalaureate work of the engineering schools.

Mr. President, the committee amendment would have the combined effect of encouraging boys to go into engineering work, which is the basic work upon which the industrial progress of our Nation depends and upon which the war effort actually depends.

Not only would it help fill up our engineering schools, but it would likewise put engineers on an equal basis with doctors, lawyers, and accountants.

Not only would it do that, but it would equalize the opportunity of industry and private engineering concerns to get the best men that they can possibly get from the universities and engineering schools. Furthermore, there would not be the raiding that there has been up to the present time on the part of industry as against private concerns.

The Senator from Michigan [Mr. MOODY] fears that the private engineering concerns will raid the engineering personnel of the big industrial concerns. I have no fear of that, because if engineers wanted to leave their employ they could leave and form a partnership. There is no control whatever over the fees they could charge the same concern in which they were previously engaged as employees. So the danger which the Senator from Michigan anticipates is a rather imaginative one, I believe.

Mr. President, I have talked with many leaders in the engineering field, including some of those with whom the Senator from Michigan has spoken, and they say that they anticipate that there might be some trouble. I doubt whether that is any difficulty. A great deal of the

present raiding that is going on against private engineering concerns is brought about by the fact that they cannot pay their employees a just and fair wage, regardless of the fees being paid to them.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. CAPEHART. Mr. President, I find myself in charge of time in opposition to the amendment. I am in favor of the amendment offered by the Senator from Michigan. The opposition has used 5 minutes. I should like to have 3 minutes allotted to me by the able Senator from Michigan.

Mr. MOODY. I shall be glad to yield time to the Senator from Indiana. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining. The Senator from Michigan has 11 minutes remaining.

Mr. MOODY. I shall be glad to yield 5 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I find myself in disagreement with my good friend the Senator from Ohio [Mr. BRICKER]. I do not believe that it would be wise to exempt engineers from wage controls, because thereby such a situation would be created that thousands of engineers working for hundreds of concerns in the United States who would like to pay their engineers more money would be prohibited from doing so, and under the law would lose their engineers to private engineering firms, who, under the committee amendment, would be permitted to pay any wage they cared to pay.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. CAPEHART. I am glad to yield.

Mr. BRICKER. I would rather join with the Senator from Indiana in exempting everyone in the engineering field so that there would be equality of opportunity in bidding for the services of engineers. I would prefer to have an amendment submitted which would take all of them out entirely. Otherwise independent engineers would be at a tremendous disadvantage, in view of the raiding that has been going on for some time.

Mr. CAPEHART. Of course, both the able Senator from Ohio and myself would like to eliminate price and wage controls under a formula included in an amendment which I submitted yesterday, but that seems to be impossible. Until we do eliminate price and wage controls, I think to eliminate wage controls in the case of engineering firms, with the result that they would thus be put in the position of being able to offer virtually any wage to engineers working for various manufacturing and other concerns, would work a hardship.

I do not know whether an engineering firm in Indianapolis, my home town, for example, would pay an unlimited wage; but if a manufacturing concern in that area was limited in the wages it could pay, an engineering firm might see fit to offer higher pay to the engineers working for that manufacturer, and those engineers might accept employ-

ment from the engineering firm which could pay them additional amounts of \$100 or \$200 or \$300 a month. I do not understand how such an arrangement could work equitably.

Mr. BRICKER. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Indiana yield to the Senator from Ohio?

Mr. CAPEHART. I yield.

Mr. BRICKER. Reference was made a moment ago to the possibility that an organization such as the Atomic Energy Commission might have difficulty in obtaining the services of a sufficient number of engineers, in view of the fact that, so it was stated, a private firm might offer the engineers of the Commission increased salaries, with the result that the engineers would leave the Atomic Energy Commission and would go to work for the private firm. As a matter of fact, in private industry the reverse has been true up to the present time. Consider the case I mentioned a moment ago, in which two men were working on a job, and the representative of a great industrial firm said to them, "If you are graduate engineers we will pay you \$2,000 a year more than you are getting now, regardless of the work you do."

Mr. CAPEHART. Mr. President, I have had considerable experience with engineering firms, and up to this time I have never found many of them to be very modest.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. MOODY. Mr. President, I should like to comment on several statements which have been made by the Senator from Ohio.

I did not quite understand his point when he said, on the one hand, that recent college graduates are being paid large salaries, but, on the other, that salaries are not sufficiently high to attract men to study engineering. There is a clear disparity in that remark.

In the second place, I should like to correct the impression that this situation is entirely an anticipated one. That is not a fact; this situation has existed for some time.

I am not sure whether the Senator from Ohio was in the Chamber when I read an article from *Fortune* magazine for last September. In the article it was stated that there have been so-called "flesh-peddling firms" which have been hiring engineers away from defense-production firms, and have been adding a large fee or "take" to the salaries of those engineers, in addition to the salaries paid for the actual work the engineers do. They have been "selling" those engineers back to the other firms.

The original complaint regarding this situation came from organizations such as the Atomic Energy Commission, which are concerned about the pirating of engineers from their organizations.

Nearly all of us are under salary stabilization. It may be that we would be justified in removing from salary stabilization some professional persons. But

persons who are working on a salaried basis should have their salaries stabilized equally.

I should like to point out to the Senator from Ohio that some of the persons to whom both he and I spoke yesterday did not say this situation was an anticipated one only; at least, they did not say so to me. They are afraid of what the future situation might be if the other amendment which has been mentioned by the Senator from Ohio were adopted, for that amendment would remove all engineers from salary controls. Then there would be trouble in the organizations employing engineers, we are informed, because to remove them from salary controls while leaving others controlled would disrupt the general wage structure of those organizations.

The fact is that the pirating of engineers who are working for defense production organizations and for essential civilian firms is already occurring, and the defense production firms and other essential firms are most apprehensive of what will be the cost to the Government and what will be the effect on defense production in general if this situation is allowed to continue.

Mr. McFARLAND. Mr. President, will the Senator from Michigan yield to me?

Mr. MOODY. I am glad to yield.

Mr. McFARLAND. How is an engineer in a position different from that of a skilled laborer, if skilled labor is in short supply?

Mr. MOODY. That is exactly the point.

Mr. McFARLAND. Why should the engineer be given a preferential right to get any salary he can, whereas a man doing ordinary labor cannot do that?

Mr. MOODY. That is exactly the point, and I am very glad the distinguished majority leader emphasized it. Of course any group of people would be glad to receive increased salaries if they could.

Mr. McFARLAND. Could it happen to be that the engineer is a somewhat better lobbyist than is the ordinary laboring man?

Mr. MOODY. I would not know, but perhaps that could be so.

Mr. DOUGLAS. Mr. President, will the Senator from Michigan yield to me?

Mr. MOODY. I yield.

Mr. DOUGLAS. The Senator from Michigan would not say, would he, that an engineer should receive an exemption merely because he is a better lobbyist?

Mr. MOODY. I certainly would not.

I should like to point out that the amendment of the Senator from Ohio was adopted by the committee without extensive consideration. The consideration of it was very brief. Subsequently a number of additional facts were brought out.

At that time there had been in the committee an agreement that no reconsideration would be had of votes finally taken. When additional facts were presented it was suggested that the matter had better be brought up on the floor. I thought it was of sufficient importance

to be brought up on the floor. I hope the Senate will adopt this amendment.

Mr. CAPEHART. Mr. President, how much time remains to my side?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining, and the Senator from Michigan has 4 minutes remaining.

Mr. CAPEHART. I yield 5 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. BRICKER. Mr. President, when the Senator from Michigan said that this matter has not had adequate consideration, he is entirely mistaken, so far as I am concerned. This problem has been in my mind and under consideration for many years, since the days when the engineering field began to be depressed and salaries began to decline and the student bodies in the engineering colleges and universities began to grow smaller and smaller. The problem is a serious one, for the country needs more engineers. At the present time the supply of engineers is 40 percent short.

I agree that there is competition for the services of engineers, but I also wish to have full enrollments at engineering schools which offer an adequate opportunity for an excellent education in the engineering field. If engineers are made subject to wage stabilization, I think engineering students will be discouraged. The present situation already has had a deadening effect upon the engineering schools and colleges.

The amendment reported by the committee would put the engineers, who are just as much professional people as are the lawyers or the accountants, into the same classification with the lawyers and accountants. The committee amendment will have very little impact upon the cost of the bill to the Government or to anyone else.

Reference has been made to the Atomic Energy Commission. I have talked to representatives of that Commission as much as has any other Senator. That Commission is having difficulty in obtaining engineers. On the other hand, the engineering students find it difficult to remain in engineering schools until they receive their doctorates, because of the difficult conditions now existing.

So the question is one of freeing them from controls and putting them on a basis of equal opportunity with the engineers who work for private engineering firms. Such an arrangement would provide equality of opportunity in obtaining the services of engineers, and it would stop the raiding by large industrial concerns which at the present time are able to pay unlimited salaries, and even can charge the high salaries to the Government, in connection with Government contracts, whereas the private engineering firms cannot do that.

Mr. MOODY. Mr. President, will the Senator from Ohio yield to me?

Mr. BRICKER. I yield.

Mr. MOODY. I did not mean that the Senator from Ohio had not given sufficient attention to this matter. Of course he has given it personal attention. We

simply do not happen to agree about it.

I think he will agree with me, however, that when this matter came before the committee, all the facts which now are available to the Senator from Ohio and the Senator from Michigan and other Members of the Senate were not available to the committee at the time when the initial vote was taken in the committee. That is all I meant when I said that sufficient consideration was not had. I did not intend to reflect on the Senator from Ohio.

Mr. BRICKER. The Senator from Michigan is entirely mistaken. There is testimony in the RECORD. Either the Senator from Michigan was not at the hearings or he has not read that testimony, for in the hearings there are four full pages of testimony which was given by the executive director of the National Society of Professional Engineers.

Mr. MOODY. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. MOODY. Is the Senator from Ohio saying that additional information did not come to the committee after the taking of the testimony, and after the vote had been taken?

Mr. BRICKER. Additional information may have come to the individual members of the committee, but there was no further testimony on it.

Mr. MOODY. One subsequent morning when the Senator from Ohio was absent, and when no vote was taken up in the committee by reason of the absence of the Senator from Ohio, this matter was discussed in the committee. New information was submitted. The record will show that to be so.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. BRICKER. Is an amendment to the amendment of the Senator from Michigan in order at this time?

The PRESIDING OFFICER. The pending amendment is an amendment to the committee bill; therefore, another amendment is in order.

Mr. BRICKER. Mr. President, I offer an amendment to the committee amendment, or as a substitute for the amendment of the Senator from Michigan, to strike out, in the committee amendment, on page 3 of the bill, from lines 18 and 19, the words "by an engineer or firm of engineers engaged in the practice of his or their profession."

I hope the Senator from Michigan will accept that amendment. It would obviate any difficulties of the kind the Senator fears might arise in connection with the industrial companies which might be in competition with private engineering firms.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Michigan.

Mr. MOODY. I am concerned not only with the industrial companies, but also with the general situation, particularly in regard to atomic energy and other matters. Would the Senator mind repeating the amendment?

The PRESIDING OFFICER. The Chair wishes to state that the amendment offered by the Senator from Ohio is an amendment to the bill, itself; that is, it is an amendment to the committee amendment.

Mr. BRICKER. It is in the nature of a substitute for the amendment of the Senator from Michigan.

The PRESIDING OFFICER. It is a perfecting amendment to the bill itself, and therefore takes precedence over the amendment offered by the Senator from Michigan.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. In a moment. Let me say further that the Atomic Energy Commission, as the Senator from Michigan well knows—and I know a little bit about their engineering problems—the Atomic Energy Commission, except as to the production program, which is handled by independent companies, is not in competition with the general engineering field. It is a highly specialized service.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from South Carolina.

The PRESIDING OFFICER. The Chair desires to indicate to the Senator from Ohio that he has used all his original time. However, since he has offered another amendment, the Senator is entitled to 15 minutes on that amendment, and he is now speaking in that time.

Mr. BRICKER. I thank the Chair. I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, this may be charged to my time. I should like to say that all this confusion came about at a joint committee hearing, at which time the Senator from Ohio brought up the situation in regard to engineering students at the universities of this country. Am I not correct?

Mr. BRICKER. That is correct.

Mr. MAYBANK. At that time, with the approval of the chairman of the joint committee and with the approval of the joint committee, it was decided to have the head of the staff of the Banking and Currency Committee, the administrative assistant, and other members of the staff interview Mr. Di Salle, to see whether something could not be worked out which would protect the interest of engineering schools and colleges of the United States, particularly because of the tremendous shortage of engineers. Knowing all that and having done nothing, the Senator from Michigan opposed in committee an amendment to exempt engineers. It is the story of an unfortunate situation, because it was not followed up by action in accordance with what the entire joint committee had done, in approving the action of the chairman and having instructed the chairman to act accordingly. That included members from the House as well as from the Senate.

Mr. BRICKER. The Senator is entirely correct, and had they acted as they assured us they would act, this amendment would not be at all necessary.

Mr. MAYBANK. I received information as to what was going to be done, through the chief of the staff. Nothing was done. So the Senator from Ohio has proposed the original amendment, and since he proposed it, and since I voted with the Senator, though not because I thought the joint committee had done wrong, if the Senator insists upon his original amendment, I shall support it because, as the Senator knows, I do not vote one way today and another way tomorrow.

Mr. BRICKER. I appreciate that fact.

Mr. MAYBANK. Like the Senator from Michigan, I have received letters from large corporations and from the Atomic Energy Commission, of which the Senator from Ohio is a member. So he knows who has the contracts, and he knows what the effect would be on the contractors as well as on some small business people. If the amendment proposed by the Senator from Ohio, which as I understand is in the nature of a substitute, would not interfere with small business, and would not hamper the work of the Atomic Energy Commission, I would vote for it.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield to the Senator from Michigan.

Mr. MOODY. I want to be sure we understand the meaning of the amendment of the Senator from Ohio. As I understand, he would strike out the words "by an engineer or firm of engineers engaged in the practice of his or their profession." The elimination of those words would have the effect, would it not, of exempting all engineers from control?

Mr. BRICKER. The Senator is entirely correct.

Mr. MOODY. If the Senator will yield further, does not that pose the question raised a few moments ago as to whether we want to exempt one class of salaried employees—and these people are salaried employees—without exempting other salaried employees in the same way. We all agreed there is a shortage of engineers. There is also a shortage of certain kinds of highly skilled craftsmen, tool makers, for example. There are other professions and skills that are in short supply. Those people are not exempted. I should merely like to point out to the Senator from Ohio that, while his amendment would take care of the pirating feature of this matter—

Mr. BRICKER. That is correct.

Mr. MOODY. While it would take care of that, it would not take care of the situation which might exist, let us say, inside an aircraft company, or perhaps inside a Government commission, such as the Atomic Energy Commission, in which there would have to be a breaking through of the stabilization lines in behalf of one group of employees as against other groups of employees.

Mr. BRICKER. I think the Senator's fears in that regard are not well founded.

Mr. MAYBANK. Mr. President, will the Senator yield for a correction of my remarks?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from South Carolina?

Mr. BRICKER. I yield.

Mr. MAYBANK. In whatever time I may have, I desire to make this correction. I stated that we had sent the staff to the OPS.

Mr. BRICKER. They were present at the hearing.

Mr. MAYBANK. I was in error. The OPS was not responsible. It was the Salary Stabilization Board which refused to do anything. I merely did not want to leave my previous statement in the RECORD uncorrected, since I talked to Mr. McMurray, chief of staff, who went with the Senators.

Mr. BRICKER. Neither does the Senator from Ohio want an erroneous statement in the RECORD. But the OPS or its representatives were at the committee meeting.

Mr. MAYBANK. But it was the Salary Stabilization Board that refused to do anything about it.

Mr. BRICKER. I think the maladjustment about which the Senator from Michigan speaks is a very insignificant matter, because there is no company that could not work the matter out to the satisfaction of its engineers and to the satisfaction of others who might be interested.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. FLANDERS. I should like to say a word about the peculiar characteristics of the engineer as compared with the best technical worker in the shop. The professional engineer does not simply perform a routine duty, no matter how well it must be done. He is a creative person, and we cannot apply salary controls to such a man.

Mr. BRICKER. I thank the Senator from Vermont. The amendment of the Senator from Michigan would leave restrictions on men employed in their professional capacities. I agree exactly with the Senator. I believe the work of the engineer is creative. It is essential to progress. The Senator knows of the shortage in the number of students desiring to enter the engineering profession following the war. I hope this amendment will be an encouragement to them.

Mr. THYE. Mr. President, will the Senator yield, that I may propound a unanimous-consent request?

Mr. BRICKER. I yield, provided it is not taken out of our time.

Mr. HENDRICKSON. It would be taken out of the Senator's time.

Mr. BRICKER. I shall be through in a moment.

Mr. MAYBANK. Mr. President, I do not intend to discuss this amendment. I told the Senator from Ohio that I would support his amendment after the joint committee tried to do something about educating engineers in the colleges and giving them some incentive. The joint committee authorized me to send the staff down. I shall stand by the committee amendment and I shall vote for it.

Mr. BRICKER. The Senator from Ohio will withdraw his amendment if

the Senator from Michigan will withdraw his amendment.

Mr. MOODY. I should like to have a vote on my amendment. I still believe that the outline which is set out in my amendment is the proper thing. I should appreciate it if the Senator from Ohio would reconsider and accept my amendment.

Mr. BRICKER. The Senator from Ohio cannot in any way accept the amendment of the Senator from Michigan.

I shall have to insist upon my amendment being considered first.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER (Mr. CLEMENTS in the chair). The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER]. The amendment was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from Michigan, as amended. [Putting the question.] The Chair is in doubt.

Mr. MOODY. Mr. President, I suggest the absence of a quorum.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRICKER. On what did the Senate vote just now?

The PRESIDING OFFICER. On the substitute of the Senator from Michigan.

Mr. BRICKER. It was my substitute which was adopted?

The PRESIDING OFFICER. The Senator's amendment was a perfecting amendment.

Mr. BRICKER. The amendment of the Senator from Ohio then becomes the law—

The PRESIDING OFFICER. It becomes a part of the bill.

Mr. BRICKER. That is what I mean. The committee amendment, with my amendment, is now a part of the bill.

The PRESIDING OFFICER. It depends upon what action the Senate takes.

Mr. BRICKER. But my amendment is now in the bill.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. We must now vote on the amendment offered by the Senator from Michigan; is that correct?

The PRESIDING OFFICER. That is correct. We are in the process of voting. The absence of a quorum has been suggested, and the clerk will call the roll.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRICKER. What is the status of the section of the bill in regard to engineers?

The PRESIDING OFFICER. The Chair suggests that the Senator from Ohio withhold his parliamentary inquiry while the roll is being called.

Mr. BRICKER. What is the purpose of the roll call?

The PRESIDING OFFICER. It is a quorum call.

Mr. MOODY. Mr. President, I will withdraw my suggestion of the absence of a quorum.

Mr. BRICKER. My amendment is in the nature of a substitute for the amendment of the Senator from Michigan, and it was adopted.

Mr. MAYBANK. Mr. President, what I said to the Senator from Ohio I shall stand by. I am for the amendment which the Senator from Ohio put in the bill. I hope the Senator from Ohio will insist upon the committee amendment. I have talked to other members of the committee, and they feel the same way I do.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian, who was present all through the session of the Senate—

Mr. MAYBANK. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Chair would suggest to the Senator from South Carolina that he assist in obtaining order.

The Senator from Michigan [Mr. MOODY] offered a substitute for section 103. The Senator from Ohio [Mr. BRICKER] offered a perfecting amendment to the committee amendment which was agreed to. Now the question is on the committee amendment as amended.

Mr. MAYBANK. Mr. President, I ask the Senator from Michigan to withdraw his amendment. He has made an excellent statement and an excellent record. The committee is on record as having voted for the original committee amendment as suggested by the Senator from Ohio.

Mr. MOODY. Mr. President, I have just been conferring with the chairman of the committee. The bill has yet to go to conference, of course, and the chairman of the committee and the other members will be well informed. I have called the situation to their attention, and I am sure they will take proper action.

I withdraw my amendment.

Mr. MAYBANK. Mr. President, what is now pending?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAYBANK. Did we adopt the committee amendment, or is the amendment of the Senator from Ohio still before the Senate?

Mr. BRICKER. My amendment was adopted.

Mr. MOODY. Mr. President, it was an amendment to my amendment, and I withdrew my amendment.

The PRESIDING OFFICER. The Chair is advised that the amendment of the Senator from Ohio is now a part of the bill.

Mr. MAYBANK. What amendment?

The PRESIDING OFFICER. The perfecting amendment which was part of the committee amendment.

Mr. MOODY. Mr. President, as I understood, the Senator from Ohio offered his amendment as a perfecting amendment to my amendment. Is that correct?

The PRESIDING OFFICER. The Chair is advised that it was an amendment to the committee amendment.

Mr. MOODY. I understood the Senator from Ohio to say he was offering a perfecting amendment to my amendment, and I have withdrawn my amendment. Am I in error?

The PRESIDING OFFICER. The Chair was not in the Chamber at the time the amendment was offered, but the Chair is advised by the Parliamentarian that the Senator from Michigan is in error.

Mr. MOODY. I thank the Chair.

Mr. BYRD. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Virginia.

The LEGISLATIVE CLERK. It is proposed that at the proper place in the bill there be inserted the following:

Title V of the Defense Production Act of 1950, as amended, is hereby amended by adding a new section, as follows:

"Sec. 504. *Resolved*, That, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress requests the President to immediately invoke the national emergency provisions (secs. 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage."

Mr. BYRD. Mr. President, the amendment is offered to title V.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. How is the time divided on this amendment?

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] will be in control of the first 15 minutes, and the Senator from South Carolina [Mr. MAYBANK] will be in control of the remaining 15 minutes, if he is opposed to the amendment.

Mr. MAYBANK. Of course I am not opposed to the amendment, because it states what is the law now, and nothing is being done about it. I merely wondered if this was to be the final legislation in connection with the steel strike dispute. So far as I am concerned, I have no objection. I am glad the Senator from Virginia has offered his amendment. But 15 minutes would not be sufficient time in which to consider proposed labor legislation to be attached to a bill such as the one under consideration. I do not know whether the unanimous-consent agreement can be changed, but if so, I should like to propose that the time be extended so that the Senator from Virginia would have more time, as would also the opposition, because I do not believe an issue of this importance can be settled in 15 minutes.

Mr. BYRD. I have no objection to increasing the allotted time.

Mr. McFARLAND. Mr. President, may I inquire if all amendments are now disposed except those which pertain to the steel strike?

Mr. MAYBANK. They are not. I had hoped we would finish with all the other

amendments—not that I am objecting to the amendment offered by the Senator from Virginia.

Mr. McFARLAND. Would the Senator from Virginia be willing to withhold his amendment until the other amendments are acted on, with the understanding that he will have a prior right to offer his amendment?

Mr. BYRD. No. We might as well settle this question now. The present crisis is one of the most important subjects the Senate could consider.

Mr. McFARLAND. Then I cannot agree to an extension of time.

Mr. MAYBANK. I wish to make it clear that I shall offer my amendment to the amendment of the Senator from Virginia because what his amendment invokes is the law now.

I repeat what I said, it would be my policy to bring up my amendment last, after all other amendments had been disposed of. The Senator from Oklahoma [Mr. MONRONEY] and the Senator from Maryland [Mr. O'CONOR] have amendments to offer. I agree with the Senator from Virginia that his amendment presents a most important question; but if that amendment is to be taken up, all the other amendments should be taken up. I had intended to bring up my amendment last. I happen to be the one who offered the first amendment on the subject covered by the amendment of the Senator from Virginia.

Mr. BYRD. My amendment is now before the Senate. I do not care when the others come up. I wish to discuss my amendment.

The PRESIDING OFFICER. The Chair understands that the time of the opponents of the amendment will be controlled by the minority leader or someone whom he will designate.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. I am certain many Members of the Senate did not hear the text of the proposal by the Senator from Virginia. For the information of the Senate, I ask unanimous consent that the amendment be stated again.

The PRESIDING OFFICER. Without objection, the clerk will restate the amendment.

The LEGISLATIVE CLERK. It is proposed that the following be inserted at the proper place in the bill:

Title V of the Defense Production Act of 1950, as amended, is hereby amended by adding a new section, as follows:

"Sec. 504. *Resolved*, That, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress requests the President to immediately invoke the national-emergency provisions (secs. 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage."

Mr. BYRD. Mr. President, the Senator from South Carolina says there is no use adopting this amendment.

Mr. MAYBANK. The Senator from South Carolina did not suggest that. Let us get the matter straight, because I voted for the Taft-Hartley Act, as did

the Senator from Virginia. But I have been asking for a long time—

Mr. BYRD. Mr. President, I assume the Senator's remarks are being made in his own time.

Mr. MAYBANK. Let them be charged to my time.

The amendment offered by the Senator from Virginia would merely request the President to act. Of course, I join with the Senator in requesting the President to act. The only trouble is that this amendment could not become law until the bill was passed. The President already has available the Taft-Hartley Act. I say the President should invoke it.

Mr. BYRD. My amendment is intended to get the President to do so. I do not believe the President would ignore the will of Congress in a matter of this kind.

Mr. MAYBANK. This is a matter of request. The President should have acted before this. If the method suggested were adopted it would take 3 weeks to get action.

Mr. BYRD. The Senator from South Carolina knows we cannot direct the President to do it; all we can do is to request him to do it. If the President of the United States is willing to ignore the sentiment of the Congress of the United States in a matter affecting the very safety and security of the country, then it is time for the people of the Nation to know it.

Mr. MAYBANK. Mr. President, again in my time—

The PRESIDING OFFICER. The Chair wishes to advise the Senator from South Carolina that he is not in control of any time. The time of the opposition is controlled by the minority leader.

Mr. MAYBANK. I hope the minority leader will grant me some time.

Mr. CAPEHART. Mr. President, I yield 2 minutes to the able Senator from South Carolina.

Mr. MAYBANK. I wish to make one thing perfectly clear. I thoroughly agree with the Senator from Virginia that the President long ago should have invoked the Taft-Hartley Act, but the President has not done so. I thoroughly agree with the Senator from Virginia that we should request the President to do so, but that will not have the effect of law. We can only request, and I join the Senator from Virginia in his request.

Mr. BYRD. If that be the case, there should not be much difficulty in adopting the amendment. If the Senator from South Carolina will vote for it, I am sure, there will be a majority for it.

Mr. President, this is a very simple amendment to the bill. I propose to amend title V so that it will be germane to the subject of title V; which has to do with the settlement of labor disputes. That is what the amendment attempts to do. It requests the President of the United States to invoke immediately the provisions of the Taft-Hartley Act, whereby the present steel strike can be suspended for at least 80 days. It was to meet just such a situation that Congress passed the Taft-Hartley Act. When it passed the act,

Congress intended that if a crisis such as now confronts us should occur, the President should invoke its provisions to stop the strike—a great national strike in this instance—for a period of 80 days.

Mr. President, we are now losing in steel production in the neighborhood of 300,000 tons a day. If such a condition continues for 80 days, we will lose 25,000,000 tons. That is nearly one-quarter of the entire steel production of this country. Everybody knows that steel is the very basis of our preparedness program. Without steel, we could not fight the war. Without steel, we could not build airplanes, tanks, or battleships. What Russia fears more than anything else is the mass-production capacity of this country. At last reports we were producing four times as much steel as Russia and twice as much steel as the world was producing. We cannot maintain this supremacy unless our plants are kept in operation.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. TOBEY. Will the Senator change his amendment so as to make it retroactive?

Mr. BYRD. We have lost the advantage of the production of nearly 1,000,000 tons of steel in the past 3 days, since the strike has been in effect. The President should have invoked the Taft-Hartley Act the very day, the very hour, the decision of the Supreme Court was rendered, and thereby he could have perhaps stopped the walkout that has occurred in the steel plants. I do not know why he did not invoke the Taft-Hartley law. He has made no explanation. It was certainly the clear intent of Congress that in an emergency of this kind the President should invoke the Taft-Hartley Act, in order to allow an 80-day breathing spell.

I was a Member of the Senate when the Taft-Hartley Act was passed. The particular provision to which I have just adverted was discussed for hours, and it was clearly the desire of Congress to have in the bill such a provision as would give power to the President to stop a great national strike like the present one in the steel industry, for at least 80 days.

Mr. President, I submit that we are facing a very perilous threat. We cannot permit anyone to sabotage our efforts. We must go forward with our production. We must keep steel plants running in order to reach the production of 110,000,000 tons of steel, which is our program. To me it seems unthinkable that any President would not utilize every tool at his command to keep this country in full production of materials essential to our very security.

I reserve the remainder of my time.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield to my colleague 3 minutes.

Mr. ROBERTSON. The distinguished chairman of our committee, the Senator from South Carolina [Mr. MAYBANK], has said he plans to offer his so-called seizure amendment as an amendment to

the amendment of the senior Senator from Virginia. In my opinion, that would not be proper procedure. These are two different approaches. I think that if Congress should adopt the seizure amendment proposed by the Senator from South Carolina, two necessities would confront us. First, the bill would have to be passed by both Houses of Congress and signed by the President. Second, the board proposed to be created under the Maybank amendment would have to be selected by the President and confirmed by the Senate.

It is to be assumed that, even if we were to take that approach deliberately, we would not wait for another month to do anything about the steel strike. In any event, it seems to me that we would have to act first under the Taft-Hartley law to enjoin the strike and get operations going again. Then we would set up the machinery either of the Taft-Hartley law or of any other law which might be passed with respect to seizure.

The junior Senator from Virginia will vote with his senior colleague for this request to the President to use what appears at the moment to be the only practical remedy to restore production in a work stoppage which imperils the national safety. The junior Senator from Virginia does not like seizure any more than do any of his colleagues. Under seizure wages are frozen, and that is objectionable. Under seizure we allow the industry no profit unless the Government operation produces a profit; and the chances are that it will not produce a profit. So under seizure the plant owner can recoup only his actual losses.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I have only 3 minutes.

Mr. HUMPHREY. Will the Senator yield for an observation at that point?

Mr. ROBERTSON. Not for an observation, but for a question.

Mr. HUMPHREY. Is the Senator familiar with the fact that in the Pee Wee Coal Co. case, which was brought to the attention of the court in the early 1940's, the company was operating at a loss prior to seizure, and that when the court adjudicated compensation after seizure it allowed the company a profit based on its net worth and investment, even though the history of the company had been that of a losing enterprise? In the Pee Wee Coal Co. case a profit was awarded to the company despite months and years of losses.

Mr. ROBERTSON. The junior Senator from Virginia is not familiar with that case. He is not in a position to dispute the statement which the Senator from Minnesota has made. However, under the Taft-Hartley Act there have been nine seizures. In eight of those cases there was a settlement before the end of the 80-day period. In six of them the companies claimed serious losses, and in all of them they claimed that they did not get what was coming to them.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. ROBERTSON. Mr. President, I ask for one more minute.

Mr. BYRD. Mr. President, I yield one more minute to my colleague.

Mr. ROBERTSON. During the last war, under the Smith-Connally Act, two coal companies were seized. What happened? Both times John L. Lewis came out of the seizure with all he asked for.

I recognize the fact that seizure is a very harsh remedy, and that no one prefers it. However, in this emergency, if I have no opportunity to vote for anything except seizure, to show that I propose to place the welfare of our boys in Korea first, I will vote for seizure. In the meantime, I will vote for the pending amendment.

Mr. O'CONOR. Mr. President, will the Senator yield to me?

Mr. BYRD. I yield 2 minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Chair advises the Senator that he has only 1 minute remaining.

Mr. BYRD. I yield 1 minute to the Senator from Maryland.

Mr. O'CONOR. Mr. President, I am in entire accord with the proposal of the senior Senator from Virginia. On May 23 I proposed such a joint resolution, which has been pending in the Committee on Labor and Public Welfare since that time.

Mr. President, it is foolhardy for us to consider a stabilization program without giving recognition to the fact that the most important segment is now in idleness, due to the fact that the President of the United States has not utilized the existing legal provisions. The Supreme Court has said that it is up to Congress to act. Congress has acted. The Chief Executive has not utilized the provisions of existing law.

Until and unless he does, he cannot expect one of the two contending parties to change its present attitude and resume the production of supplies needed by our boys who are fighting today in Korea.

Mr. BYRD. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. All time of the Senator from Virginia has expired.

Mr. BYRD. Mr. President, I think there must be some mistake.

Mr. McFARLAND. Mr. President, will some Senator yield to me so that I may make a unanimous-consent request?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Arizona?

Mr. CAPEHART. I yield.

Mr. McFARLAND. Mr. President, in the first place, it seems that Senators who favor the amendment have full control of the time. I think the time should be extended. It was our intention to extend the time. I believe that in connection with the steel amendments there should be possibly an hour to each side, or an hour in total.

At this time I ask unanimous consent that the time for each side be extended 15 minutes, making 30 minutes to a side on this amendment.

Mr. CAPEHART. Mr. President, reserving the right to object, does that

mean that we are to extend the time on this amendment only, to 30 minutes to a side.

Mr. McFARLAND. Yes.

Mr. CAPEHART. The proponents have already used 15 minutes.

Mr. McFARLAND. The proponents have already used 15 minutes. My suggestion would give them 15 minutes more.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEHMAN. I do not know whether or not the distinguished Senator from Indiana [Mr. CAPEHART] is opposing the amendment offered by the Senator from Virginia.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LEHMAN. May I complete my inquiry?

Mr. CAPEHART. I think I can answer the Senator's question.

Mr. LEHMAN. I shall be glad to have the Senator do so.

Mr. CAPEHART. Yes. Under the unanimous-consent agreement, in case the proposer of an amendment and the Senator from South Carolina [Mr. MAYBANK], chairman of the committee, are both for the amendment, the minority leader is in control of the time in opposition. The unanimous-consent agreement specifically provides that in that event the minority leader shall control the time in opposition. That means to me, as acting minority leader, that I am obligated to give 30 minutes to those opposed to the amendment, and I shall do so.

Mr. DOUGLAS. Mr. President, may I ask the Senator from Indiana to yield me 5 minutes?

Mr. CAPEHART. I yield 5 minutes to the Senator from Illinois.

Mr. McFARLAND. Mr. President, may I have action on my unanimous-consent request? I ask that each side be granted an additional 15 minutes on this amendment.

Mr. KEM. Mr. President, what is the request?

The PRESIDING OFFICER. The request is to extend the time 15 minutes on each side. Is there objection? The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, I yield 5 minutes to the able Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, on December 22, 1951, at the time the President referred the Steel case to the Wage Stabilization Board, the contract between the United Steelworkers and the steel companies was to expire on the 31st of December. It was obviously impossible for the two parties to get together and reach an agreement. A Nationwide steel strike was threatened. The President then had a choice of one of two methods. Either he could invoke the Taft-Hartley law at that time, or he could proceed under the Executive Powers of the President to appoint a special board to try to mediate the situation or refer it for the same purposes

to the Wage Stabilization Board which he had set up last year.

It may be argued that in December he should have chosen the Taft-Hartley method. After due consideration, however, he chose to utilize a special board, and designated the Wage Stabilization Board as the Presidential Board. That was a perfectly legal use of his Executive Power.

That Board conducted its inquiry and made its recommendations. It tried to get the two parties together, and succeeded in postponing the strike from the first of January until the 8th of April, or a total of 99 days. The maximum delay which could have been obtained under the Taft-Hartley law was 80 days. At the end of the 80-day period under the Taft-Hartley law, the two parties would have been entirely free to act.

The result was that even though it may be said that in December the President made a wrong choice—and I am not saying it—even if one were to say that he made a wrong choice in not invoking the Taft-Hartley law at that time, he was successful in postponing the strike for 19 days more than he would have been able to postpone it had he invoked the Taft-Hartley law with its injunction powers.

A strike was then threatened at midnight, April 8. At 10 o'clock p. m. the President announced the seizure. Since then a further delay of 56 days has ensued. It is now 155 days after the first of January; and during that time, except for 3 days, there has been no strike. For at least 152 days there was no strike.

During that time the wages and hours and working conditions were not altered. During that time the union voluntarily abstained from any stoppage, and did, in fact, forego improvements which it probably could have obtained had it gone on strike on the first of January.

Are we going to say that on top of all that we are now going to superimpose the Taft-Hartley law, which provides for an injunction and a further delay of 80 days, during which working conditions, wages, and hours cannot be altered?

It seems to me that the choice which existed between the Taft-Hartley law and these other methods was one which existed in January, but which does not exist in all equity in June, because, having taken the alternative route, it is unfair to superimpose a further delay of 80 days on top of the 152 days which have already occurred.

Mr. IVES. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield the floor.

Mr. IVES. Will the Senator from Illinois yield for a question?

Mr. DOUGLAS. Gladly.

Mr. IVES. Is it the Senator's understanding that there was an agreement between the President of the United States and the steelworkers that if the arrangement which was not followed last winter had been in effect and accepted, the Taft-Hartley law would not be imposed?

Mr. DOUGLAS. I know of no such agreement. I was not in the confidence of either party on this matter, and I know nothing about it.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. CAPEHART. Mr. President, I yield 5 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the amendment which is before the Senate is in substance the joint resolution which the Senator from Maryland [Mr. O'CONOR] introduced on May 23, I believe. It was given some consideration by the Labor and Public Welfare Committee at its meeting this morning, in line with the resolution which the junior Senator from Minnesota submitted. It has been the feeling of members of the Committee on Labor and Public Welfare that at least we ought to give this subject matter our very best consideration, and not act in terms of what might upset proposals which are now under way.

Mr. President, I have in my hand today's issue of the Washington Evening Star. The headline reads: "Steel pact talks open at White House."

The subheads read: "Industry, union leaders renew truce efforts; United States aides seek end to crippling strike."

Mr. President, what is the purpose of the Taft-Hartley injunction? The purpose of the Taft-Hartley injunction is to keep production under way. The objective of the Taft-Hartley injunction during the 80-day period while it is in effect is a method of reconciliation in a dispute. The fact of the matter is that during the 80-day period, according to all the objective testimony which the Members of the Senate have been able to receive, conciliation and bargaining is not encouraged or fostered, but retarded and delayed.

The Senator from Illinois [Mr. DOUGLAS] has painted the picture and told the story of what has transpired since the 18th day of December. There is no doubt that there is a very serious strike and that it must come to an end.

I submit that an injunction applied at this particular hour, at a time when the parties have gathered together and, according to the news story—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this point. The news story states:

Officials said the meeting would not have been called if leaders of both groups had not given assurance they were ready to engage in real collective bargaining.

Mr. President, there has been little or no collective bargaining up to this hour. I believe that every member of the committee who heard the testimony will agree with that statement. At long last, there is some bargaining.

I repeat that the objective of the Taft-Hartley injunction is to impede and impair collective bargaining.

If the Senate wanted the strike settled—and injunction will not settle it—we should have placed the force and power and official policy of the Senate behind the resolution which was sub-

mitted the other day, to call upon the parties to bargain collectively and to bargain in all sincerity.

I am not saying that the President may not have used the Taft-Hartley injunction. But I know that when the parties are at this very minute meeting in the office of the White House, and that they are for the first time engaged in real collective bargaining, all that the Senate is doing is irritating the situation and antagonizing the participants in the collective-bargaining conferences. This amendment would amount to a refusal to believe in the good faith of the parties who are now gathered in the White House in conference. What the Senate should do is adopt a resolution calling upon the parties to bargain to a conclusion and to agree upon some interim conditions immediately, to go back to work, and to finally resolve this dispute in the way it ought to be resolved.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. LEHMAN. Mr. President—

Mr. CAPEHART. I yield one more minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for an additional minute.

Mr. HUMPHREY. Mr. President, I offer an amendment to the Byrd amendment, and I ask that the clerk state it.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the proper place in the Byrd amendment it is proposed to insert the following:

Resolved, That the Senate of the United States call upon the parties to the current steel dispute (1) to resume collective-bargaining negotiations immediately, (2) to agree upon interim conditions which will make possible the immediate resumption of production pending settlement of the issues in dispute, and (3) to make every effort in the interest of the national welfare and security to speedily resolve the dispute.

The Senate also calls upon the President of the United States to make available to the parties to this dispute the services of any Government agency which the parties to the dispute may request as an aid to collective bargaining thereby to facilitate the resumption of production and the resolution of the dispute.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it. First let the Chair make an observation to the Senator from South Carolina, which may answer his inquiry. The Senator from Minnesota has 15 minutes allotted to him, and the chairman of the Committee on Banking and Currency has 15 minutes allotted to him in opposition.

Mr. MAYBANK. My parliamentary inquiry is this: If the amendment offered by the Senator from Minnesota should be adopted, would that be the end of it, or could I offer my amendment?

The PRESIDING OFFICER. The question before the Senate would then be on the Byrd amendment, as amended.

Mr. MAYBANK. How would I have an opportunity then of offering the amendment I said I intended to offer?

The PRESIDING OFFICER. The Byrd amendment would not be open to further amendment.

Mr. MAYBANK. I am certain that the Senator from Minnesota did not intend to preclude me.

The PRESIDING OFFICER. There would be no reason why the Senator from South Carolina could not offer his amendment to another section of the bill.

Mr. MAYBANK. If the amendment of the Senator from Virginia [Mr. BYRD], as amended by the amendment of the Senator from Minnesota [Mr. HUMPHREY], were adopted, I could not offer my amendment. I assured the Senator from Maryland [Mr. O'CONOR] on that point before this came up. We have been fighting and trying to pass a control law for a long time. If the amendment offered by the Senator from Minnesota is agreed to, Senators who have been here day and night will have no opportunity on the floor to offer their amendments. I think that is very unjust. I do not believe that the Senator from Minnesota intends to do it, because I assured him that I would offer an amendment.

The PRESIDING OFFICER. Does the Senator from Minnesota yield any of his time?

Mr. HUMPHREY. Mr. President, momentarily I withdraw my amendment so that there will be no misunderstanding about my objective. We will continue with the debate on the Byrd amendment.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota is withdrawn.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

Mr. BYRD. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Virginia will state it.

Mr. BYRD. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Virginia has 15 minutes.

Mr. CAPEHART. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 17 minutes remaining.

Mr. BYRD. Mr. President, I yield 3 minutes to the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I have only 3 minutes, and I cannot yield to any Senators at this time.

The whole case has not been stated by the Senator from Minnesota or by the Senator from Illinois. Under the Taft-Hartley Act, the President appoints a public board. No one can say that the Wage Stabilization Board is a public board within the contemplation of the National Labor Relations Act. That Board must report. After it reports, the President can ask the Attorney General to seek an injunction. That has not been done. That procedure is subject to review by the courts, if there is any difficulty about it. It is the duty of the parties to the dispute to settle and adjust. The President then can reconvene the Board, and at the end of 60 days the board can report to the President. Then

at the end of the next 15 days a secret ballot is to be taken. That has not been done, Mr. President. Thereafter the President of the United States can report and can make recommendations to the Congress. That has not been done.

It seems to me that in approaching equity, the rule is that one should first exhaust all his legal remedies. No such remedies have been exhausted. There they are, as plain as print, in the National Labor Relations Act; and the President of the United States, notwithstanding the time factor that has been alluded to, should have utilized what is upon the law books.

Perhaps an additional 57 days or 100 days have gone by; but in every case we are dealing with a tripartite board, and there have been allegations of bias, regardless of whether they are well founded.

Under the National Labor Relations Act, a board is provided for. It is to be established by the President; and, as I read the act, it is a public board. Mr. President, the things which should have been done have not been done.

That is why I propose to support the amendment of the Senator from Virginia, which would be an additional section to title V of the Defense Production Act, which says that it is the intent of Congress, and so forth, to see that there is uninterrupted production. When that is done, it seems to me it will be unnecessary for us to consider further the proposal which was advanced yesterday by the Chairman of the Banking and Currency Committee.

Mr. DOUGLAS. Mr. President, will my good friend, my colleague from Illinois, yield to me?

Mr. DIRKSEN. Yes; if I have time, I shall be delighted to yield.

Mr. DOUGLAS. My colleague's argument is that the President has had only one choice since December—Hobson's choice—namely, that all he could have done would have been to invoke the Taft-Hartley law.

Does not the junior Senator from Illinois realize that the President could also have proceeded under his own executive powers, which existed before the Taft-Hartley law was enacted, and have been invoked on countless occasions; and in that way the President could have set up a separate board to deal with the emergency—which is what he did.

Mr. DIRKSEN. All I know is that at the time when testimony was being given to the House committee by Mr. Herzog, chairman of the National Labor Relations Board, at the time of the creation of the Wage Stabilization Board, when that Board and its functions were under consideration, he testified that he did not conceive that that Board was being divested of any of its functions, notwithstanding the contentions which were made in behalf of the Wage Stabilization Board.

There is an instrumentality upon the law books, and it has not been used. These remedies have not been explored. It seems to me that it is high time for the President of the United States to use a law which has been handed to a board

which is the trustee of the congressional intent.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. LEHMAN. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. LEHMAN. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield 5 minutes to the able Senator from New York [Mr. LEHMAN].

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. LEHMAN. Mr. President, all of us want to have the steelworkers return to work and have steel produced. There is no question at all that the President in his wisdom—although not all of us may agree with him—

Mr. MAYBANK. Mr. President, I should like to ask a question at this point. Will the Senator from New York yield?

Mr. LEHMAN. If I do not lose time thereby.

The PRESIDING OFFICER. If a Senator speaks at this time, he must be yielded time by one of the Senators who is in charge of the time.

Mr. MAYBANK. Mr. President, will the Senator from Indiana yield 2 minutes more?

Mr. CAPEHART. I yield 2 minutes more to the Senator from New York, giving him 7 minutes in all.

Mr. LEHMAN. I thank the Senator. I now yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I wish to ask a question of the Senator from Virginia. Suppose I agree at this time to accept the amendment of the Senator from Virginia. Would the Senator from Virginia be agreeable?

Mr. BYRD. Agreeable to what?

Mr. MAYBANK. Agreeable to having me accept the amendment of the Senator from Virginia, which requests the President to proceed by way of the Taft-Hartley Act.

Mr. BYRD. Does the Senator from South Carolina mean to ask me whether I would be agreeable to having the Senator from South Carolina agree to accept my own amendment?

Mr. MAYBANK. Yes.

Mr. BYRD. Of course I would.

Mr. MAYBANK. Then, Mr. President, I move that the amendment of the Senator from Virginia be accepted.

Mr. BYRD. However, Mr. President, I wish to have a yea-and-nay vote on the question of agreeing to my amendment, for this matter is important.

Mr. MAYBANK. Mr. President, I desire to make myself perfectly clear. I intend to offer my amendment.

Mr. BYRD. The Senator from South Carolina has a right to do so, of course.

Mr. MAYBANK. But I do not know what the situation then would be as between the amendment of the Senator

from Virginia and my amendment; for if both amendments are included in the bill and are enacted into law, my amendment would actually be law; but the amendment of the Senator from Virginia would not be law, since it begins with the word "Resolved." So I do not know what position I would be in, in that event.

Mr. FERGUSON. Mr. President, will the Senator from New York yield, to permit me to propound a parliamentary inquiry?

Mr. LEHMAN. Mr. President, I regret that I cannot yield at the moment.

As I was stating before I was interrupted, the principal object of this effort is to have the steelworkers return to work and produce steel. Although not all Members of the Senate are in agreement with the President, the President persuaded the steelworkers and the steel mills to postpone the threatened strike. In that way they were persuaded to postpone the strike for nearly 100 days, or for 19 days more than the period of time required by the Taft-Hartley Act. The President hoped until the last moment that a settlement would be reached; and he made a personal appeal over the radio and the television to get the country to back him up.

The Senator from Virginia has referred to the Taft-Hartley Act. Apparently, he thought seizure was permitted by that act. Of course, as we know, seizure is not authorized under the provisions of the Taft-Hartley Act. Therefore, if the Taft-Hartley Act had been invoked, the Government would not have been in control of the mills and steel would not have been produced.

Today we have before us an amendment requesting the President to invoke the Taft-Hartley Act. Of course, we could only request him to do so; certainly, we could not direct him to do so. I believe that at the present state of the negotiations—and the negotiations are going on today between the management of the steel companies and the steel company workers—nothing could do more harm to the possibility, yea, the probability, of an adjustment of those differences than to have the Taft-Hartley Act invoked.

I am convinced that representatives of the two parties to the dispute are meeting today in good faith in a desire to compose their differences and to reach a real meeting of the minds and an agreement which will permit the steel mills to resume operation.

On the other hand, to invoke the Taft-Hartley Act at this time, with its cumbersome machinery which calls for the setting up of an emergency board, which would have to be set up while the strike was going on, and then to have the courts asked to issue an injunction—which process would, at the very least, consume a week or 10 days—would merely result in delay, and would not settle anything, because at the conclusion of the period of 80 days which would be superimposed on the period of 100 days, the only effect would be to cause resentment and distrust, and still nothing would have been settled in re-

gard to the relationships between the employers and the workers.

Mr. President, I also wish to refer to the resolution which was submitted the other day by my distinguished colleague, the junior Senator from Minnesota [Mr. HUMPHREY], on behalf of himself and myself. That resolution requests the Senate to express to both the employers and the workers its hope that their differences will be composed and that the work will be resumed in the interest of the national defense and in the interest of a stable national economy. I believe that is the way to go about it for the time being. We shall have opportunity in the future to draft and pass permanent legislation to take care of similar situations in the future, legislation which will give the President the authority necessary to care for emergency situations.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. BYRD. Mr. President, I yield 2 minutes to the Senator from Mississippi [Mr. STENNIS].

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 2 minutes.

Mr. STENNIS. Mr. President, I do not know the merits of the controversy between the steel industry and labor, but, as a member of the Armed Services Committee, I am familiar with the schedule of needed airplanes, needed guns, needed arms, trucks, automobiles, and other items requiring steel; and the demand is now. I think the Congress and the President would be grossly derelict in the performance of their duty and responsibility to the Nation and particularly to the men who are carrying the fighting burden in Korea, did they not exhaust every remedy of whatever nature to bring about satisfactory results. Instead of arguing about what happened in January, or in 9 days, or arguing about the merits of the Taft-Hartley Act, we ought to move as promptly as possible to get results. I therefore enthusiastically support this amendment. But I do not think that even it would afford a remedy that would meet all the conditions and all the requirements of the situation.

I think it is a congressional matter, and that it is incumbent upon us to pass a law which will meet this situation. We took the position that the President did not have authority to seize the steel mills. The Supreme Court upheld that position, and I think the burden is now on the President to proceed under the Taft-Hartley Act. I think the burden is on the Congress to proceed to the enactment of legislation which would fully meet such an occasion. I do not think it can be done overnight. I want to hear the argument on the Maybank amendment, but I doubt that it would meet the needs of the occasion. I think it is going to require that the best lawyers, the best industrialists, and the best labor specialists get together and spend days in cooperation with the Congress in order to draft a law which would meet a situation of this kind effectively. But

in the meantime, we need steel, and I think the President should proceed under the law that we have on the books. Therefore, Mr. President, I support this amendment enthusiastically.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. BYRD. Mr. President, I yield 2 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 2 minutes.

Mr. FERGUSON. Mr. President, the amendment now before the Senate merely expresses the opinion that, the Congress having acted and having passed a law, that law should be executed by the Chief Executive of this Nation. Last Monday the Supreme Court decided that the President had no authority to pass laws, that his duty under his oath was to execute the laws which had been passed by the Congress. In 1947, the Congress, over the veto of the President, passed a law. We decided that it should apply in an emergency. It is not necessary for the Congress today to go into the merits of the pending dispute in the steel industry. A strike is on, and steel is not being produced. It is a case of the kind that the Taft-Hartley and the Labor Relations Acts apply to.

At this time it is merely the request of the Senator from Virginia that the Congress express its opinion, reciting the fact that Congress has already acted, that the President has a law under which he can act, and asking that the President carry out his oath of office. I think that is a duty of the Congress under the circumstances. The President having sent two messages to the Congress, the Supreme Court having acted upon this matter and having said that the Congress has a right to say what the policy of the Government shall be, and Mr. Justice Holmes having said in a famous opinion in the Supreme Court that it is not for the Executive to determine whether a law is right, it is now the duty of Congress to declare what the law is and what the policy should be. The oath of office of the President then requires that the President shall faithfully execute that law.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. FERGUSON. I hope the amendment will be agreed to.

Mr. MAYBANK. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield 1 minute to the able chairman of the Senate Banking and Currency Committee.

Mr. MAYBANK. Mr. President, I merely want to say that I thoroughly agree with what the Senator from Michigan has said. The Supreme Court called attention to the Taft-Hartley Act, the Defense Production Act, and the selective service law; but the Supreme Court did not express the opinion that the Congress should tell the President what to do. The Supreme Court did not say the Congress should pass resolutions calling upon the President to proceed under a particular act.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CAPEHART. Did not the President send a message to the Congress, asking that it make suggestions, in case it cared to do so?

Mr. MAYBANK. I have that suggestion.

Mr. CAPEHART. One of the suggestions the Congress is making, I presume, is the present one.

Mr. MAYBANK. That is correct.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. McFARLAND. Mr. President, will the Senator yield me 2 minutes?

Mr. CAPEHART. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 9 minutes.

Mr. CAPEHART. I have 9 minutes to allocate to anyone who may desire to oppose this amendment. How much time does the Senator from Arizona desire?

Mr. McFARLAND. Four or five minutes.

Mr. CAPEHART. I yield 5 minutes to the majority leader.

The PRESIDING OFFICER. The majority leader is recognized for 5 minutes.

Mr. McFARLAND. Mr. President, I shall try not to use the entire 5 minutes. These are times when we should act conscientiously and carefully. It does no good to become excited. The circumstances are such as to call for action. These are times when we should weigh very, very carefully everything we do. The Congress of the United States has a duty, and the administration has a duty. I have found that about all I could expect to do was to try to discharge my own duties in the Congress without trying to run the administrative end of the Government. When the Executive tries to step over into our field, we all become very angry and very critical of him. But now, when all interested parties are trying to arrive at a just settlement, we are trying to tell them that they should not do this or that, but should invoke the Taft-Hartley Act. An effort is being made to settle the strike; and I contend that an opportunity should be afforded to settle it in that way. I think labor and management should get together and, in good faith, through the processes of collective bargaining, compose their differences and that they should be able to settle the strike within 24 hours.

If the Byrd amendment embodied a resolution of that tenor it would, in my opinion, be within our jurisdiction. But, Mr. President, when we try to run the affairs of the Executive we go outside our field. We have no business doing that, regardless of what our feelings may be. We may feel that this or that should be done, but we have no business dictating what should be done. Let us provide the laws we think are needed. Of course, there is the Taft-Hartley Act, and we may have our opinion that it should be used; but, Mr. President, we

are treading upon dangerous ground when we try to take over the executive powers of the Government.

Mr. President, I want you to know, and I want the Senate to know that because I believe in the Constitution and because I believe in the separate powers of the executive, the legislative, and the judicial as provided by the Constitution, I am firmly persuaded that the judiciary was the proper branch of the Government to pass upon this question; upon the issues involved in the steel case; and it has done so.

I think Congress has all it can do to perform the duties which are within its jurisdiction, without adopting a resolution prescribing a course of action.

Each of us may have a different opinion. I think a majority of the Members of the Congress feel that the strike cannot be settled by the methods now resorted to. Something more must be done. But I want to say that we have all we can do to take care of our own business without encroaching on the business of the executive branch of the United States Government.

Mr. MONRONEY. Mr. President, will the Senator from Arizona yield?

Mr. McFARLAND. I yield.

Mr. MONRONEY. If I correctly understand the meaning of the Supreme Court's decision in the Steel case, it was that the Executive should stay out of the legislative field. What the distinguished majority leader is saying is that we should stay out of the Executive field; that we cannot run the Executive department from Capitol Hill, and we do not believe the Executive department should try to run the business of the Congress.

Mr. McFARLAND. That is exactly my position. I think it is as bad for us to inject ourselves into executive business as for the Executive to inject himself into legislative business.

Mr. O'CONOR. Mr. President, will the distinguished majority leader yield?

Mr. McFARLAND. I yield.

Mr. O'CONOR. Is it not a fact that the President has requested Congress to make an expression, and has invited Congress to advise him as to what should be done? What more direct expression of opinion could be given than for the Congress to reassert the conclusion already reached?

Mr. McFARLAND. The President has asked for additional legislation.

Mr. FERGUSON. Mr. President, will the Senator from Arizona yield?

Mr. McFARLAND. I yield.

Mr. FERGUSON. As I read the President's message, as the courts read it, and as the arguments before the court indicated, the President did not ask for a law; he asked for suggestions as to whether we were satisfied as to what he was doing.

Mr. McFARLAND. I am not going to become involved in an argument on that point.

Mr. FERGUSON. Is not that correct?

Mr. McFARLAND. I do not yield any further. I am not going to try to run the office of the President. I have all

I can do to run my own. He said that if we wanted him to act, we should pass such legislation.

Mr. MONRONEY. Mr. President, will the Senator further yield?

Mr. McFARLAND. I yield.

Mr. MONRONEY. Three or four years ago Congress passed a law which some Members of Congress still think will solve the problem. That law is on the books, but evidently the Executive does not think it goes to the heart of the question. I personally feel that when collective bargaining breaks down and a strike occurs, Congress is on the spot and should devise a method to keep the industrial facilities operating. The Senator from Virginia [Mr. BYRD] represents a State which keeps its utilities operating.

Mr. McFARLAND. In order that my position may be very clear, I desire to say that if I were in the President's place I would have seriously considered trying the Taft-Hartley law. But that does not mean that I shall vote for the Byrd amendment. It is not the province of Congress to usurp the functions of the Executive department.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. LEHMAN. I am very happy to hear the distinguished majority leader say that the Senate should use its good offices in every way possible to bring about a settlement under collective bargaining between the employers and the workers in the steel mills. I think that is the important thing. If that is not done, there will not be any lasting peace in industry. The resolution which was submitted by my distinguished colleague from Minnesota [Mr. HUMPHREY] and myself would invoke wholehearted collective bargaining and bring about peace. I think that would be the greatest step forward we could possibly take.

Mr. McFARLAND. Mr. President, will the Senator from Indiana yield one more minute to me?

Mr. CAPEHART. I yield 1 minute to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I desire to sum up my position in this matter. Being a lawyer by profession and believing in the Constitution and in acting under the Constitution, I could not for a moment support an amendment that would attempt to tell the Executive how to conduct his office. As I previously stated, if I were in the position of the President, knowing what I do—I have not all the facts at hand—I would have seriously considered invoking the provisions of the Taft-Hartley law. But I do not think it is our duty to try to force the President to act in a manner he thinks is unwise. If the Senate of the United States will follow that policy, it will be following a safe policy. Any time any lawyer thinks to the contrary, he is getting on dangerous ground.

Mr. BYRD. Mr. President, I yield 2 minutes to the Senator from Maine [Mr. BREWSTER].

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 minutes.

Mr. BREWSTER. Mr. President, I hold in my hand the message of the President of April 9, which seems to be entirely clear as to what he desires of the Congress. He said:

The effects of such a shutdown would have been so immediate and damaging with respect to our efforts to support our Armed Forces and to protect our national security that it made this alternative unthinkable.

He goes on as follows:

It may be that the Congress will deem some other course to be wiser. It may be that the Congress will feel we should give in to the demands of the steel industry for an exorbitant price increase and take the consequences so far as resulting inflation is concerned. * * *

It may even be that the Congress will feel that we should permit a shutdown of the steel industry, although that would immediately endanger the safety of our fighting forces abroad and weaken the whole structure of our national security.

I do not believe the Congress will favor any of these courses of action, but that is a matter for the Congress to determine.

We are not dependent, however, on whether the President asked us for our opinion. I happen to represent in part a State which has various defense programs existing within it which are vitally dependent on the production of steel. Within the next 3 weeks the development of our defense will begin to experience a strangling. The Constitution of the United States provides that the right of the people peaceably to assemble and to petition the Government for redress of grievances shall not be denied. Who will deny the right of this body, with the responsibility resting upon it, with the invitation from the President as to what we think about it, to tell the President that we have provided an alternative.

The PRESIDING OFFICER (Mr. HENNING in the chair). The time of the Senator has expired.

Mr. BYRD. Mr. President, I yield two more minutes to the Senator from Maine.

Mr. BREWSTER. Mr. President, it is plain and clear that Congress has enacted a law which provides for 80 days within which Congress may determine what further action, if any, is required. The Taft-Hartley Act provides for this very emergency. Why the President, when he has nine times used that act to meet a similar crisis, now refuses to use it, is certainly difficult to understand.

Under the Supreme Court decision, the President is to execute the laws. A course which he says is unthinkable he is permitting to be pursued day by day, and certainly the accomplishment of any further action by Congress is utterly impracticable in the face of this crisis, when the plain, clear path is before the President.

I am happy to be able to state, from this side of the aisle, that according to a statement by a recent recruit to our ranks, General Eisenhower, he has announced that he himself considers the Taft-Hartley Act to be one of those things that he, as well, I think, as every other Republican, favors and which most Democrats are now inclined to favor.

I hope that the unanimous opinion on one side, and the very strong opinion on

the other, will persuade our friends no longer to seek to delay action which is vital to enable the American economy to produce what is necessary to protect our boys on the battle front.

Mr. MAYBANK. Mr. President, I send to the desk the substitute amendment I spoke of yesterday. I wish to make it perfectly clear that if the substitute is voted upon and is defeated, I shall join with the Senator from Virginia in his expression of hope that the President will use the Taft-Hartley Act. That has been my hope for many months.

The PRESIDING OFFICER. The amendment will be read, for information only, under the ruling of the Vice President yesterday.

The CHIEF CLERK. On page 9, after line 16, it is proposed to insert the following new section:

SEC. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"NATIONAL EMERGENCY PRICE AND WAGE BOARD

"SEC. 412. (a) Whenever the President finds that a threatened or actual work stoppage or lock-out affecting an entire industry or a substantial part thereof will, if permitted to occur or to continue, imperil the national defense or defeat the purposes of this act, he may refer such dispute to the Board created in subsection (b) to inquire into the issues involved in the dispute and to make a written report to him within 113 days after such dispute has been referred to it. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position, and shall contain the Board's recommendation with respect to wage and price stabilization as well as other matters involved in such dispute. The President shall make the contents of such report available to the public.

"(b) There is hereby established the National Emergency Price and Wage Board (hereinafter referred to as the "Board") which shall be composed of a chairman and six other members to be appointed by the President by and with the advice and consent of the Senate, and shall have power to sit and act at any place within the United States and to conduct such hearings either in public or private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute. Each member of the Board shall receive compensation at the rate of \$50 for each day actually spent by him in the work of the Board, together with necessary travel and subsistence expenses.

"(c) The provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act, as amended (15 U. S. C. 49 and 50), shall be applicable with respect to any hearing or inquiry conducted by the Board under this section.

"(d) The President shall make such provision for stenographic, clerical, and other assistants, and for facilities, services, and supplies, as may be necessary to enable the Board to perform its functions.

"(e) Whenever a dispute is referred to the Board the President shall immediately notify the parties to the dispute that the dispute has been so referred and until the Board makes its report to the President and for 7 days thereafter it shall be unlawful for the parties to engage in any work stoppage or lock-out. The provisions of section 706 of this act shall apply in the case of any violation of this section.

"(f) Within 7 days after the Board has reported its findings and recommendations to the President, the parties to the dispute shall advise the President in writing whether or not they are willing to accept the recommendations of the Board for settlement of the dispute.

"(g) If all parties to the dispute agree to accept the recommendations of the Board for settlement of the dispute, the President shall take such action under this title as may be necessary to effectuate the recommendations of the Board.

"(h) If any party to the dispute refuses within the period specified in subsection (f) to accept the recommendations of the Board and as a result thereof a work stoppage or a lock-out is threatened, the President shall take immediate possession of and operate all plants, mines, or facilities involved in the dispute subject to payment of just compensation therefor as required by the Constitution of the United States. During such period of operation the terms and conditions of employment which were in effect at the time possession of such plant, mine, or facility was taken by the President shall remain in effect.

"(i) Whenever any plant, mine, or facility is in the possession of the United States it shall be unlawful for any person (1) to coerce, instigate, induce, conspire with, or encourage any person to interfere, by lock-out, work stoppage, slowdown, or other interruption, with the operation of such plant, mine, or facility, or (2) to aid any such lock-out, work stoppage, slowdown, or other interruption interfering with the operation of such plant, mine, or facility by giving direction or guidance in the conduct of such interruption or by providing funds for the conduct or direction thereof or for the payment of work-stoppage, unemployment, or other benefits to those participating therein.

"(j) At any time after the referral of the dispute to the Board or during the operation by the Government of any plant, mine, or facility, the parties to the dispute may reach an agreement by means of collective bargaining. Such agreement must be within the framework of the stabilization policies then in effect.

"(k) Upon settlement of any dispute so referred to the Board the President shall immediately return possession of the mine, plant, or facility involved to the owners thereof in the event possession of such mine, plant or facility has been taken by the President pursuant to the provisions of this section.

"(l) While this section is in effect the provisions of sections 206 to 210, inclusive, of the Labor Management Relations Act, 1947, shall not apply in the case of any dispute referred to the National Emergency Wage and Price Board. In any such case the provisions of the act of March 23, 1932, entitled 'An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes,' shall not be applicable."

Renumber succeeding sections.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The present occupant of the chair is informed by the Parliamentarian that there can be no further debate on the Byrd amendment.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The substitute amendment of the Senator from South Carolina is now in order.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. How will the time for debate on the substitute amendment be divided?

The PRESIDING OFFICER. Under the rule; 15 minutes.

Mr. MAYBANK. There were 13 minutes remaining on the previous amendment.

Mr. McFARLAND. Mr. President, I wish to make a unanimous-consent request. The matter is very important. The substitute is of some length. I know Senators desire to have it explained and to have an opportunity for discussion. In order that that may be done, I ask unanimous consent that the time for debate on the substitute amendment be 1 hour to each side.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CAPEHART. Mr. President, in the first place I do not think the amendment should be offered. I think it should be referred to the committee, and that hearings should be held upon it.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. The Senator from Indiana suggested that course to me, and I was advised that under the unanimous-consent agreement an amendment which had been offered to the pending bill could not be referred to the committee.

Mr. CAPEHART. I am not saying—

The PRESIDING OFFICER. It would not be in order to refer to the committee an amendment to the pending bill.

Mr. MAYBANK. If it had been, I would have asked yesterday that that be done.

The PRESIDING OFFICER. The Senator from South Carolina has made a parliamentary inquiry. The Chair is advised that it is not in order to refer to the committee an amendment to the pending bill.

Mr. CAPEHART. Mr. President, I wish to make a statement.

I am opposed to extending the time for debate on this amendment or to devoting any more time to debate on this amendment than was devoted to the Byrd amendment, which was 30 minutes to a side.

Mr. McFARLAND. It was 35 minutes.

Mr. CAPEHART. I feel very strongly that if we are to enact legislation so far reaching as the amendment just read, I shall be forced to make a motion to recommit the entire bill to the Senate Committee on Banking and Currency for further study and for hearings. I do not believe that we should enact legislation so far reaching as that which has been proposed without giving labor, management, and the American people an opportunity to be heard on the subject.

Furthermore, we are dealing entirely with matters which ought to be considered by the Committee on Labor and Public Welfare, and not by the Senate Banking and Currency Committee.

Mr. McFARLAND. Mr. President, if the Senator is going to object to any more time than was given to the Byrd amendment, I ask unanimous consent that the time be extended to 35 minutes to a side. That was the time allocated in connection with the Byrd amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. FERGUSON. Mr. President, reserving the right to object, I hope the Senator from Indiana will not insist upon his objection to a limitation of 35 minutes to a side in connection with an amendment so important as the amendment of the distinguished Senator from South Carolina.

Mr. CAPEHART. I stated that I would not object to granting the same amount of time as was devoted to the Byrd amendment, which was 35 minutes to a side. I have no objection whatever to that.

Mr. FERGUSON. That is not sufficient time.

Mr. McFARLAND. I had hoped that we could agree upon an hour to a side.

Mr. FERGUSON. An hour to a side should be the very minimum.

Mr. McFARLAND. I would have requested an hour to a side on the Byrd amendment, except that certain Senators indicated that they would object. I do not believe that the Senate ought to act hurriedly. I believe that Senators should have an opportunity to have their say.

Mr. CAPEHART. Mr. President, I do not believe that we ought to debate this question at all at this time. I think it ought to be studied, and that public hearings should be held.

Mr. McFARLAND. Mr. President, I make the request for 35 minutes to a side.

Mr. CAPEHART. I have no objection to that request.

Mr. MAYBANK. Mr. President, I demand the regular order.

Mr. McFARLAND. Mr. President, I amend my request, so as to make it an hour to a side.

The PRESIDING OFFICER. The regular order is demanded. Is there objection to the request of the Senator from Arizona, as modified?

Mr. HUMPHREY. Mr. President, reserving the right to object, it seems to me that the procedure which we have entered upon is entirely out of order. The so-called Byrd amendment is in the form of a resolution. It is now sought to substitute for that amendment a piece of basic legislation. It was my hope that we might dispose of the Byrd resolution by an affirmation on the part of the Senate. The seizure proposal of the Senator from South Carolina is a very serious piece of legislation. I am not saying that we ought not to discuss it or debate it or act upon it. To be very candid about it, an hour on a measure so intricate and complex as the seizure amendment is merely to skim the surface.

Very frankly, we cannot debate that subject in an hour. If the majority leader wishes to make a request for four

or five hours to a side, perhaps we shall have an opportunity to discuss the amendment. We have held 3 weeks of hearings on seizure legislation. We have not had half enough time. Any Member of this body who thinks we can debate and dispose of a seizure amendment in an hour is not thinking through the problem.

Mr. McFARLAND. I wish to obtain whatever time we can, and then see what we can do later.

Mr. CASE. Mr. President, reserving the right to object, I wish to add a word to what the Senator from Minnesota has said. I appeared before the subcommittee which deals with the problems of strikes in essential industries. The Senator from Minnesota very courteously accorded me an hour there. There was quite a discussion. In my opinion it would be a mistake to try to dispose of legislation of this character under the limitations provided in the unanimous-consent agreement. Personally I should like to see all the amendments dealing with seizure withheld, unless there can be a general modification of the unanimous-consent agreement so that we may go into the subject, broad as it is, with the time that it deserves.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arizona [Mr. McFARLAND]?

Mr. SPARKMAN. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. As I understand the parliamentary situation, it is this:

The Senator from Virginia [Mr. BYRD] has offered an amendment to the pending bill. The Senator from South Carolina [Mr. MAYBANK] has offered an amendment in the nature of a substitute for the Byrd amendment. Does that mean that an amendment to the amendment of the Senator from South Carolina would not be in order?

The PRESIDING OFFICER. Will the Senator from Alabama repeat his parliamentary inquiry?

Mr. SPARKMAN. The query part of it is simply this: Under the present parliamentary situation, would an amendment to the amendment offered by the Senator from South Carolina be in order?

The PRESIDING OFFICER. The present occupant of the chair is advised that it would not be in order, because it would be an amendment in the third degree.

Mr. McFARLAND and Mr. MORSE addressed the Chair.

Mr. SPARKMAN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. If the amendment of the Senator from South Carolina should prevail, could an amendment to the Byrd amendment be offered later?

The PRESIDING OFFICER. The Chair is advised that no amendment to the Byrd amendment or to any other amendment heretofore agreed to would be in order.

Mr. SPARKMAN. Further reserving the right to object, I am very eager to have the parliamentary situation cleared up.

Mr. McFARLAND. I want to clear it up for the Senator if I can.

Mr. SPARKMAN. I yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, because the proposed Maybank substitute amendment stands out, in a way, as independent legislation, it being a proposed amendment to existing law, I add to my unanimous request the provision that the substitute be permitted to be amended as though it were an original bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona as modified?

Mr. BYRD. That would involve a change in the rule.

Mr. McFARLAND. It does not require a change in the rule. We have done it frequently.

Mr. CAPEHART. Mr. President, I reserve the right to object.

Mr. BYRD. Mr. President, I certainly am not in favor of changing the rules of the Senate for one particular bill.

Mr. McFARLAND. We have already done it in connection with the pending bill.

Mr. BYRD. The Senator from South Carolina says that he is in favor of the Byrd amendment. He can accept the Byrd amendment and then offer his amendment. That would simplify the procedure.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

Mr. MAYBANK. Mr. President, if I wait to accept the Byrd amendment—

The PRESIDING OFFICER. The Senator from New Mexico will state his parliamentary inquiry.

Mr. MAYBANK. Mr. President, may I have the attention of the majority leader?

The PRESIDING OFFICER. The Senator from New Mexico wishes to submit a parliamentary inquiry. The Senator will state it.

Mr. CHAVEZ. What is the question? I understand that the Senator from Arizona [Mr. McFARLAND] has made a unanimous-consent request based upon the amendment of the Senator from Virginia [Mr. BYRD]. I happened to be in conference on the road bill, and I was not present in the Chamber at that time. What is the amendment of the Senator from Virginia, and what is the unanimous-consent request?

The PRESIDING OFFICER. Without objection, the clerk will restate the Byrd amendment.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

Title V of the Defense Production Act of 1950, as amended, is hereby amended by adding a new section, as follows:

"Sec. 504. *Resolved*, That, by reason of the work stoppage now existing in the steel industry the national safety is imperiled, and the Congress requests the President to immediately invoke the national emergency provisions (sections 206 to 210, inclusive) of the Labor Management Relations Act,

1947, for the purpose of terminating such work stoppage."

Mr. CHAVEZ. It is on that amendment, as I understand, that the Senator from Arizona, the majority leader is now asking unanimous consent to limit debate.

Mr. McFARLAND. No. A substitute amendment has been offered by the Senator from South Carolina. I am asking that debate on the substitute amendment be limited to 1 hour to a side, instead of 15 minutes to a side, because it is a very important amendment and it is also very important that Senators be permitted to offer amendments to the substitute.

Mr. MORSE. Mr. President—

Mr. McFARLAND. Mr. President, we may as well discuss the subject now, if I am permitted to do so in connection with my unanimous-consent request. The Committee on Labor and Public Welfare has been working on this subject. They have a bill which they would like to offer. As I understand from the distinguished Senator from Oregon [Mr. MORSE], the Senator from Oklahoma has a bill which he desires to offer. We will have to thrash out the matter sooner or later. There is a strike in the steel industry, and steel is not being produced. That is the only reason why the matter is brought up in this manner. I hope there will be no objection to the unanimous-consent request.

Mr. MAYBANK. Mr. President, I demand the regular order. I am not interested in whether we talk an hour or 2 hours. I am interested in settling the steel strike.

The PRESIDING OFFICER. The regular order is: Is there objection to the request of the Senator from Arizona?

Mr. CASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE. Does the proposed unanimous-consent agreement include a request that the Maybank substitute be considered as an original amendment, so that it will be open to amendment?

Mr. McFARLAND. Yes.

The PRESIDING OFFICER. The Chair is advised that the Senator from South Dakota has correctly stated the parliamentary situation, and that the limitation of 1 hour's debate to a side is encompassed in the request.

Mr. CASE. What would be the situation with respect to an amendment to the Maybank amendment?

The PRESIDING OFFICER. The Maybank amendment would be open to amendment in two degrees.

Mr. CASE. How much time would be accorded to an amendment to the amendment?

The PRESIDING OFFICER. The present occupant of the chair is advised that 15 minutes would be allotted to a side under the unanimous-consent agreement, unless modified.

Mr. CAPEHART. Mr. President, reserving the right to object, I should like to remind Senators of what we are doing. The majority leader has asked unanimous consent that the substitute for the Byrd amendment be open to

amendment, adding the statement that the Committee on Labor and Public Welfare has a substitute and a great many amendments to offer, and that the committee has been studying the subject for 3 weeks. That means that debate could go on for days and days on the floor of the Senate.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. No. I refuse to yield at this time. I want to finish my statement.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. CAPEHART. We would go on for days and days debating and discussing on the floor of the Senate strictly 100 percent labor legislation. If Senators insist upon doing that, I shall make a motion that the bill be recommitted to the Committee on Banking and Currency. Mr. President, I do make the motion that the bill be recommitted to the Committee on Banking and Currency for further study.

Mr. McFARLAND and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. The Chair is advised that the motion of the Senator from Indiana is in order, and the question is on agreeing to the motion.

Mr. McFARLAND. Mr. President, my unanimous-consent request has not been acted on.

Mr. CAPEHART. I object to the unanimous-consent request. I have already made my motion that the bill be recommitted to the Committee on Banking and Currency for further study. I make the motion if we are to proceed to take up days and days in debate on labor legislation.

Mr. MAYBANK. A unanimous-consent agreement is in effect now.

The PRESIDING OFFICER. Fifteen minutes of debate is allowed to each side on the motion of the Senator from Indiana.

Mr. CASE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The time is equally divided, and controlled by the Senator from Indiana [Mr. CAPEHART] and the Senator from South Carolina [Mr. MAYBANK].

Mr. SALTONSTALL. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. If the motion is agreed to, and the defense production bill is recommitted to the Committee on Banking and Currency, would it be recommitted without the Byrd amendment, or would the Byrd amendment be pending?

The PRESIDING OFFICER. The Chair is advised that if the motion to recommit is agreed to, all amendments adopted by the Senate will be nullified.

Mr. SALTONSTALL. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. Does that mean that all amendments which the Senate has adopted up to this time as a part of the bill would be dropped and the bill

would go back to the committee in its original form?

The PRESIDING OFFICER. The Senator from Massachusetts has correctly stated the parliamentary situation.

Mr. McFARLAND, Mr. MAYBANK, and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McFARLAND. Mr. President, I move as a substitute to the Capehart motion that that bill and all amendments adopted to it be recommitted, and that the committee be instructed to report back by next Tuesday morning.

The PRESIDING OFFICER. The question is on agreeing to the substitute motion.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. FULBRIGHT. Under the motion made by the majority leader, would the committee be bound by the amendments which have been attached to the bill in the Senate and that the committee could not bring the bill back in the form in which the committee reported it originally, or in some other form?

The PRESIDING OFFICER. The Chair is advised that the bill would go back to the committee with the amendments adopted by the Senate as they stand.

Mr. FULBRIGHT. And no other amendments?

The PRESIDING OFFICER. And such other amendments as the committee may report.

Mr. FULBRIGHT. There could not be any change made in the amendments which were adopted by the Senate?

The PRESIDING OFFICER. The Chair is advised that that could not be done under the motion of the Senator from Arizona.

Mr. BYRD. Mr. President, I should like to appeal to the Senator from South Carolina to withdraw his substitute amendment. He says he is in favor of the amendment offered by me.

Mr. MAYBANK. Of course the Senator is correct.

Mr. BYRD. Let us act on my amendment. After we act on it—

Mr. MAYBANK. In my appreciation of the Senator from Virginia, I must say that his amendment is only a request that the President use the Taft-Hartley law, which both the Senator from Virginia and I voted for, as we voted also to override the President's veto. We know that the President is not going to do it. I am trying to have the strike settled.

Mr. BYRD. I do not believe that the President is going to ignore the request of the Senate of the United States. I do not believe that we have reached that point in a free government. I ask the Senator to withdraw his amendment. Mr. President, may we have order?

Mr. O'CONOR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, the Senator from South Carolina has stated

that he favors the amendment offered by the Senator from Virginia.

Mr. MAYBANK. I do.

Mr. BYRD. Let us vote on it. Then Senators may offer other amendments. Why complicate it by having the amendment of the Senator from South Carolina offered at this time.

Mr. MAYBANK. It is not a complication. The amendment of the Senator from Virginia is merely a request that the President of the United States do something. It asks him to do something that I asked him to do 3 weeks ago, and that most Members of Congress have asked him to do.

Mr. BYRD. Did not the Senator from South Carolina state that he favored my amendment?

Mr. MAYBANK. Yes; and I voted for the Taft-Hartley law, and I also to override the President's veto.

Mr. BYRD. Why not vote on my amendment now? What is the objection to voting on it?

The VICE PRESIDENT. The Senate will be in order. The question is on the motion of the Senator from Arizona, as a substitute, to recommit the bill to the committee, that all the amendments that have been agreed to shall remain in effect, and that the committee report back by next Tuesday.

Mr. MORSE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator from Oregon will state it.

Mr. MORSE. Is the McFarland motion debatable?

The VICE PRESIDENT. Under the unanimous-consent agreement entered into, all motions are subject to a limitation of debate of 15 minutes to each side, to be controlled—as agreed to—by the mover of the amendment and the chairman of the Banking and Currency Committee, respectively, if the latter is opposed to the amendment; or, if not, by the minority leader or some Senator designated by him.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. It has been stated on the floor that the Committee on Labor and Public Welfare has pending a bill which will be offered later this afternoon as a substitute. I think that impression should be corrected as I propound my parliamentary inquiry in regard to the so-called Committee on Labor and Public Welfare bill.

The Committee on Labor and Public Welfare, as such has no bill pending. The Committee on Labor and Public Welfare met this morning, and the members of the committee made a good many suggestions for perfecting that bill. A subcommittee was appointed to perfect the bill, and now has done so. The bill as perfected is now being typed; and later this afternoon it will be offered, at some point in the proceedings, as a substitute, if the bill now before the Senate is not recommitted.

My question is this: If the motion of the Senator from Arizona [Mr. McFar-

LAND] is agreed to, will the bill which the Committee on Labor and Public Welfare had before it this morning, but which bill has not yet been voted on by the committee, be subject to reference to the Banking and Currency Committee, or will it then have to wait for consideration until the Banking and Currency Committee reports back to the Senate, next Tuesday, the bill which now is before the Senate.

The VICE PRESIDENT. If the motion of the Senator from Arizona prevails, the result will be that the bill now pending will be recommended to the Banking and Currency Committee, with instructions to report it to the Senate by next Tuesday, with all the amendments thus far agreed to by the Senate preserved intact. When the bill comes back to the Senate, it will be subject to amendment, just as it is now subject to amendment.

The fact that another bill is pending in another committee would have no effect whatever—regardless of whether that committee had acted on that bill or had not acted on it—on the parliamentary situation in regard to having recommended to the Banking and Currency Committee the bill now pending in the Senate.

Mr. MORSE. If I should send to the desk and offer the bill to which I have referred, before debate closes on the pending motion, that bill would automatically go to the Banking and Currency Committee, for its consideration and action, would it not?

The VICE PRESIDENT. The motion of the Senator from Arizona was in part, that the amendments which have been agreed to would remain intact in the bill which now is pending. Of course, the committee itself could suggest any amendments it might see fit to suggest.

When the bill returns to the Senate, regardless of whether the committee does or does not propose amendments to it, the bill would then be subject to further amendment.

At this point let the Chair state that all the debate occurring at this time is out of order unless it occurs in time which is yielded for that purpose by the Senator who has made the motion or the Senator who has control of the time on the opposite side.

The present situation is that the Senator from Arizona has 15 minutes on his motion, and the Senator from South Carolina has 15 minutes against the motion, if he is against it; or if he is not, the Senator from Indiana will have 15 minutes.

Mr. BYRD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Virginia will state it.

Mr. BYRD. How much time do I have? Apparently I have been cut off entirely.

The VICE PRESIDENT. A motion to recommit takes precedence over all other motions or all pending amendments.

Mr. BYRD. But I have 9 minutes left, and I wish to say something about this matter.

The VICE PRESIDENT. If the motion to recommit the bill is rejected, the Senator from Virginia will still have 9 minutes; but if the motion to recommit is adopted, all nine of those minutes will go out the window. [Laughter.]

Mr. McFARLAND. Mr. President, I am entitled to the floor at this time.

Mr. MAYBANK. Mr. President, a parliamentary inquiry: I simply wish to make certain that the Senator from Arizona understands that I am opposed to the motion to recommit; therefore, I shall have 15 minutes.

The VICE PRESIDENT. The Senator from South Carolina has announced that he will oppose the motion.

Mr. McFARLAND. Very well.

The VICE PRESIDENT. The Senator from Arizona is recognized at this time.

Mr. McFARLAND. Mr. President, I wish to explain briefly why I moved to modify the motion of the acting minority leader, the Senator from Indiana [Mr. CAPEHART]. He moved that the bill be recommitted. Under the circumstances, I thought that was reasonable, because all of us are tired, and the arguments being made this afternoon are rather heated. If ever there was a time when conditions in the country required cool and deliberate thinking upon an important question, that time is now, Mr. President.

I had another object in mind in making my request that the bill be left intact, as it now stands. I did not want us to lose the benefit of all the action which the Senate has taken thus far on the bill, even though some of the amendments which have been adopted were adopted over my protest and without my vote. Nevertheless, I did not want us to lose the benefit of all the work we have done thus far on the bill, and probably have to go over the same ground again.

On the other hand, under the circumstances, I feel that a little more time is important.

One of the principal reasons for my motion is that I thought that if this bill goes back to the committee a settlement might be reached between now and next Tuesday. Then further discussion, such as we have had today, could be eliminated, and we could proceed without all the turmoil which we have had this afternoon and pass the bill.

So, Mr. President, under the circumstances, I am joining with the Senator from Indiana [Mr. CAPEHART] on his motion, except I do not think that either he or anyone else would want us to lose the benefit of all the work the Senate has done thus far on the bill.

If we begin to amend the bill from the point of view of seizure, of course, one amendment may be adopted, but another one may be offered at another place in the bill to strike out some other part of the bill.

So I think it would be well for the bill to be recommitted, since so much confusion has developed.

Much as I would like to see rapid progress made—and I should have liked very much to have seen the bill passed

today, for no one regrets more than I do having the Senate lose any time, inasmuch as we are trying to reach a goal—nevertheless, I feel that we shall save time and shall be acting more judiciously and more wisely if we recommit the bill at this time, and thus give everyone an opportunity to study the situation.

So I hope that with the modification I have proposed, all Senators will go along with the motion, because no one can be hurt by having it adopted. Adoption of the motion will simply mean that the bill as it now stands will be recommitted, and then the committee will be able to make such recommendations as it may see fit to make in regard to amendments to the bill, although in any event we shall have to pass on them when the bill comes back to the Senate.

Mr. CAPEHART. Mr. President, will the Senator from Arizona yield to me?

Mr. McFARLAND. I yield.

Mr. CAPEHART. Do I correctly understand that the present proposal is that the positive action the Senate has taken up to this point on the bill will remain in effect—in short, that amendments already agreed to will remain in the bill, and that it will be reported back by the committee in that condition?

Mr. McFARLAND. Of course, the committee may make additional recommendations, but the bill will be reported to the Senate again, as it now stands, together with any additional recommendations.

Mr. BYRD. Mr. President, will the Senator from Arizona yield to me?

Mr. McFARLAND. Does the Senator from Virginia wish to speak in behalf of this motion?

Mr. BYRD. No.

Mr. McFARLAND. Does the Senator from Virginia wish to support the motion?

Mr. BYRD. I do not.

Mr. McFARLAND. Then I do not yield time to the Senator from Virginia.

Mr. BYRD. Mr. President, will the Senator from South Carolina yield 5 minutes to me?

Mr. MAYBANK. Mr. President, I wish to make my position perfectly clear, before I yield.

The VICE PRESIDENT. Very well. The Senator from South Carolina now has the floor. The Senate will be in order.

Mr. HENDRICKSON. Mr. President, will the Senator from South Carolina yield, so that I may make an inquiry of the majority leader?

Mr. MAYBANK. I yield.

Mr. HENDRICKSON. Mr. President, I should like to ask the majority leader whether I correctly understand that his basic purpose in making the motion is to have the bill returned to the committee, in order that the committee may give consideration to the issues involved in the Byrd amendment and in the Maybank substitute?

Mr. MAYBANK. Mr. President, I hope the question and the answer to it will not take too long.

The VICE PRESIDENT. All time being required in that connection is being taken from the time of the Senator from South Carolina.

Mr. MAYBANK. Then, Mr. President, I refuse to yield further.

Mr. HENDRICKSON. Mr. President, may I have an answer to my question?

The VICE PRESIDENT. The Senator from South Carolina refuses to yield any further for the moment.

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. The Senator from South Carolina will proceed, or his time will soon have run out. [Laughter.]

Mr. MAYBANK. Mr. President, I do not need much time. I merely wish to say that on yesterday morning I submitted the amendment. When I submitted it, I distinctly said that probably it was not perfect, and perhaps it should be amended; but, at any rate, I submitted something positive, not an amendment requesting the President to do something which I knew he would not do. Inasmuch as the Supreme Court has said that the President should do what the Congress says should be done, I have offered a bill which provides positive action for the President to take.

Of course, I said yesterday the manufacturers' associations would condemn me. I said yesterday that certain labor groups would not be very happy. So I picked up the Wall Street Journal, a publication I have read for a long time, and noted that it goes into the matter of the seizure bill, and in substance, says, "We believe that a Government power of this sort is both unnecessary and dangerous, under the Maybank bill."

Mr. President, there never was such a bill introduced by me. The only thing I introduced was temporary legislation, to be terminated not later than March 1. The only thing I introduced was a bill to change the Taft-Hartley law, because I am not running for any office, Mr. President. I was conceited enough to think that perhaps attention might be paid to a contribution I might be able to make, in some small way, by providing for about 120 days that a board appointed by the President, subject to confirmation by the Senate, could make recommendations which would have to be carried out. Both labor and management agreed. I want to make the record clear as to what I tried to do yesterday. I tried to do it for one purpose, and for one purpose only. It was not an attempt to interfere with labor or with the Committee on Labor and Public Welfare. This morning I told the Senator who was working on a temporary measure, that I would, of course, amend my proposal, if that was thought advisable. It was only a temporary measure for one purpose, and for one purpose only, namely, in connection with the extension of the National Production Act, to bring about the normal production of steel, for as I said yesterday, if the strike continues and steel is not produced we might as well not have any law.

Mr. President, I know there are people who do not want a law on this subject, and that is the reason for certain things being done around here, but I made it perfectly clear that what I was trying to do was in connection with the extension of the National Production Act to

March 1. Now, apparently, the bill is to be recommitted to the committee. I regret that, but I shall not vote against the motion. The majority leader wants the bill to be recommitted. If that is done, I shall do the best I can to report a bill to the Senate, for one purpose. I am not interested in the subject from the standpoint of politics, and I care not who may be President. My first thought is of the working people of America and their children in the armed services, and also of management, and their children.

I want the record to show that what I did was in the exercise of my own honest judgment, and that the distinguished legislative counsel, who is sitting beside me, Mr. Boots, and myself drew the amendment. I never talked to anybody about it. We worked for 2 days only in the interest of America and of the American people.

I regret that I have to vote to recommit the bill, but in view of the confusion prevailing here, I am going to vote that way, because I know this bill has had the ground cut from under it. There were weeks of hearings. For 6 weeks we heard everyone who cared to testify, including those who thought no controls were needed. They were sincere, just as sincere as the Wall Street Journal, which says the Maybank seizure bill is unnecessary and dangerous, which is nonsense.

When the bill goes back to the committee, I shall be there, and I shall be back on the floor on Tuesday, when I hope we can do something to maintain a high rate of production, and to help—and I am in favor of helping—whoever may be the next President, so he may make a good President. I am sure he will be, if he is a certain gentleman from Georgia.

Mr. BYRD rose.

The VICE PRESIDENT. The Senator from South Carolina controls the time. Does the Senator yield to the Senator from Virginia?

Mr. MAYBANK. I told the Senator from Virginia I would yield. I yield 5 minutes.

The VICE PRESIDENT. The Senator from Virginia is recognized for 5 minutes.

Mr. BYRD. Mr. President, the Senator from Virginia has been in the United States Senate for 19 years. He has never seen a situation develop in the Senate such as exists at this time. Here we have the majority leader willing to defeat a very important bill simply in order that the Senate shall not have an opportunity to say to the President of the United States that it requests him to invoke the Taft-Hartley Act, in a desperate effort.

It is a desperate effort to keep steel in production in an emergency. In the meantime, what are we doing? We are losing 300,000 tons of steel every day for our own defense work, which will mean, if continued for the next 80 days, 25,000,000 tons.

Yet, on the floor of the Senate, we hear time and time again, "We must have steel production, we must support the boys who are fighting and dying in Korea." Yet this political maneuver—

and that is all it is—on the part of the majority leader, who has joined in the effort to recommit the bill to committee, is aimed at one single objective, and that is to defeat the Byrd amendment. All the Byrd amendment proposes is that the Senate request the President of the United States to use the authority he already has to invoke the Taft-Hartley Act in order to stop the steel strike. I merely want to say, in all deference—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BYRD. I decline to yield now.

The VICE PRESIDENT. The Senator from Virginia declines to yield.

Mr. BYRD. I think my time is about up. I merely want to say, with all deference to the distinguished majority leader, for whom I have the greatest admiration, that this is the most unusual procedure I have ever known in my entire service in the Senate of the United States. Why is it that he wants to kill this amendment? All I ask is that the Senate have a record vote on the simple proposition, that the President should use the authority already existing to stop the steel strike, which is causing the loss of 300,000 tons of steel a day. That is all this amendment would do.

Mr. McFARLAND. Mr. President, how much time have I?

The VICE PRESIDENT. The Senator from Virginia has not concluded.

Mr. BYRD. I ask the majority leader not to take up my time. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Not much. [Laughter.]

Mr. BYRD. I merely want to say, Mr. President, that the situation must be desperate, if it is necessary to resort to such tactics as this, merely to keep this amendment from coming to a vote, and I want to say that those behind this movement are not going to succeed in it, even if they succeed in this particular maneuver—and that is what it is.

The VICE PRESIDENT. The Senator from Virginia has two more minutes.

Mr. BYRD. They are not going to succeed ultimately, even if they succeed in this political maneuver now to kill their own bill.

Here is a bill of vast importance. We have been studying it and debating it for 2 or 3 days. Is the Senator willing to forego all of that? Is he willing to obliterate everything that has been done, in order to prevent the Senate of the United States from going on record in this day of great trial and great peril, as requesting the President to use the power he already has to stop the steel strike?

I may say to the Senator from Arizona that he is not going to succeed. If it is bypassed today, I am going to offer this amendment to every bill that comes up before the Senate. I shall have the right to do it, and I shall do it. So this maneuver to prevent a vote on this important question will not prevail.

Mr. McFARLAND. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Ten minutes.

Mr. McFARLAND. I yield myself 4 minutes, or such time as I may want to use.

Mr. President, I am surprised and disappointed at the statement of the Senator from Virginia. I am surprised that he would resort to such language as he has used in regard to me. I would not for one moment charge him with political maneuvering on this occasion. I am sure that politics has nothing at all to do with what he is doing, and with what he is trying to do. [Laughter.] I am really disappointed in him. Not for one moment, not for anything in the world, would I chastise the Senator from Virginia as he has chastised me. What have I done that I should be chastised? I am supporting the motion of the Senator from Indiana [Mr. CAPEHART] to recommit the bill in order to save the work the Senate has already done on it.

I am greatly disappointed in the Senator from Virginia. I am disappointed because he accused me of political maneuvering. Mr. President, I do not take off my hat to the Senator from Virginia when it comes to patriotism, and it ill behooves him to stand on the Senate floor and make the charges he has made against me. They are unfair. I am surprised that he would resort to such tactics.

A motion has been made to recommit the bill. I want to save the work the Senate has done on it during the past 2 days. I want the bill to come back intact and come back quickly.

I should now like to answer the question of my distinguished friend from New Jersey as to what I expect to be done.

Mr. HENDRICKSON. Mr. President, would the Senator like me to repeat the question?

Mr. McFARLAND. I think I remember it. The Senator wants to know if I expect the Banking and Currency Committee to consider these amendments—

Mr. HENDRICKSON. No, Mr. President—to consider the issues involved in the Byrd amendment and the Maybank substitute.

Mr. McFARLAND. That is correct. I want labor and management to consider them over the week end. I hope they will get together and settle the question.

Mr. President, it does not do anyone any good for a Senator to chastise another Senator and resort to the tactics to which the Senator from Virginia has resorted today.

I yield to the Senator from Oregon [Mr. MORSE] if he is on the floor.

Mr. TOBEY. Mr. President, will the Senator from Arizona yield to me for a moment?

Mr. McFARLAND. I yield.

Mr. TOBEY. The distinguished majority leader is troubled because he was chastised by the Senator from Virginia. I should like to quote from the Scripture for his benefit:

Now, chastening for the present seemeth grievous, but afterward worketh the peaceable fruits of righteousness to them that are exorcised thereby.

Possibly that will fit the Senator's case and be a comfort to him.

Mr. McFARLAND. Mr. President, I want to save some time for the Senator from Oregon [Mr. MORSE].

The VICE PRESIDENT. The Senator from South Carolina has 3 minutes left.

Mr. MAYBANK. Mr. President, I yield 2 minutes to the Senator from Indiana [Mr. CAPEHART]. I will divide my time with the minority leader.

Mr. CAPEHART. Mr. President, I think the amendment should be considered and hearings should be held on it. It is a far-reaching amendment.

Mr. MAYBANK. Mr. President, let me again remind my good friend that this is not permanent legislation—

Mr. CAPEHART. That is why I made the motion when the majority leader said that he was going to ask that the Maybank amendment be thrown open to all sorts of amendments and substitutes, which simply meant, to me, that we might be here for hours and days and days.

Mr. MAYBANK. The Senator is correct.

Mr. CAPEHART. That is why I suggested, under those circumstances, that we should take care of it in the committee and not on the floor. I understand that that is not what is going to happen, and, therefore, I withdraw my motion to recommit the bill.

Mr. MAYBANK. Mr. President, how much time have I left?

The VICE PRESIDENT. The Senator from Indiana has withdrawn his motion to recommit, and that carries with it the substitute. So there is nothing pending before the Senate.

Mr. MAYBANK. Mr. President, I resubmit my amendment as a substitute.

The VICE PRESIDENT. The Senator from Virginia has 9 minutes.

Mr. BYRD. Mr. President, I inquire what is the pending question?

The VICE PRESIDENT. The amendment of the Senator from Virginia.

Mr. BYRD. How much time have I?

The VICE PRESIDENT. The Senator from Virginia has 9 minutes.

Mr. BYRD. I yield 3 minutes to the Senator from North Carolina [Mr. SMITH].

Mr. SMITH of North Carolina. Mr. President, it seems to me that a careful consideration of the language of the so-called Byrd amendment would indicate that there is no occasion for so much excitement as has been manifested about it. I read the amendment:

Resolved, That by reason of the work stoppage now existing in the steel industry, the national safety is imperiled—

I think everyone will have to agree to that—

and the Congress requests the President to immediately invoke the national emergency provisions (secs. 206 to 210, inclusive) of the Labor-Management Relations Act of 1947 for the purpose of terminating such work stoppage.

What can be wrong with that? The law is on the books. The President knows it is there, and we know it is there. Who should say that the law is not to be observed?

I must confess that about the best thing I have seen come out of this acrimonious debate has been the colloquy between the Senator from South Carolina [Mr. MAYBANK] and the Senator from Virginia [Mr. BYRD], wherein it was disclosed beyond all peradventure that the Senator from Virginia has greater confidence in the President of the United States than has the Senator from South Carolina. I do not think we should impute to the President that he will not do what we ask to have done. I think we should adopt the language of this amendment and suggest again to the President that the course the amendment outlines be followed. I can see no reason why it should be the subject of such an acrimonious debate.

Mr. President, it seems to me we have spent a great deal of time on this bill. It should not go back to the committee. If we can get a vote on the Byrd amendment and then on the Maybank amendment the bill can be promptly passed. I am not concerned about anything except the public interest; I am not interested in the history given by apologists for either labor or management; I am interested in what the public thinks about the situation and what is for the country's welfare. I think the Nation needs steel production, and why we should hold our hands while the committee debates the question all over again is beyond my comprehension.

The VICE PRESIDENT. The time of the Senator from North Carolina has expired.

The Senator from Virginia has 4 minutes.

Mr. BYRD. Mr. President, I yield 3 minutes to the Senator from Maine [Mr. BREWSTER].

The VICE PRESIDENT. The Senator from Maine is recognized for 3 minutes.

Mr. BREWSTER. Mr. President, it is gratifying if we have made, in this atmosphere, what the opponents suggest is a meaningless gesture, but which to many of us seems like a very worth-while gesture. Without disparagement of the methods or the ideas of the President, it is evident that the course he has taken in the past few months has not been well calculated to serve the interests of the country. It has finally culminated in the Supreme Court being compelled to find that his action was outside his executive power. It was his duty to execute the laws, not to make them.

With the messages we have before us, and with the crisis which we face, is it not clear that as simple and as clear an amendment as that which the Senator from Virginia proposes may well be a respectful suggestion within the well-defined constitutional limits of the right of petition for grievances, if the 150,000,000 people whom we represent request that the President shall immediately take the one clear legal course that is open to him to get the mills back into operation and to resume production?

He has said in his message that to consider permitting steel mills to close down is unthinkable. Certainly it is time the Senate should say, in this respectful fashion, that the President should invoke the methods of the Taft-

Hartley law, which he can do within 3 days, to get mills back in operation, and then to give Congress time to deal with what is one of the most tragic crises it has ever faced.

The VICE PRESIDENT. The Senator from Virginia has 3 minutes.

Mr. BYRD. Mr. President, I wish to reserve the 3 minutes.

Mr. HUMPHREY. Mr. President, I wish to offer an amendment in the nature of a substitute.

The VICE PRESIDENT. The Senator from Minnesota cannot be recognized for that at the moment.

Does the Senator in control of time wish to use the time or yield it back to the Senate?

Mr. BYRD. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is the use of the time. Does the Senator wish to use the time?

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair will recognize the Senator from South Carolina in a moment, but he wishes to get the matter of time straightened out.

Mr. BRIDGES. Mr. President, I yield 1 minute to the Senator from South Carolina.

Mr. MAYBANK. I was going to reoffer my substitute amendment.

The VICE PRESIDENT. The Chair understands there is no further time on the Byrd amendment.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LEHMAN. Am I not correct in believing that the minority leader, to whom has been given the allocation of time, is morally bound to allot that time to those who oppose the amendment?

Mr. BRIDGES. Certainly, and I am glad to do so.

Mr. LEHMAN. I believe the Senator from Minnesota [Mr. HUMPHREY] had asked to be recognized.

The VICE PRESIDENT. The Senator's statement is not necessarily a parliamentary inquiry. However, if the Senator from New Hampshire wishes to yield his time to Senators on either side, he has a right to do so. Does the Senator from New Hampshire yield any time?

Mr. BRIDGES. If the Senator from Minnesota desires to rise in opposition to the amendment, then I am very glad to yield him 2 minutes.

Mr. HUMPHREY. As I understand, the substitute amendment of the Senator from South Carolina has been withdrawn.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. It has not been offered; it has merely been read for the information of the Senate.

Mr. HUMPHREY. Very well. Therefore, I offer an amendment to the Byrd amendment in the nature of a substitute.

The VICE PRESIDENT. The Senator cannot offer a substitute at this time.

Mr. HUMPHREY. Why not, Mr. President?

The VICE PRESIDENT. Because the debate on the Byrd amendment has not been concluded. Until that debate is concluded, the Senator cannot offer an amendment or a substitute amendment, because the time is under the control of two Senators for debate, and not for the offering of a substitute.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry, in my time.

The VICE PRESIDENT. The Senator will state it.

Mr. HUMPHREY. I understand a Senator may offer an amendment at any time he wishes.

The VICE PRESIDENT. The Chair is afraid the Senator misunderstands the situation. Under the limitation of 15 minutes on a side, the time is controlled by two Senators. When the time has been exhausted, or when either side or both sides announce they have no further debate to present, then an amendment or substitute may be in order. But during the 15 minutes of debate it is not in order.

Mr. HUMPHREY. Mr. President, may I ask, then, if the situation in reference to the Maybank amendment is that it had merely been read, but had not been brought up for action? Is that correct?

The VICE PRESIDENT. It has not actually been technically and parliamentarily offered.

Mr. HUMPHREY. Then I shall yield the floor, because it is my desire to offer, at the appropriate moment, an amendment to the Byrd amendment in the nature of a substitute.

The VICE PRESIDENT. The Chair wishes to state, in fairness to all, that the Senator from South Carolina has advised the Chair that he intends to offer a substitute, and the Chair feels that the Senator, as chairman of the committee, is entitled to recognition for that purpose.

Mr. HUMPHREY. I may say that prior to the time the present occupant of the chair had come into the Chamber to act as Presiding Officer, the junior Senator from Minnesota had offered his amendment in the nature of a substitute.

The VICE PRESIDENT. It was not in order.

Mr. HUMPHREY. That was prior to the action of the Senator from South Carolina. At the request of several Senators, I withheld action on it, so that we could proceed to utilize the time which was prescribed for the Byrd amendment.

The VICE PRESIDENT. The Chair does not think that that gives the Senator's amendment any priority.

Mr. HUMPHREY. Very well. I merely wished to make my point clear.

The VICE PRESIDENT. Does the Senator from Virginia wish to use any more time?

Mr. BYRD. I yield 2 minutes to my colleague, the junior Senator from Virginia.

Mr. ROBERTSON. Mr. President, yesterday the chairman of our committee offered an amendment to title 2, which is the seizure part of the Defense Production Act. But that could only authorize a partial seizure of what the

Government actually needs for the military program. It does not authorize seizure of an entire industry which is shut down, industry-wide, by reason of a labor dispute.

The Maybank amendment authorizes an extension of the power so that a whole industry may be seized and it creates a fact-finding board to recommend settlement. It also freezes wages and, in effect, freezes profits, too, until settlement is reached.

Title V of the act provides a special remedy to settle disputes, and the last sentence of section 503 provides that such action shall be in conformity with the Labor Management Relations Act—the so-called Taft-Hartley Act—the Fair Labor Standards Act of 1938, or other applicable laws.

The senior Senator from Virginia [Mr. BYRD] has today offered an amendment to title V, which merely provides, following the language providing that the settlement of labor disputes shall be under the Taft-Hartley Act, "We request the President to act under the Taft-Hartley Act."

Earlier today I indicated that, while I do not believe the Maybank amendment is a perfect amendment—as a matter of fact, I do not expect the Senate to adopt it—I intended to vote for it, since it is the only proposal before me to vote for to indicate my belief that we must give our veterans abroad priority over inconveniences or hardships upon labor or industry, or both, which are nowhere comparable to those our servicemen are suffering and to the sacrifices they are making, even if they do not get killed. I did not promise, however, to vote for the Maybank amendment as a substitute for the Byrd amendment. I indicated previously today that even if the Senate adopted the Maybank amendment, no action could be taken under it until the whole bill became law.

The VICE PRESIDENT. The Senator's time has expired.

Mr. CAPEHART. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Four minutes.

Mr. CAPEHART. I yield 1 minute to the able Senator from Oregon.

Mr. MORSE. Mr. President, I have sent to the desk a perfecting amendment. I should like to have the Senate consider the perfecting amendment in connection with the Byrd amendment before considering any substitute. My only question is: Would I be in order at this time in offering my perfecting amendment?

The VICE PRESIDENT. If the Senator's amendment were a perfecting amendment to the Byrd amendment, it would take precedence, in voting, over any substitute offered for the Byrd amendment. Does the Senator offer his perfecting amendment now, or does he propose to offer it later?

Mr. MORSE. I offer it now.

The VICE PRESIDENT. We are not acting quite in order, because all the time on the Byrd amendment has not yet been consumed.

Mr. MORSE. Very well.

The VICE PRESIDENT. The Chair feels that he must now recognize the Senator from South Carolina, if the perfecting amendment is to be voted upon first, before the substitute.

The Chair recognizes the Senator from Indiana.

Mr. CAPEHART. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Three minutes.

Mr. CAPEHART. Unless some Senator wishes to use 3 minutes, I suggest that a vote be taken.

The VICE PRESIDENT. Has all time for debate on the Byrd amendment been consumed?

Mr. McFARLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McFARLAND. Has any substitute amendment been offered?

The VICE PRESIDENT. No, not yet. The Senator from South Carolina is on his feet for that purpose.

Mr. MAYBANK. Mr. President, I offer my substitute, which has been read. I ask that it be not read again.

Mr. McFARLAND. Mr. President, will the Senator withhold offering his amendment for just a moment?

Mr. MAYBANK. Let me make a brief statement.

Mr. McFARLAND. I wish to use 1 or 2 minutes.

The VICE PRESIDENT. All time is exhausted.

Mr. MAYBANK. I shall be glad to yield to the Senator from Arizona.

Mr. President, let me say that I do not wish to be a party to causing confusion. At the same time, yesterday I told Senators who were present that all amendments having to do with labor would be placed at the bottom of the ladder and would not be taken up until we had finished the other amendments. I spoke as chairman of the Banking and Currency Committee, and I thought that my fellow Senators who were present would stand by me.

Many important amendments have not yet been voted upon. The Senator from Virginia [Mr. BYRD] offered an amendment. He probably was not present yesterday when I made my statement. His amendment tells the President that he should use the Taft-Hartley law. The President knows that the Taft-Hartley law is available to him, because the Senator from Virginia and I and others have told him so. He knows that he can use it if he so desires.

My purpose is not to permit any amendment to be adopted if I can prevent it until we first complete the business which we agreed yesterday to complete, namely, the other amendments to the bill, with the labor amendments being placed at the end. If my statement needs correction, I ask any Senator to rise and correct it.

I gave such assurances to the Senator from Oklahoma [Mr. MONRONEY], the Senator from Maryland [Mr. O'CONOR], the Senator from Minnesota [Mr. HUMPHREY], and other Senators. I told the Senator from Oregon [Mr. MORSE],

not only yesterday, but again today, that this would be the order of business if I had anything to say about it.

I stand on my statement. I favor the amendment of the Senator from Virginia [Mr. BYRD], but I favor it at the proper time, after we conclude the other amendments to the bill on which the Banking and Currency Committee has held hearings for weeks. The bill has been before the Senate since 10 o'clock yesterday morning. We remained in session until 10:30 p. m. yesterday. The bill has been before the Senate today since 12 o'clock noon. Prior to that the measure was under consideration in committee meetings with various agencies of the Government, labor, industry, the farmers, various businessmen, and representatives of the public.

I want my action in offering the substitute to be distinctly understood. If the Senate wishes to take a recess and meet tomorrow and take up the other amendments which we have not yet considered, I have no objection. I do not believe that the bill should be recommitted to the committee.

Mr. THYE. Mr. President, may I have a few minutes, please?

The VICE PRESIDENT. The Chair has no way of saying whether the Senator from Minnesota may have time or not.

Mr. THYE. Will the Senator from South Carolina yield to me for 3 minutes?

Mr. MAYBANK. Mr. President, how much time have I?

The VICE PRESIDENT. The Senator has 15 minutes.

Mr. THYE. I merely wished to speak to the question of the substitute, and the question of labor legislation.

Mr. MAYBANK. I am glad to yield 3 minutes to the Senator from Minnesota, but first I wish to make an explanation.

Yesterday I assured the Senate, as chairman of the Committee on Banking and Currency—if I am not mistaken, the Senator from Michigan [Mr. FERGUSON] also spoke to me on the subject—that no legislation of this kind would be taken up, and no amendments of this kind would be taken up, until we had finished the committee amendments and other amendments. The Senator from Arkansas [Mr. FULBRIGHT] has some most important amendments.

In the middle of the afternoon I am caught in this situation. I may be charged with blocking something. I am not blocking anything. I am only keeping my word, as I always do, with the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Michigan [Mr. FERGUSON]. I assured them that an amendment of this nature would be the last thing considered. That is the responsibility which I feel lies on my shoulders.

I now yield 3 minutes to the Senator from Minnesota.

The VICE PRESIDENT. The Senator from Minnesota is recognized for 3 minutes.

Mr. THYE. Mr. President, I am very much concerned over the effort that is

being made here to write vital and complex labor legislation on the floor of the Senate. It seems to me that we should give thought to the effect on both labor and management of the procedure we are proposing to follow, which does not afford ample opportunity for hearings and consideration through the appropriate legislative channels in the Senate Committee on Labor and Public Welfare.

There is reason to view with some alarm not only this procedure but the proposals which would provide for an entirely new system of dealing with labor disputes aside from the established conciliation and mediation service of the Government. It would appear to me that adoption of such measures, without the due consideration and public hearings which they ought to have, would be an open invitation to both labor and management to take either course in connection with any dispute. It would certainly tend to weaken the present authorized conciliation services and would add confusion to the whole picture of labor-management relations.

The critical situation which has grown out of the dispute in the steel industry is directly traceable in my opinion to the fact that instead of utilizing the labor conciliation service of the Government, for which some \$4,000,000 is appropriated annually and in which there are several hundred trained experts in the field of conciliation, the matter was placed in the hands of temporary stabilization agencies. The plain fact is that they muffed the handling of this entire matter while the conciliation and mediation service has stood idly by.

I sincerely believe, Mr. President, that we should be most careful in considering changes in the pattern of our Government policy in the settlement of labor-management disputes. If we adopt measures here, on the spur of the moment, we run a great risk of adding to the confusion which already exists and making more difficult the task of conciliation. That is my concern.

We are endeavoring, in the process of extending the Defense Production Act, to write major labor conciliation legislation into the Defense Production Act. By so doing we do irreparable damage to our entire labor conciliation and labor-management relationship in this Nation. I hope that we shall turn back to the question of extending the Defense Production Act, and then examine the question of labor conciliation legislation on its own merits.

Mr. CAPEHART. Mr. President—

The VICE PRESIDENT. How much time does the Senator from Indiana intend to take?

Mr. CAPEHART. I allot myself 2 minutes.

Mr. President, I hold in my hand an amendment which, in reality, is a bill. It is a far-reaching document. It is a proposal which the Senate is asked to pass under a unanimous consent agreement allowing 30 minutes' debate, 15 minutes on a side. I say that that is a mistake, and I shall vote against it, unless the vote is to occur tomorrow. I

think it would be a mistake. I think we have a perfect right to adopt the Byrd amendment, requesting that the President of the United States use a law which the Congress has already enacted. I shall vote for the Byrd amendment. I shall vote against the so-called Maybank substitute, not on the ground that I do not think it has merit—I do not know whether it has or not—but I simply will not agree to consider such serious legislation under a unanimous-consent agreement providing for only 30 minutes of debate. I think that is the wrong procedure. However, I feel that we have a perfect right to notify the President of the United States that we think he ought to use a law already enacted by Congress.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. No; I decline to yield.

The VICE PRESIDENT. The Senator's 2 minutes have expired.

Mr. CAPEHART. I yield myself one additional minute.

Mr. President, if an emergency exists today in the steel industry, it would require at least 3 weeks to enact the Maybank amendment. The Senate would have to pass it, the House would have to pass it, it would have to go to conference, the conference report would have to be agreed to, and then the bill would have to go to the President to be signed. Therefore, it cannot help in the steel situation. If it cannot help in the steel situation why do we not take sufficient time to consider and pass upon it?

I yield 8 minutes to the able Senator from Michigan.

The VICE PRESIDENT. The Senator from Michigan [Mr. FERGUSON] is recognized for 8 minutes.

Mr. MAYBANK. Mr. President, will the Senator from Michigan yield so that I may inquire how much time I have remaining?

Mr. FERGUSON. I yield for that purpose.

The VICE PRESIDENT. The Senator from South Carolina yielded 3 minutes to the Senator from Minnesota [Mr. THYE]. He has 12 minutes remaining.

Mr. FERGUSON. Mr. President, if the distinguished senior Senator from Ohio [Mr. TAFT], who is one of the authors of the Taft-Hartley law, were present he would have expressed the views on the pending Maybank substitute which I am about to express. I have the same views on this substitute. Because of the time limitation on debate in effect yesterday it was impossible for the senior Senator from Ohio to express his views on the Maybank amendment.

The Senator from South Carolina [Mr. MAYBANK] by his amendment which is in the nature of a substitute, is requesting the Senate to, in effect, suspend the national emergency section of the Taft-Hartley law and write into the Defense Production Act a substitute measure for the handling of national emergency strikes. Such action would bypass consideration by the Senate Committee on Labor and Public Welfare and

write into the law without hearings a new national emergency strike procedure. Such action could never be justified except in a period of extreme emergency which requires the Congress to act immediately. The amendment is obviously designed to meet the current steel strike. The amendment should, therefore, be considered along with the existing provisions of the Taft-Hartley Act.

In order to determine which may more effectively be used to bring about an end to the steel strike, giving it the benefit of all possible accelerated action, it would be 2 weeks before the Maybank amendment would be available for the use of the President. It must be passed by two Houses of the Congress; it would undoubtedly have to be considered by the conference committee of the two Houses; then revoted on by both Houses and signed by the President. Compared to this 2 weeks, the President has available the Taft-Hartley law under which he can secure an injunction against this strike in 3 days if he cares to use it. The Taft-Hartley Act has been applied in the past to secure an injunction within a period of 4 days. In the current dispute the facts have already been pretty well established and I can see no reason why an injunction could not be secured in 3 days.

Both the Maybank amendment and the Taft-Hartley law provide for an injunction in the initial stages. The present law permits the injunction in 3 days; the amendment would require a minimum of 2 weeks.

Under the Taft-Hartley Act the President may obtain an injunction which lasts for a period of 80 days. Under the Maybank amendment the President may secure an injunction which lasts for at least 120 days, and then may be extended into an indefinite injunction if one of the parties does not agree to settlement proposals and seizure is made by the President. The Maybank amendment does not use the term "injunction" but its section (e) clearly calls for an injunction in making a strike unlawful, and then by reference to section 706 of the act it sets forth the remedies for violations. I cannot see that injunctions are any less unpalatable to organized labor if they should be called something other than injunctions.

Under the Taft-Hartley Act, at the end of the injunctive period a vote is conducted by the National Labor Relations Board on the employer's last offer. The Maybank amendment provides for no such vote. It may be argued that since experience with this last offer ballot in the Atomic Energy and Maritime cases did not establish that the employees would vote against acceptance of the offer and to go on strike, that the last offer ballot is useless. On the other hand, I do not believe that these two cases provided a good test of the last offer ballot. In the Atomic Energy case the employees knew that there was not going to be a strike, and could not be a strike which would shut down the atomic energy operation. In the Maritime case the iron hand of Harry Bridges pre-

vented use of the ballot. I do not believe we should strike out this section of existing law without more consideration than it is possible to give it while considering the Defense Production Act.

The Taft-Hartley Act does not provide seizure. The Maybank amendment provides seizure at the end of the 120 days and the seizure provided is an indefinite one. It could only be brought to an end by an act of Congress on the expiration of the Defense Production Act next March. It is a type of seizure in which no change in the working conditions which existed prior to the President's action may be brought about. It is a seizure very much comparable to that provided in the Railway Labor Act and which was used by President Truman to hold the railroads under seizure and prevent the railway workers from getting any increase for a period of one year and a half. I have always believed that the railroad seizure was unfair to the railway employees. I know that the railway workers disliked it very much.

The Maybank amendment permits the Emergency Board to make definite recommendations for settlement. The Taft-Hartley Act requires only fact finding. It may again be argued that by providing for such recommendation the Maybank amendment does something affirmatively to settle the strike. However, the amendment by providing that if either party does not wish to accept the recommendations an indefinite seizure is brought about, the recommendations cannot be put into effect. Under these circumstances I can see no advantage over the provisions of the Taft-Hartley law.

There is no merit in doing something just for the sake of doing something. The Maybank substitute gives the President for at least the next 80 days nothing that he does not already have available to him under existing law. It gives him less than existing law in that it would take at least 2 weeks before he would have the amendment available for use.

Mr. President, for these reasons I shall vote against the Maybank substitute.

Mr. MAYBANK. Mr. President, I have prepared a statement in connection with my amendment, which I intended to read. I do not desire to detain the Senate. The statement points out the inaccuracies in the statement made by the Senator from Michigan.

Mr. FERGUSON. Which inaccuracies?

Mr. MAYBANK. To start with the Senator from Michigan stated that the Taft-Hartley Act would be repealed by the amendment or that the Maybank amendment would be a substitute for it. The Maybank amendment is only another remedy which the President could use.

I voted for the Taft-Hartley Act. The President could use it today. He could use it tomorrow. I have been in conference with many members of the Railroad Brotherhood, and I should like to say—

Mr. FERGUSON. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I merely wanted to answer the inaccurate statements of the Senator from Michigan. In substance the Senator from Michigan said to the Senate something which in my judgment was inaccurate. He said that my amendment is a substitute for the Taft-Hartley law.

Mr. FERGUSON. Let us read subsection (1).

Mr. MAYBANK. That applies only after the dispute is referred to the Wage Board. The President could put the Taft-Hartley law into effect immediately. He could put it into effect in the morning.

Mr. FERGUSON. May I read this section?

Mr. MAYBANK. Certainly.

Mr. FERGUSON. I read:

While this section is in effect the provisions of sections 206 to 210, inclusive, of the Labor Management Relations Act, 1947—

That is the Taft-Hartley Act—

shall not apply in the case of any dispute referred to the National Emergency Wage and Price Board. In such case the provisions of the act of March 23, 1932, entitled "An act to amend the judicial code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes," shall not be applicable.

Mr. MAYBANK. Mr. President, I have only a few minutes remaining. I cannot yield further. I say to the Senator that the President can use the Taft-Hartley law. That provision would apply only after a case is referred to the Board.

Mr. FERGUSON. The LaGuardia Act is set aside by this section, in addition to the Taft-Hartley law.

Mr. MAYBANK. Only after the dispute is referred to the Board.

Mr. FERGUSON. Mr. President, nothing can be done until it is referred to the Board.

Mr. MAYBANK. No. I am submitting a statement which shows exactly what the amendment would do. I repeat that the President has on the books now for his use the Taft-Hartley law, the Selective Service Act, and the Defense Production Act.

Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD the statement to which I have referred. It has nothing to do with doing away with the Taft-Hartley Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAYBANK

I offer for consideration of the Senate an amendment to the Defense Production Act designed to keep in operation industries required for the adequate defense mobilization of our Nation. It applies only to disputes affecting the whole or a substantial part of an industry. Basically it creates a 7-man National Emergency Price and Wage Board of outstanding qualifications subject to Senate confirmation, which can objectively search out the facts in dispute and on that basis make recommendations to the President for settling the dispute, keeping in mind the objectives of the Defense Production Act to stabilize prices and wages. One difficulty of the Wage Stabilization Board in

the current steel dispute is that its recommendations did not and could not cover the price aspects of the dispute as distinguished from its wage aspects. It gives the Board the comparatively long time of 113 days to do its work, and bans strikes or lockouts during that period, all the while encouraging the disputing parties to settle their differences by collective bargaining. After the Board recommends a settlement to the President, the disputing parties have 7 days to accept or reject the recommendations. The amendment gives the President full authority to adjust price and wage regulations in order that the Board recommendations may be placed in effect.

However, if any party to the dispute declines to accept the recommendation, continuation of production is assured by having the Government take possession of the plant and operate it under status quo employment conditions until the dispute is settled or until expiration of the Defense Production Act price and wage sections. Just compensation is allowed for the Government's taking of the property. The amendment provides no vote by labor unions because it invites labor and management to settle their disputes any time they want.

I appreciate and regret that neither management nor labor will be pleased with the provisions of this amendment which give the President power to take possession of plants, mines, or facilities.

But I would remind my colleagues and the American people that in times of peril such as these it is imperative that our defense structure not be weakened because of internal disputes, however justified they may be.

This amendment would remain in the law only as part of the Defense Production Act to handle labor-management differences of opinion which imperil national defense or defeat the purposes of that act. Under the committee version of S. 2594, the price-and-wage provision of that act will end February 28, 1953, unless further extended by a later action of the Congress. This brief period will give a fair trial run for the procedure proposed by this amendment. The Congress will have an early opportunity to examine the effectiveness of the suggested procedure. Your Joint Committee on Defense Production will be in a position to follow closely administration of this amendment. Under the provision of section 717 (b) of the Defense Production Act, the Congress may terminate this section by concurrent resolution even before February 28, 1952, if it desires to do so. Thereby the Congress reserves for itself in effect a veto power over the amendment or operation thereunder at any time before its life ends on next February 28. This amendment is not offered as permanent legislation to supersede the Labor-Management Relations Act of 1947. It is intended as an emergency method of assuring continued defense production despite the existence of labor-management disputes which would otherwise impede that production. The amendment envisions no compulsory arbitration; it encourages voluntary settlement of disputes. But it says that nonsettlement of any such dispute shall not deprive the Nation of material and products needed for defense purposes. It requires immediate return of the plants to their owners as soon as the dispute is settled.

A person subject to the draft cannot deprive the country of his services as a member of the Armed Forces by becoming entangled in a civil legal dispute with another person not involving his draft status, no matter how justifiable that dispute may be.

I fully realize that persons subject to the draft and other members of our Armed Forces come from the ranks of labor and management as well as from the many other

segments which make up our population, and this comparison is not meant to reflect adversely on either labor or management. But unarmed men alone do not constitute an adequate defense force. Our system of laws must assure that the men in our Armed Forces receive the equipment they need to defend our Nation adequately. That is all this amendment strives to do. I urge my colleagues to give it serious consideration. It does not say to labor or to management: You may not alter your working relations, but it does say to them: Your difference of opinion cannot be allowed to impede the defense of this Nation.

The President has not chosen to use the statutory tools now on the books to keep defense production rolling despite labor-management differences of opinion, although in my own opinion he might well have used the power given him by section 201 (b) of the Defense Production Act to acquire temporary use of plants whose production is needed for national defense. I have worked hard and sincerely with the full help of the Banking and Currency Committee staff and the very able office of the Senate Legislative Counsel to suggest a method which offers the President one additional tool intended to be of assistance in assuring that defense production will not be hampered by the private quarrels of industry and labor.

Mr. MAYBANK. Mr. President, I now wish to propound a unanimous-consent agreement. I would be perfectly willing to withdraw my amendment to the amendment of the Senator from Virginia [Mr. BYRD] if he will withdraw his amendment, so that we may proceed with the bill reported by the Banking and Currency Committee, insofar as concerns other amendments which have not yet been acted upon, so that we may conclude action on that part of the bill this afternoon, and then return to the seizure question.

The VICE PRESIDENT. The Senator from Virginia does not seem to be in the Chamber at the moment.

Mr. MAYBANK. Then I shall wait until he returns. If my proposal is agreed to, we then would take up the amendments intended to be proposed by the Senator from Arkansas and other amendments which have not yet been acted on.

Mr. President, while we are waiting for the Senator from Virginia to return to the Chamber, I yield 3 minutes to the Senator from Oklahoma.

The VICE PRESIDENT. The Senator from Oklahoma is recognized for 3 minutes.

Mr. MONRONEY. Mr. President, I desire to thank the distinguished Senator from South Carolina for yielding this time to me.

I have at the desk an amendment which, because of the present parliamentary situation, cannot be offered to the amendment submitted by the distinguished Senator from South Carolina [Mr. MAYBANK] to the amendment of the Senator from Virginia [Mr. BYRD].

I happen to prefer my own amendment to that of the Senator from South Carolina, because my amendment would give the President the right of seizure, subject to veto by the Congress. It grants to Congress the right to veto a seizure within a period of 15 days after the receipt by Congress of a communication in which the President informs

the Congress of his determination to invoke seizure; and the amendment also provides for 80-day automatic termination of seizure unless it is extended by concurrent resolution adopted by the Congress.

Because I feel that it is of vital importance that Congress not "pass the buck" to the President, but, instead, pass a bill which will provide machinery to prevent shut-downs of our most vital and indispensable facilities, I intend to vote for the amendment of the Senator from South Carolina, even though I believe my amendment is preferable, and even though I realize that if I vote for the amendment of the Senator from South Carolina, I shall be precluded from proposing any changes in the program proposed by his amendment.

I believe it is not sufficient for the Senate to express, by means of a stump speech, a pious hope that the President will use a law which already is on the statute books—a law which all of us know the President knows is in existence, a law which provides that the President shall do various things in an effort to try to effect labor peace—and then will do what is called for in the amendment of the Senator from Virginia, without having Congress give substance and meaning to substantive legislation in this field. The Supreme Court has said it is the duty of Congress to enact such legislation if we wish to stop crippling strikes. If we do not do so, we shall be neglecting our duties as United States Senators. If the Members of the minority party choose to hand the people of the United States the suggestion that the President should use the Taft-Hartley Act, and it alone, to settle these crippling strikes, then I think the people will have something to say about that lack of responsibility, come next November.

Mr. DIRKSEN. I am sure they will, Mr. President.

The VICE PRESIDENT. Senators who wish to speak must first address the Chair.

Mr. MAYBANK. Mr. President, let me say to the Senator from Virginia, who has now returned to the Chamber, that a moment ago I proposed, as a unanimous-consent agreement, that I would withdraw my amendment if he would withdraw his, and in that way we could then proceed to consider the various amendments which have not yet been acted upon, and thereafter we could return to the subject which we have been considering for some time.

Mr. BYRD. Mr. President, I would not agree to have that done. The Senator from South Carolina has said repeatedly that the Byrd amendment means nothing. If it means nothing, then why all this row?

Mr. MAYBANK. Mr. President, I do not yield for a speech.

Mr. BYRD. Then, Mr. President, I shall be as short with the Senator from South Carolina as he is short with me; and I say "No."

Mr. MAYBANK. Mr. President, I have been in the Chamber as much as the Senator from Virginia has been, if not more; in fact, I was here until 10

o'clock last night and until 10 o'clock the night before, as well as all during both those days and the preceding days.

Mr. BYRD. Will the Senator from South Carolina give me one good reason why I should withdraw my amendment?

Mr. MAYBANK. I think the Senator from Virginia should have been courteous enough to me—because I have great respect and admiration for him—at least to have told me that he would bring up this amendment.

Mr. BYRD. Mr. President, has the time come in the Senate when Senators must consult the chairman of the committee which reports a bill before we may submit amendments to it?

Mr. MAYBANK. That time has never come, so far as I know. However, I spoke on the floor of the Senate to the Senators who then were present.

Mr. BRIDGES. Mr. President, I yield 1 minute to the Senator from California.

The VICE PRESIDENT. Then Senator from California [Mr. NIXON] is recognized for 1 minute.

Mr. NIXON. Mr. President, at this time I desire to correct a misapprehension which the Senator from Oklahoma [Mr. MONRONEY] left in the RECORD. He indicated that the Supreme Court stated in its decision that it was the duty of Congress to pass legislation to deal with the steel seizure and other seizure problems.

Apparently the Senator from Oklahoma has failed to read the Supreme Court's decision and to understand it, because the Supreme Court in its decision specifically stated and recognized that the Taft-Hartley Act is on the statute books at the present time, and that the President had not used it; and the Supreme Court pointed out that the President should not and could not use seizure powers until he used the existing law.

Under the circumstances, if there was any argument for the Byrd amendment, I believe it was made by the Supreme Court in its decision.

Mr. BRIDGES. Mr. President, I yield 2 minutes to the Senator from Massachusetts [Mr. SALTONSTALL].

The VICE PRESIDENT. The Senator from Massachusetts is recognized for 2 minutes.

Mr. SALTONSTALL. Mr. President, I was shocked when the President originally seized the steel mills without any congressional authority, but solely on inferred authority. I said then that I believed the Congress should not take action until the decision of the Supreme Court was rendered.

Now the Supreme Court has ruled that the President's action was unconstitutional. In the opinion it rendered the Supreme Court stated that the President had certain powers which he could use, but that they did not include the power of seizure.

The question now before the Congress is whether we shall enact a law involving seizure. Such a measure cannot properly be worked out on the floor of the Senate.

We have heard from the Senator from Oregon [Mr. MORSE] about a bill which is being considered by the Committee

on Labor and Public Welfare. We have also heard about a measure which is being sponsored by the Senator from Minnesota [Mr. HUMPHREY], a measure which is being sponsored by the Senator from Oklahoma [Mr. MONRONEY], and a measure which is being sponsored by the Senator from South Carolina [Mr. MAYBANK].

The question involved is of the utmost importance to all the people of the United States—to those who work, to those who manage industry, and to our soldiers who are in the trenches.

It is impossible for the Congress to pass a proper measure on this subject by adopting an amendment to the Defense Production Act, which will continue for only 1 year.

I hope and trust that the Senate will not pass hastily or attempt to work out on the floor of the Senate, in the course of debate, a measure relating to the rights of so many of the citizens of the United States. Such a measure should receive careful consideration by the committee which has jurisdiction over such matters. That committee is the Committee on Labor and Public Welfare. I hope that committee will report proposed legislation on this subject, if it determines that that should be done.

In the meantime the President should proceed under the laws which already have been passed by the Congress, which laws give him executive authority to act. Personally, I believe the President should do that.

In that spirit, I shall vote for the amendment submitted by the Senator from Virginia [Mr. BYRD]. But, I hope we shall not attempt to enact on the floor of the Senate a measure relating to matters which involve so many persons and the rights of so many of our citizens, without having the Senate give careful and thoughtful consideration to those problems, particularly in this time of great stress, uncertainty, and insecurity in our country.

For that reason, I shall vote against any of the fundamental measures on this subject submitted by the Senator from South Carolina or any of the other Senators, until they have received sufficient consideration by the committee.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question now is on agreeing to amendment in the nature of a substitute, offered by the Senator from South Carolina [Mr. MAYBANK] to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. BRIDGES. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I have at the desk a perfecting amendment, which I call up at this time. It is submitted to the amendment of the Senator from Virginia.

The PRESIDING OFFICER. The perfecting amendment to the amendment will be stated.

The CHIEF CLERK. In the amendment of Mr. BYRD, it is proposed to strike out the word "requests," and to insert the word "recommends"; and also to

strike out the word "immediately," and to insert the words "within the next 7 days", so that as thus perfected, the amendment of the Senator from Virginia will read:

SEC. 504. *Resolved*, That, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress recommends the President within the next 7 days to invoke the national emergency provisions (secs. 206 to 210, inclusive) of the Labor Management Relations Act, 1947, for the purpose of terminating such work stoppage.

Mr. MORSE. Mr. President, I wish to speak briefly, first, upon what I consider to be the merits of the perfecting amendment, and, second, I wish to make a few observations regarding the parliamentary situation in which we find ourselves.

As to the language of the perfecting amendment, I think it more appropriate and in keeping with the protocol which is involved in the separation-of-powers doctrine, to say to the President of the United States that we "recommend" rather than that we "request." After all, there are such things as nicety of language, and it seems to me to be appropriate, if we use the word "recommend" rather than the word "request." Furthermore, I think the word "recommend" is in keeping with the spirit and intent of the letter which the President of the United States sent to the Congress the day after he seized the steel mills.

As to the merits of my suggestion that we recommend that he do this within the next 7 days, I am not too sure of the merits, but I think they outweigh the possible criticisms or objections to it, for this reason: I understand that very active negotiations have been going on for the past several hours in an effort to reach a settlement of the steel dispute by collective-bargaining agreement. I hope that the parties reach an agreement, and that it will include both the wage and the price formulas.

I express some fear that strong pressures are being brought to bear upon various Government officials, in the interest of getting this case settled, to break the ceiling authority of the wage formula or of the price formula, or of both. Of course, I believe if that should occur it would be very unfortunate, particularly in view of the problems which confront us in the passage of the Defense Production Act.

But, be that as it may, I call the attention of the Senate to what I consider to be a practical and important factor in the picture, namely, that management and labor and Government officials are proceeding now in good-faith negotiations, trying to settle this case. I am inclined to think we ought to give them a reasonable time to settle it before we make the suggestion that the President should proceed forthwith with the procedures of the Taft-Hartley law.

Mr. ROBERTSON. Mr. President, will the Senator yield at that point?

Mr. MORSE. No; I should like to finish my argument first, if the Senator will permit.

We might just as well face the fact that the adoption of the amendment of the Senator from Virginia and the following by the President of the recommendation it contains, if he should decide to accept the recommendation, will not be very conducive to that calm reflection which we would like to see on both sides of the collective-bargaining table, if the parties are expected to reach an agreement. I am willing to take judicial notice, Mr. President, that the adoption of that recommendation on the part of the President will not create an atmosphere of calmness and reflection on the labor side of the table.

Mr. President, if we feel that circumstances are such that it makes no difference whether they proceed with the present negotiations in which they are engaged to the end of reaching an agreement, there apparently being good prospects that they will reach an agreement, let us then go ahead to adopt the proposal of the Senator from Virginia; but if the President follows it, if he will, I think it will not at all conduce to increasing the chances of a settlement of this dispute in the present negotiations which are taking place. That is why I included the provision that it be done within the next 7 days.

Mr. President, let me now speak to the merits of the resolution or amendment of the Senator from Virginia as I see them, because I hold a view, I think, somewhat different from that held by some of my colleagues in the Senate, who also think the passage of the Taft-Hartley bill in the first instance was a mistake. We must face the realities in connection with problems such as this, and I cannot escape the conclusion, as I read the decision of the Supreme Court—and I have not only read it, but I have also studied it, to the best of my ability—that the Supreme Court clearly implied that it was the judgment of the majority that the President should have followed the laws on the books before he resorted to a seizure, and that he should have sought the approval of the Congress in advance of seizing. The Court, to my satisfaction, made clear that it was its view that the kind of operative facts involved in this situation were quite different from the kind of operating facts which would be presented in case of an invasion, for instance, in the case of an all-out, open attack upon the United States. When the comments on the meanings of this decision shall have been finished, Mr. President, I believe we shall find a considerable amount of scholarly opinion to the effect that the Supreme Court has not handed down a decision which says that under no circumstances does the President have inherent power; that while the Supreme Court ruled that any discussion of inherent power in connection with the operative facts of this particular case certainly was not in point and that he had no power to do what he did on the basis of the facts, yet that the Court reserved judgment as to what the President may do under a different set of facts, when there is no law whatever on the books which could be applied to

a particular emergency, whatever it may be, which might arise in the future.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. MORSE. No; I decline to yield until I finish this argument.

So, Mr. President, I think that what the decision means is, in part, that on the basis of the operative facts of this case, in view of the laws on the statute books which it was the constitutional duty of the President faithfully to execute, it was the duty of the President to proceed to handle the case of seizure under those laws.

Mr. President, from that premise I argue that the Supreme Court clearly implied, as I said in the meeting of the Labor and Public Welfare Committee this morning, that whether he liked it or not, or whether he thought it would be as successful as its advocates seemed to think it would be, the President should have resorted to the Taft-Hartley law. Although it is a permissive law, and although the law clearly says that it was the spirit and intent of the Congress at the time it was passed to make it a permissive law and to leave to the discretion of the President whether he would resort to it in the case of an emergency, I nevertheless feel that, in view of the Supreme Court decision, he ought to proceed to use the Taft-Hartley law, if the parties within the very reasonably near future do not reach a collective-bargaining settlement of this dispute.

Therefore, I am not as opposed as are some of my colleagues to the Byrd amendment, from the standpoint of recommending to the President that he ought to resort to this law if, within the reasonably near future this case cannot be settled by a collective bargaining agreement. That is why I propose the period of 7 days, which I think is a pretty reasonable bracket of time in view of the fact that negotiations are proceeding at the present time which seem to offer at least some possibility of success for the settlement of the case.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. MORSE. No, I decline to yield until I finish my argument.

Mr. President, I think that resorting to the Taft-Hartley law after the lapse of that time will once again bring out in full review what I think are some very serious shortcomings of that law in respect to the emergency-disputes section. But the situation is quite different from what it was at the eleventh hour when the crisis was upon the President and he had been advised by the Secretary of Defense that a show-down with the mills for that period of time would result in the closing of the furnaces, making it impossible for the mills to get back into production for some two or three weeks. The strike has now occurred; the furnaces have now cooled, so that the emergency reason on the part of the President for acting as he did, if the Constitution had permitted him to do so or if the Supreme Court had found it permitted him to do so, is now no longer in point, because the furnaces are down. Therefore, Mr. President, I think he

should proceed under the Taft-Hartley law if the negotiations do not settle the controversy.

The operation of the Taft-Hartley law, if the President resorts to it, will provide further experience which will show the need for an early amendment to that law. That leads me to comment on the parliamentary situation in which some of us find ourselves.

I said earlier this afternoon that this morning the Committee on Labor and Public Welfare met for a writeup of the so-called Morse bill. Let me say here, Mr. President, that it is not my bill; it is a bill which has in it a great many suggestions advanced by my colleagues on the committee for I have been willing to accept any amendment or revision of the language of the bill which would gain the objective which I seek, namely, before the fact, to place on the books, legislation that will aid the President in handling an emergency dispute in such a manner as will make it desirable for both parties to settle the case before the Government enters the picture and applies the procedures called for by my bill.

But look at the situation in which we find ourselves. I have before me a very artistic piece of work which has taken the form of a scissors-and-paste job. This is my bill. It is no so badly mutilated as it would seem to be. It carries out all the suggestions made in the meeting this morning. It should be printed and be placed on the desk of each Member of the Senate for careful study. It is a bill on which there have been extended hearings. The Maybank substitute and the Monroney proposals did not go to a hearing, but this bill has gone to hearing, and has been considered for days and days. It is out of the record of those hearings that we now come forward with this scissors-and-paste job. But I think it is unfortunate and most unfair to the Committee on Labor and Public Welfare that there is in connection with the pending bill before the Senate proposed legislation by means of a rider. The Defense Production Act is not an act that has any direct relationship to labor legislation.

Mr. MAYBANK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. Let me finish my argument, and then I shall be glad to yield.

We are really attaching to the bill a labor-law rider. I do not believe that is a good way to legislate in the Senate of the United States. I think it is a good way to make a great many serious mistakes.

What we should do—and I close with this statement—is not to adopt any amendment to the Defense Production Act which relates to the problem of the handling of emergency disputes; but, because the labor situation is such a serious emergency and because Congress does have an obligation to pass some measure, we should make it the first item of business as soon as we get through with the Defense Production Act, and then determine whether we want to adopt the Morse bill, or some type of amendment to the Taft-Hartley law, or whether we want to reach the conclusion

that we already have a law on the books at the present time which is good enough and, therefore, we do not need any additional legislation. We should bring about such a parliamentary situation that we can bring to bear our best thought and consideration to a problem which is of great importance to the American people, and not leave ourselves, as we are this afternoon, in a position of legislating by rider on the defense production bill.

I now yield to the Senator from South Carolina. I am not through, but I yield to him.

Mr. MAYBANK. I shall yield the Senator more time if he wants it.

It is not my thought that it is permanent legislation with regard to labor. The amendment is suggested only as an interim piece of legislation until the bill of the Senator from Oregon can be brought before the Senate. Under no conditions will it go beyond February. I want the Senator from Oregon to understand that I am not trying to propose permanent legislation.

Mr. MORSE. I understand. Everything the Senator has said on the floor today about what he has told others of us in the cloakroom, and so forth, is accurate. But the Senator may get himself into a position where I think the comment of most of our colleagues will be, "We have already passed something; let us wait and see how it works, and after January 1st we will go into the question of other labor legislation."

Mr. MAYBANK. Mr. President, I yield 10 minutes to the Senator from Oregon.

Mr. MORSE. I shall need about 5 minutes. The Senator from New York [Mr. Ives] had a question to ask.

Mr. IVES. I think the Senator has already answered the question. It is merely this: With the Byrd amendment, amended as is proposed by the Senator from Oregon, would the Senator then support the Byrd amendment?

Mr. MORSE. Yes, I would.

Mr. MOODY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. MOODY. The Senator has been foresighted, I believe, with reference to the question of the need for additional legislation in the field of labor. The Taft-Hartley Act is merely permissive. It provides for a delay of 80 days in a situation such as we now face in the steel industry.

As the Senator from Illinois [Mr. Douglas] pointed out this afternoon, there has already been a delay of 120 days. Sooner or later there must be a settlement or a crippling strike. It seems to me the Congress should consider that if it agrees to the Byrd amendment this afternoon, and, as the Senator from Oregon pointed out, goes home as if it had accomplished something, it may be that in approximately 3 months from now, when Congress is in adjournment and it is too late to do anything about it, we may encounter a situation such as that with which the President was faced on the night he issued his seizure order. It seems to me that this amendment,

calling on the President to do this and that, is begging the question.

It seems to me that the Senate, if it intends to act before it goes home, should act properly, and not merely delay by putting into effect a measure which could be effective for 80 days only, and no longer. I certainly hope that consideration will be given to some measure; either the measure of the Senator from Oregon or some other measure which will vest in the President authority to take action in a situation of emergency. I ask if it is not true that if the Senate adjourns, merely having adopted the amendment of the Senator from Virginia, it is placing itself and the Nation in such a situation that in August or September, while Congress is in adjournment, we may be faced by a strike which will cripple the Nation.

Mr. MORSE. Let me make my position very clear. It is my position that the adoption of the Byrd amendment, together with the perfecting amendment I have suggested, will not meet the obligation the Congress owes to the people of the country to enact legislation which will effectively meet emergency labor-dispute problems.

Mr. MOODY. I thank the Senator.

Mr. MORSE. In my judgment we must enact legislation which will amend the Taft-Hartley law in such a manner that it will be effective in preventing strikes in the first place. That is what the Morse bill seeks to do.

Mr. LEHMAN and Mr. MOODY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oregon yield; and, if so, to whom?

Mr. MOODY. I yield first to the Senator from New York; then I shall yield to the Senator from Michigan.

Mr. LEHMAN. I feel very strongly, as does the Senator from Oregon, that we must have effective legislation of a comprehensive kind, carefully considered, it is true, but effective in its long-range provisions. But does not the Senator agree with me that while that is most essential, nothing can be a substitute for it? For the Senate today to take action on the Byrd amendment, which is merely a gesture, which does not mean a thing, which does not bind the President, and does not even tell him anything that he does not know, to adopt this amendment just at a time when negotiations are being carried on, I believe in good faith, between labor and industry, looking toward a peaceful settlement and composition of the labor dispute, would do more to kick over the apple cart than anything else we could possibly do.

Mr. MORSE. My answer to the Senator from New York is that if the perfecting language I have suggested were adopted, then I do not believe the Byrd amendment would cause the difficulty the Senator mentions, but I think it would serve as a very clear signal to the parties that if they cannot within the next 7 days settle the dispute by negotiation, then the procedures of the Taft-Hartley law will be employed.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. LEHMAN. I am going to vote for the amendment offered by the Senator from Oregon. But failing adoption of that amendment, does not the Senator think the Byrd amendment would inevitably do harm to efforts to bring about a peaceful settlement? Failing adoption of the amendment of the Senator from Oregon, I shall vote against the Byrd amendment.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. MAYBANK. Mr. President, I yield 2 minutes to the Senator from Michigan.

Mr. MOODY. Mr. President, I wish to say, in addition to what I just stated in the colloquy with the Senator from Oregon, that the time must come when the question with which we are confronted will be settled. There is no law on the statute books today that will stop a crippling strike. It seems to me that the proper action of the Senate, if we are really trying to be helpful in this situation, and are not trying to humbug the country, is to declare it to be the sense of Congress that both steel management and steel labor should look at this situation from the national standpoint and in the public interest, as well as in their own immediate interest, and bring the strike to a close by a settlement which will stick, by a contract between management and labor.

I believe the country ought to be on notice that any action taken this afternoon by the Senate of the United States except action of that sort cannot have any effect; and, of course, action of that sort would merely clarify the issue in the minds of the citizens in my judgment.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield some time to me?

Mr. MAYBANK. Mr. President, I shall be glad to yield time to the Senator from Minnesota, but I wish to make a statement before a vote is taken. Regardless of how the vote turns, I shall be sorry in one way, and glad in another way, that I brought this issue before the Senate, realizing the seriousness of the situation. If there are but 10 votes for my amendment, I shall feel that I have done my duty, because in my judgment it is going to take weeks to work out any plan. I know we spent days and days, and hours and hours, on the Taft-Hartley Act, which I supported, and I voted to override the President's veto of the bill.

I brought my amendment before the Senate yesterday only to clarify the minds of the people of the country as to the seriousness of the situation we are facing. Many of my friends have come to me and have expressed their approval of my action. I appreciate from the bottom of my heart what they have done. I have done my duty. I have made such action as I suggest an issue, and we are going to have to face the issue. We shall have to face it in a hard and tough situation unless, as the Senator from Oregon has said, some positive language is adopted by Congress before we leave in July. We must meet this issue now. If consideration of the amendment had

taken all of next week, as I had thought it would, it would have been satisfactory to me. But merely to condemn the President for what he does or does not do is not a solution of the problems we are facing.

The Supreme Court has said, in no uncertain terms, that it is up to Congress, as the Senator from Oklahoma, so ably stated, to legislate positively. I brought the amendment before the Senate for the purpose of calling the conditions to the attention of the people of the country and for no other purpose. So I hope the Senate will vote.

I yield the remainder of my time to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am sure all Senators recognize that the chairman of the Committee on Banking and Currency has rendered a service by bringing up this matter. I do not say that everyone would agree with every provision of his bill—

Mr. MAYBANK. The Senator knows that when I introduced the bill, I expected it to be amended, and I said so.

Mr. HUMPHREY. The Senator so stated. At least, he has brought the issue into focus.

I have asked members of our staff to get for us copies of reports and testimony before the Senate Committee on Labor and Public Welfare. I wish to ask the proponents of any amendments whether they have read all the testimony contained in the volumes I hold in my hand. Obviously they have not read it, because we have not had time to get it to the Government Printing Office. We have been taking testimony up to the very last hour. We have worked 3 or 4 days upon it. Men from all over America, responsible officials, have testified to their concept of seizure legislation. It is not any easy subject to handle. Let no one kid himself about it. In considering what should be done, one moves into an area which is very delicate, an area that requires judicious consideration of every single line of proposed legislation.

I only wish to say that I am perfectly willing to legislate on the subject of seizure, but I want enough time to debate it, so that we may know what we are doing. If we do not do that, then we shall be making some serious mistakes, mistakes which may prove to be very tragic.

With reference to the Byrd amendment, I merely wish to ask, What is its purpose? What purpose will it serve? The President of the United States will use the Taft-Hartley law if he wants to use it. He has done so before; he can do so again. Or he may not use it, if he so desires.

The fact of the matter is, Mr. President, that under an injunction, there is little or no collective bargaining. I should like to have someone point out to me when there was real collective bargaining while an injunction was in effect. The history of labor-management negotiations reveals that in such a situation there has been little or no collective bargaining to settle a dispute. Also, the history of injunction proves that fre-

quently, and all too frequently, collective bargaining stops at dead center.

What is it that the proponents of the Byrd amendment desire? Is it their pound of flesh? Apparently it must be, because adoption of the Byrd amendment will not do any good. It only affords a chance to crystallize—what? To crystallize an attitude that they do not like the fact that the President has not used the Taft-Hartley Act. But that will not contribute one iota toward helpfulness in the settlement of this dispute.

What will help toward a settlement of the dispute? What will help will be an expression by the Congress that we call upon the parties to the dispute to recognize their responsibility to the people of the United States, and to its economic system. That is about the only thing we can do here, Mr. President, except to write a new piece of legislation, such as is proposed by the distinguished chairman of the Committee on Banking and Currency.

There are one or two things that we can do in the Senate today, or in the days to come. We can either call upon the parties in the present dispute to settle their differences, which is only to say that we expect them to live up to their responsibilities in time of national emergency, which would be constructive, which would be affirmative, which would be helpful, which would at least point a sense of direction; or we can have the courage to legislate. We must do one or the other. I am willing that we do both. I am willing that we provide in the bill that we shall first call upon the parties to settle their dispute by normal American procedure of collective bargaining; and second, I am willing to have Congress to provide emergency powers for the Government. But I am not willing to do it in 15 minutes.

I am willing to do it when the Morse bill or any other bill can be presented so that we can go over it line by line.

The PRESIDING OFFICER (Mr. HOEY in the chair). The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield me an extra minute?

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE], to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. MORSE. Mr. President, I ask for the yeas and nays.

Mr. BYRD. Mr. President, has any Senator any time to assign me?

The PRESIDING OFFICER. All time is exhausted.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE], to the amendment of the Senator from Virginia [Mr. BYRD]. On this question the yeas and nays have been requested. Is the demand sufficiently seconded?

The yeas and nays were ordered.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that further proceedings under the order for a call be abandoned.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment offered by the Senator from Oregon to the amendment of the Senator from Virginia, on which the yeas and nays have been ordered.

Mr. MORSE. Mr. President, I ask unanimous consent to change the wording of the amendment from "within the next 7 days" to "within 7 days from this date."

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the change is made.

The question is on the amendment offered by the Senator from Oregon, as modified, to the amendment of the Senator from Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MORSE. Mr. President, may the amendment be read?

Mr. McFARLAND. Mr. President, has all time for debate expired?

The PRESIDING OFFICER. On all sides.

Mr. McFARLAND. Mr. President, I move that the Senate postpone the consideration of the pending bill until 12 o'clock noon Monday.

Mr. BRIDGES. Mr. President—

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. McFARLAND. So far as I am personally concerned, I have made my position in regard to the pending amendment clear. There is nothing to be gained one way or the other, if I may say so without being accused of talking about politics, if the legislative proposal is postponed, certainly nothing that I could gain personally. On the other hand, Mr. President, I have been looking into the situation as best I could to ascertain what is taking place, and I am told—

Mr. BRIDGES. Mr. President—

Mr. McFARLAND. I do not yield.

Mr. BRIDGES. No Senator has the floor.

Mr. McFARLAND. I have the floor.

The PRESIDING OFFICER. The Senator from Arizona has the floor. There are 15 minutes to each side.

Mr. McFARLAND. I do not yield.

The PRESIDING OFFICER. The Senator from Arizona has 15 minutes.

Mr. BRIDGES. The Senator has 15 minutes on the motion. I beg his pardon.

Mr. McFARLAND. I have been checking into the situation, and I find that there is a committee on behalf of industry, and a committee on behalf of labor, discussing a settlement as they have not discussed it for weeks. Whatever we may do here might well mean the difference between the present strike being settled between now and Monday, and its not being settled. I do not say it will be settled; I do not make any prediction one way or the other; but

there is little we can lose by doing what I suggest, because everyone will be in the same position on Monday which he now occupies. The amendment of the Senator from Virginia can be voted on.

Sometime ago we promised the junior Senator from Georgia [Mr. RUSSELL] that we would take up the agricultural appropriation bill. We can take that bill up and dispose of it, and I think we might gain a great deal by postponing the consideration of the pending bill until Monday.

As I have said, it might well mean the difference between the strike being settled and its not being settled, because if Congress acts, no matter how it acts, one side or the other, and perhaps both sides, may not like the action. I believe that what the United States wants is to get the steel strike settled, and, as I have said, I am making my motion in the interest of what I think may well mean the difference between the strike being settled and its not being settled.

It makes no difference to me how Senators vote on the amendment of the Senator from Virginia. I have made my position clear in that respect. The amendment would not alter my position, because I do not believe in interfering with or in any way trying to direct the Executive of this great Government as to what he should do, and I do not want him to direct me in what I should do.

We could take up the Agricultural appropriation bill tomorrow, and no time would be lost. On the other hand, a great deal could be gained. I reserve the remainder of my time.

Mr. BRIDGES. May I ask a question of the distinguished majority leader?

Mr. McFARLAND. Yes; on the Senator's own time.

Mr. BRIDGES. Is the motion of the distinguished majority leader a motion to adjourn or to postpone action?

Mr. McFARLAND. To postpone further consideration of the pending bill until Monday. It would leave everything exactly as it is. It would not jeopardize anyone's right. It would give an opportunity for the strike to be settled between now and Monday.

Mr. BRIDGES. Mr. President, taking a moment of my own time, I would say that the motion of the majority leader, to postpone action until Monday, considering all the time we have devoted to the bill, and the good attendance we have in the Senate, will not gain anything for the Senate. Therefore, I believe that we should meet the issue at this time; and I move to lay on the table the Senator's motion to postpone until Monday, consideration of the pending bill. I ask for the yeas and nays.

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Butler, Md.	Cordon
Anderson	Byrd	Dirksen
Bennett	Cain	Douglas
Benton	Case	Dworshak
Brewster	Chavez	Eastland
Bricker	Clements	Ferguson
Bridges	Connally	Flanders

Frear	Kerr	O'Mahoney
Fulbright	Kilgore	Pastore
George	Knowland	Robertson
Gillette	Lehman	Russell
Green	Long	Saltonstall
Hayden	Malone	Schoeppel
Hendrickson	Maybank	Smathers
Hennings	McCarran	Smith, Maine
Hickenlooper	McCarthy	Smith, N. J.
Hill	McClellan	Smith, N. C.
Hoey	McFarland	Sparkman
Holland	McKellar	Stennis
Humphrey	Millikin	Thye
Hunt	Monroney	Tobey
Ives	Moody	Underwood
Johnson, Colo.	Morse	Watkins
Johnson, Tex.	Mundt	Welker
Johnston, S. C.	Neely	Williams
Kefauver	Nixon	
Kem	O'Connor	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the motion of the Senator from New Hampshire [Mr. BRIDGES] to lay on the table the motion of the Senator from Arizona [Mr. MCFARLAND] to postpone consideration of the pending bill until Monday.

Several Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

I announce further that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAF] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER], the Senators from Pennsylvania [Mr. MARTIN and Mr. DUFF], and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

If present and voting the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Ohio [Mr. TAF], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 37, nays 42, as follows:

YEAS—37

Alken	Flanders	O'Connor
Bennett	George	Robertson
Brewster	Hendrickson	Saltonstall
Bricker	Hickenlooper	Schoeppel
Bridges	Ives	Smith, Maine
Butler, Md.	Kem	Smith, N. J.
Byrd	Knowland	Smith, N. C.
Cain	Malone	Thye
Case	McCarran	Watkins
Cordon	McCarthy	Welker
Dirksen	Millikin	Williams
Dworshak	Mundt	
Ferguson	Nixon	

NAYS—42

Anderson	Hoey	McFarland
Benton	Holland	McKellar
Chavez	Humphrey	Monroney
Clements	Hunt	Moody
Connally	Johnson, Colo.	Morse
Douglas	Johnson, Tex.	Neely
Eastland	Johnston, S. C.	O'Mahoney
Frear	Kefauver	Pastore
Fulbright	Kerr	Russell
Gillette	Kilgore	Smathers
Green	Lehman	Sparkman
Hayden	Long	Stennis
Hennings	Maybank	Tobey
Hill	McClellan	Underwood

NOT VOTING—17

Butler, Nebr.	Jenner	Murray
Capehart	Langer	Seaton
Carlson	Lodge	Taft
Duff	Magnuson	Wiley
Ecton	Martin	Young
Ellender	McMahon	

So the motion to lay Mr. MCFARLAND's motion on the table was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the motion of the Senator from Arizona to postpone until Monday the further consideration of the pending bill.

Mr. BRIDGES. Mr. President, on the motion to postpone until Monday, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference, which is to meet in Geneva, Switzerland.

I announce further that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. McMAHON], and the Senator from Montana [Mr. MURRAY] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], the Senator from Nebraska [Mr. SEATON], and the Senator from Ohio [Mr. TAF] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Nebraska [Mr. BUTLER] and the Senators from Pennsylvania [Mr. MARTIN and Mr. DUFF] are detained on official business.

If present and voting the Senator from Nebraska [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Ohio [Mr. TAF] would each vote "nay."

The result was announced—yeas 42, nays 38 as follows:

YEAS—42

Anderson	Hoey	McFarland
Benton	Holland	McKellar
Chavez	Humphrey	Monroney
Clements	Hunt	Moody
Connally	Johnson, Colo.	Morse
Douglas	Johnson, Tex.	Neely
Eastland	Johnston, S. C.	O'Mahoney
Frear	Kefauver	Pastore
Fulbright	Kerr	Russell
Gillette	Kilgore	Smathers
Green	Lehman	Sparkman
Hayden	Long	Stennis
Hennings	Maybank	Tobey
Hill	McClellan	Underwood

NAYS—38

Alken	Flanders	O'Connor
Bennett	George	Robertson
Brewster	Hendrickson	Saltonstall
Bricker	Hickenlooper	Schoeppel
Bridges	Ives	Smith, Maine
Butler, Md.	Kem	Smith, N. J.
Byrd	Knowland	Smith, N. C.
Cain	Malone	Thye
Case	McCarran	Watkins
Cordon	McCarthy	Welker
Dirksen	Millikin	Wiley
Dworshak	Mundt	Williams
Ferguson	Nixon	

NOT VOTING—16

Butler, Nebr.	Jenner	Murray
Capehart	Langer	Seaton
Carlson	Lodge	Taft
Duff	Magnuson	Young
Ecton	Martin	
Ellender	McMahon	

So Mr. MCFARLAND's motion to postpone until Monday the further consideration of the bill was agreed to.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952—AMENDMENT—REPRINT OF BILL

Mr. MORSE. Mr. President, I wish to make two unanimous-consent requests. The first is that the so-called Morse bill, in the form of an amendment to the Defense Production Act, be printed as an amendment to Senate bill 2594; and I also ask to have printed as a new print the so-called Morse bill, Senate bill 2999, so that we shall have both the bill and the amendment before us in a new print on Monday.

I ask that the amendment be printed and to lie on the table. The old bill has already been introduced, but it is so completely revised that I need a new print of the old bill.

The PRESIDING OFFICER. Is there objection to the requests of the Senator from Oregon? The Chair hears none.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the

committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7005) to amend the Mutual Security Act of 1951, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 6947) making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes, and it was signed by the Vice President.

STATUS OF CERTAIN CIVILIAN EMPLOYEES

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1828) to confirm the status of certain civilian employees of nonappropriated fund instrumentalities under the Armed Forces with respect to laws administered by the Civil Service Commission, and for other purposes," which were, on page 1, line 5, after "Service", insert "Navy Ship's Stores Ashore", and on page 2, after line 7, insert:

SEC. 2. The nonappropriated fund instrumentalities described in the first section of this act shall provide their civilian employees, by insurance or otherwise, with compensation for death or disability incurred in the course of employment. In the case of employees employed in the continental United States (except Alaska), compensation shall be not less than that provided by the laws of the State (or the District of Columbia) in which the employing activity of any such instrumentality is located. In the case of employees employed outside the continental limits of the United States and in Alaska, compensation shall be not less than that provided in sections 7, 8, and 9 of the Longshoremen's and Harbor Workers' Compensation Act (44 Stat. 1427-1430), as amended, except that in the case of such employees who are not citizens of the United States, compensation shall be in accordance with regulations to be prescribed by the Secretary of the Army, Navy, Air Force, or Treasury, as the case may be. This section shall take effect 60 days after the date of enactment of this act.

Mr. JOHNSTON of South Carolina. I move that the Senate concur in the amendments of the House. It is a clarifying amendment.

The motion was agreed to.

AGRICULTURAL APPROPRIATIONS, 1953

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 7314, a bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1953. It is Calendar No. 1547.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments

STATEMENT OF REPUBLICAN PRINCIPLES AND OBJECTIVES—COMMENT BY DWIGHT D. EISENHOWER

Mr. BREWSTER. Mr. President, I have a matter which I desire to call to the attention of the Senate. While it is of primary concern to Members on this side of the aisle, I hope the Members on the other side will indulge me a moment as I call attention to what may be a rather epoch-making statement made by Mr. Dwight D. Eisenhower. I want to read briefly what he stated, and then ask permission to have printed in the RECORD some further material.

There has been of course, great interest as to Mr. Eisenhower's political philosophy, and, according to the news ticker, he had this to say in a report to the people today:

NEW YORK.—Following is a partial transcript of General Eisenhower's press conference in Abilene as taken from the TV broadcast:

"Ladies and gentlemen, with respect to what a man might call his political philosophy in these bewildering days, I find that in the Republican declaration in February 1950 which was passed or accepted by the Republican Members of the United States Senate and House of Representatives and the Republican National Committee I find that so far as principles there were stated I am in general accord.

"In that statement they did go into specific details that appeared to be a little bit different. Certain Senators and Representatives voted against the complete adoption of that statement. As I understand it, their disagreement was again not on principle but on specific application or procedure."

Mr. President, I hold in my hand the statement of Republican Principles and Objectives, as adopted by the Republican Members of the Senate and House of Representatives, and concurred in by the members of the Republican National Committee on February 6, 1950. This is a very complete statement of our position on matters of foreign policy and of domestic policy, and the fact that the most distinguished and perhaps the most recent recruit to our ranks has now joined all the Republican Members of the House and Senate in concurring in this is a happy indication of that harmony which we all seek to achieve, and I hope it will indicate that our friends on the other side may similarly find an opportunity ultimately to concur.

For the information of the Senate and of the country, I ask that the statement of principles and objectives be printed in the RECORD at the conclusion of my remarks, in order that all may be informed. Its origin was in a committee of the Republican policy committee of the Senate and as the Senator from Maine had the distinction of being chairman of the subcommittee, he has a certain pride of authorship. Associated with him were the Senator from Nebraska, the late and lamented Mr. Wherry, and the Senator from Massachusetts [Mr. Lodge]. The statement was prepared under the direction of the policy committee, on the appointment of the Senator from Ohio [Mr. Taft]. So

it would appear that the harmony we seek is now perhaps rapidly approaching. I ask that the statement be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF REPUBLICAN PRINCIPLES AND OBJECTIVES

(Adopted by the Republican Members of the House of Representatives and the Republican Members of the Senate, and concurred in by the members of the Republican National Committee on February 6, 1950)

To win lasting peace, to build a country in which every citizen may make the most of his skill, initiative and enterprise, and to hold aloft the inspiring torch of American freedom, opportunity, and justice, assuring better and happier life for all our people, we dedicate our efforts and issue this statement of principles and objectives supplementing the Republican platform of 1948.

We shall not passively defend the principles stated here, but shall fight for them with all the vigor with which our forefathers fought to establish what we now seek to advance and perpetuate—human liberty and individual dignity.

We pledge that in all we will advocate and in all that we will perform the first test shall be: Does this conduct enlarge and strengthen or does it undermine and lessen human liberty and individual dignity?

FOREIGN AFFAIRS

The American people face the hard fact that though they won the war nearly 5 years ago they have not yet won the peace. We offer them leadership in new efforts to achieve this vital end.

We favor a foreign policy in which all Americans, regardless of party, will join to assure peace with justice in a free world while maintaining the independence and the rights of the American people.

We insist upon restoration of our foreign agreements to their proper place inside the Constitution, and we insist that the United States shall not be bound to any course of action unless the spirit and letter of our constitutional procedure are followed.

We oppose secret commitments, and we denounce the refusal of the administration to furnish accurate and adequate information to the Congress.

Under our indispensable two-party system we shall be vigilant in critical exploration of administrative foreign policy. We favor consultation between the Executive and members of both major parties in the legislative branch of Government in the initiation and development of a united American foreign policy; and we deplore the tragic consequences of the administration's failure to pursue these objectives in many fields, particularly in the secret agreements of Yalta, subsequently confirmed at Potsdam, which have created new injustices and new dangers throughout the world.

We favor full support of the United Nations and the improvement of its Charter, so that it may be an effective international organization of independent states prepared to mobilize public opinion and the armed forces of the world against aggression. We favor full support of the inter-American system as an integral part of the international organization, and of our treaty obligations in the North Atlantic Community.

We advocate a strong policy against the spread of communism or fascist at home and abroad, and we insist that America's efforts toward this end be directed by those who

arts) of the act of June 29, 1935, so as to extend the benefits of such section to certain colleges in the Territory of Alaska;

H. R. 7188. An act to provide that the additional tax imposed by section 2470 (a) (2) of the Internal Revenue Code shall not apply in respect of coconut oil produced in, or produced from materials grown in, the territory of the Pacific Islands; and

H. R. 7593. An act to amend paragraph 1774, section 201, title II, of the Tariff Act of 1930.

On June 5, 1952:

H. R. 6947. An act making supplemental appropriations for the fiscal year ending June 30, 1952, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.), under its previous order, the House adjourned until Monday, June 9, 1952, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1548. A letter from the Chief Justice, Supreme Court of the United States, transmitting copies of the report of the proceedings of a special meeting of the Judicial Conference of the United States, held at Washington, D. C., March 20 and 21, 1952, pursuant to title 28, United States Code, section 331 (H. Doc. No. 490); to the Committee on the Judiciary and ordered to be printed.

1549. A letter from the Comptroller General of the United States, transmitting the audit of the financial statements and accounts of the Institute of Inter-American Affairs for the year ended June 30, 1951, pursuant to Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 491); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1550. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1953 in the amount of \$50,000 for the Executive Office of the President (H. Doc. No. 492); to the Committee on Appropriations and ordered to be printed.

1551. A letter from the Attorney General, transmitting the report on the administration and enforcement of the registration provisions of the Subversive Activities Control Act, pursuant to section 9 (c) of the act, for the period from June 1, 1951, to May 31, 1952; to the Committee on Un-American Activities.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CELLER: Subcommittee No. 5 (Anti-trust Subcommittee) of the Committee on the Judiciary. Report filed pursuant to House Resolution 95, Eighty-second Congress, first session, authorizing the Committee on the Judiciary to conduct studies and investigations relating to matters within its jurisdiction (Rept. No. 505, pt. 3). Referred to

the Committee of the Whole House on the State of the Union.

Mr. REGAN: Committee on Interior and Insular Affairs. S. 1032. An act to authorize each of the States of Montana, North Dakota, South Dakota, and Washington to pool royalties derived from lands granted to it for public schools and various State institutions; with amendment (Rept. No. 2036). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMULLEN: Committee on Interior and Insular Affairs. H. R. 4683. A bill to provide for distribution of moneys of deceased restricted members of the Five Civilized Tribes not exceeding \$500, and for other purposes; with amendment (Rept. No. 2037). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENTSEN: Committee on Interior and Insular Affairs. H. R. 5328. A bill to amend the third paragraph of section 4, chapter 1, title I, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900 (31 Stat. 322; 48 U. S. C., sec. 101), as amended; without amendment (Rept. No. 2038). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Ways and Means. H. R. 6241. A bill to provide for the refund or credit of the internal-revenue tax paid on fermented malt liquors lost or rendered unmarketable by reason of the floods of 1951 where such fermented malt liquors were in possession of (1) the original taxpayer, (2) a dealer who sells fermented malt liquors at wholesale, or (3) a dealer who sells fermented malt liquors at retail; without amendment (Rept. No. 2039). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 2383. An act to amend the act entitled "An act to create a board of accountancy for the District of Columbia, and for other purposes," approved February 17, 1923; without amendment (Rept. 2040). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BENTSEN: Committee on Interior and Insular Affairs. H. R. 1558. A bill to authorize the sale of certain public lands in Alaska to Victory Bible Camp Ground, Inc.; with amendment (Rept. No. 2032). Referred to the Committee of the Whole House.

Mr. REDDEN: Committee on Interior and Insular Affairs. H. R. 4810. A bill authorizing and directing the commissioner of public lands of the Territory of Hawaii to issue a right of purchase lease to Edward C. Searle; without amendment (Rept. No. 2033). Referred to the Committee of the Whole House.

Mr. BENTSEN: Committee on Interior and Insular Affairs. H. R. 3494. A bill to authorize the sale of certain public land in Alaska to the Catholic Society of Alaska for use as a mission; with amendment (Rept. No. 2034). Referred to the Committee of the Whole House.

Mr. BENTSEN: Committee on Interior and Insular Affairs. H. R. 6385. A bill to authorize the sale of certain public lands in Alaska to the Kenal (Alaska) Troop 653 of the Boy Scouts of America; with amendment (Rept. No. 2035). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 8086. A bill to govern the hospitalization of the mentally ill of Alaska, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. BOLTON:

H. R. 8087. A bill to provide a program of emergency grants and scholarships for education in the field of nursing, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ELSTON:

H. R. 8088. A bill for the relief of the county of Hamilton, Ohio; to the Committee on Interior and Insular Affairs.

By Mr. FURCOLO (by request):

H. R. 8089. A bill relating to the consideration of petitions and memorials to the Congress in committees of the Senate and House of Representatives; to the Committee on Rules.

By Mr. HARRISON of Wyoming:

H. R. 8090. A bill to authorize the Secretary of the Interior to dispose of tribal lands within the Wind River Indian Reservation, Wyo.; to the Committee on Interior and Insular Affairs.

By Mr. LUCAS:

H. R. 8091. A bill to diminish the harmful effects of labor disputes upon the general public and the national defense by encouraging collective bargaining between employers and their own employees, and for other purposes; to the Committee on Education and Labor.

By Mr. MACK of Washington:

H. R. 8092. A bill to amend title II of the Social Security Act to increase old-age and survivors' insurance benefits, to increase the amount of earnings permitted without loss of benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. OSMERS:

H. R. 8093. A bill to amend the Internal Revenue Code so as to allow as a deduction from gross income under section 23 (1) the depreciation of property owned and occupied by the taxpayer as his residence; to the Committee on Ways and Means.

By Mr. PATTEN:

H. R. 8094. A bill authorizing construction of works to restore to Palo Verde irrigation district, California, a means of gravity diversion of its irrigation water supply from the Colorado River and providing certain benefits to the Colorado River Indian Reservation, Ariz., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RIVERS:

H. R. 8095. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended; to the Committee on Expenditures in the Executive Departments.

By Mr. ROOSEVELT:

H. R. 8096. A bill to assist States and cities in fostering civil peace through public agencies set up to improve group relations, to provide for the training of State and local law-enforcement officers in the prevention and control of intergroup conflicts, and for other purposes; to the Committee on Education and Labor.

By Mr. TALLE:

H. R. 8097. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

H. R. 8098. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

By Mr. VINSON:

H. R. 8099. A bill to authorize the Secretary of Defense to appoint Rear Adm. Morton Loomis Ring to a civilian position with the Munitions Board, upon retirement, with-

out affecting his military status and perquisites; to the Committee on Armed Services.

By Mr. TALLE:

H. R. 8100. A bill to extend the time for commencing and completing the construction of a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.; to the Committee on Public Works.

By Mr. CELLER:

H. J. Res. 477. Joint resolution to continue the effectiveness of certain statutory provisions for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, but not beyond June 30, 1953; to the Committee on the Judiciary.

By Mr. HOWELL:

H. J. Res. 478. Joint resolution to assist the Polycultural Institution of America in expanding further its program and activities for the purpose of promoting universal understanding, justice, and permanent peace, to assist such institution in providing for its permanent plant and equipment in the Nation's Capital, and for other purposes; to the Committee on Foreign Affairs.

By Mr. JACKSON of Washington:

H. Con. Res. 219. Concurrent resolution providing for a temporary bipartisan joint congressional committee to investigate the fire power of our armed services, and for other purposes; to the Committee on Rules.

By Mr. MULTER:

H. Res. 665. Resolution to provide payment to Florence Wright, daughter of Minnie Wright, late an employee of the House of Representatives; to the Committee on House Administration.

By Mrs. BOLTON:

H. Res. 666. Resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Res. 667. Resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. JAVITS:

H. Res. 668. Resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mrs. KELLY of New York:

H. Res. 669. Resolution to favor the economic development and reinforcement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. MERROW:

H. Res. 670. Resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. ROOSEVELT:

H. Res. 671. Resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI:

H. Res. 672. Resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. STANLEY:

H. Res. 673. Resolution for the relief of Francis P. Casey; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. GOODWIN: Memorial of the Massachusetts Legislature memorializing Congress to congratulate Premier Alcide De Gasperi and the Italian people for their impressive showing over the forces of communism in the recent municipal elections in Italy; to the Committee on Foreign Affairs.

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing the Congress of the United States to congratulate Premier Alcide De Gasperi and the Italian people for their impressive showing over the forces of communism in the recent elections in Italy; to the Committee on Foreign Affairs.

By Mr. MARTIN of Massachusetts: Memorial of the Massachusetts House of Representatives, urging congratulations to Premier Alcide De Gasperi and the Italian people for their impressive showing over communism in the recent elections in Italy; to the Committee on Foreign Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, urging congratulations to Premier Alcide De Gasperi and the Italian people for their impressive showing over communism in the recent elections in Italy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 8101. A bill for the relief of Jose do Rego Dias Pereira; to the Committee on the Judiciary.

By Mr. BRYSON:

H. R. 8102. A bill for the relief of Evangelos Mponpotsis; to the Committee on the Judiciary.

H. R. 8103. A bill for the relief of Vasilios Koniditsiotis; to the Committee on the Judiciary.

By Mr. DEWART:

H. R. 8104. A bill authorizing the issuance of a patent in fee to the heirs of William Petzoldt Covers Up; to the Committee on Interior and Insular Affairs.

H. R. 8105. A bill authorizing the issuance of a patent in fee to Abel L. Farwell; to the Committee on Interior and Insular Affairs.

H. R. 8106. A bill authorizing the issuance of a patent in fee to Jennie Bad Horse; to the Committee on Interior and Insular Affairs.

By Mr. FALLON:

H. R. 8107. A bill for the relief of Panayotis Koutsoyannopoulos; to the Committee on the Judiciary.

By Mr. FURCOLO (by request):

H. R. 8108. A bill for the relief of Louis Belkin; to the Committee on the Judiciary.

H. R. 8109. A bill for the relief of Adalgisa Carpanelli; to the Committee on the Judiciary.

By Mr. GREGORY:

H. R. 8110. A bill for the relief of M. G. Huff; to the Committee on the Judiciary.

By Mr. GWINN:

H. R. 8111. A bill for the relief of Vytautas Stanislaus Bacevicius; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 8112. A bill for the relief of Emanuel and Maria Pulelo; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 8113. A bill for the relief of Yoko Itabashi; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. R. 8114. A bill for the relief of Igor Michael Bogolepov (alias Ivar Nyman) and Margaret Johanna Bogolepov (alias Margaret Johanna Nyman); to the Committee on the Judiciary.

By Mr. McGRATH:

H. R. 8115. A bill for the relief of Antonio Rotondo; to the Committee on the Judiciary.

By Mr. MURRAY:

H. R. 8116. A bill for the relief of Mrs. Mabel Chu Tow; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H. R. 8117. A bill for the relief of Louis Joseph Rago; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 8118. A bill for the relief of Herman Sharma and Gertrude Sharma; to the Committee on the Judiciary.

By Mr. HUGH D. SCOTT, JR.:

H. R. 8119. A bill for the relief of Njdeh Hovhanissian Aslanian; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

751. Mr. FORAND presented a petition of Mr. J. H. Foster, Jr., and 46 members of the Rhode Island Congress of Industrial Organizations petitioning the Senate Committee on Banking and Currency to continue rent control in its present form, which was referred to the Committee on Banking and Currency.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 10, 1952
For actions of June 9, 1952
32nd-2nd, No. 99

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HIGHLIGHTS: Senate adopted conference report on foreign-aid bill. Ready for President. Sen. Aiken claimed administration pushed down farm prices in 1948 for political purposes. House received conference report on immigration bill. House committee reported emergency-powers continuation bill. Rep. Cooley introduced bill continuing present parity formula for basics.

SENATE

- FOREIGN AID.** Agreed, 59-11, to the conference report on H. R. 7005, to extend the Mutual Security Act (pp. 6935-45, 6954-65). This bill will now be sent to the President.
- PRICE SUPPORTS.** Sen. Aiken claimed the administration pushed down the farm prices in 1948 for political purposes (pp. 6928-31).
- DEFENSE PRODUCTION.** Discussed S. 2594, to extend the Defense Production Act (pp. 6946-52). Formal debate is to be resumed today (p. 6945).
- REORGANIZATION.** Received from this Department a proposed bill to provide for an additional Assistant Secretary of Agriculture, an Administrative Assistant Secretary, a periodic review of management of the Department, and delegation of the Secretary's authority to other officials of the Department at his discretion; to Agriculture and Forestry Committee.
- TRANSPORTATION.** The Interstate and Foreign Commerce Committee reported without amendment S. Res. 332, authorizing this Committee to investigate the organization and operations of the Interstate Commerce Commission. To Rules and Administration Committee. (p. 6927.)
- AGRICULTURAL APPROPRIATION BILL, 1953.** The McKellar amendment to this bill would permit the use of 2½% of the ACP funds, allocated to any State, for determining the most needed conservation practices on individual farms. (The description of this amendment in Digest 98 was in error.)

HOUSE

7. **EMERGENCY POWERS.** The Judiciary Committee reported without amendment H. J. Res. 477, to continue the effectiveness of certain statutory provisions for the duration of the national emergency proclaimed Dec. 16, 1950, and 6 months thereafter, but not beyond June 30, 1953 (H. Rept. 2041) (p. 7044).
8. **IMMIGRATION.** Received the conference report on H. R. 5678, to revise the laws relating to immigration and naturalization (H. Rept. 2096) (pp. 6990-7030, 7040). Rep. Priest stated that this report is expected to be brought up on Tuesday (p. 7041.)
9. **LAND EXCHANGE.** The Agriculture Committee reported without amendment H. R. 5055, authorizing the exchange of certain Federal lands situated in Ontonagon County, Mich., for lands within the Ottawa National Forest, Mich. (H. Rept. 2098) (p. 7044).
10. **SMALL BUSINESS.** Received a report of Select Committee on Small Business, "Problems of Small Business Under the Controlled Materials Plan--A Summary Report" (H. Rept. 2099) (p. 7044). The "Daily Digest" states that this report recommends indefinite continuation of controls on steel, aluminum, and copper (p. D558.)
11. **ELECTRIFICATION.** Passed, 132-120, with amendment S. 97, to authorize the construction, operation, and maintenance of facilities for generating hydroelectric power at the Cheatham Dam on the Cumberland River, Tenn. (pp. 7033-40).
12. **RECLAMATION.** The Subcommittee on Irrigation and Reclamation approved for reporting to the full Interior and Insular Affairs Committee H. R. 6804, to provide that the costs of certain functions served by reclamation projects shall be nonreimbursable under the Federal reclamation laws (p. D558).
13. **PRICE CONTROL.** Rep. Fisher urged that the Office of Price Stabilization be discontinued after June 30, and that the Wage Stabilization Board be abolished (p. 7041).

BILLS INTRODUCED

14. **PUBLIC LANDS.** S. 3302, by Sen. Johnson, Colo., to grant former owners a preference with respect to the purchase of certain real property acquired under the reclamation laws and no longer needed for the purpose for which it was acquired to Government Operations Committee (p. 6927).
15. **HOUSING; VETERANS' BENEFITS.** S. 3307, by Sen. Monroney, to amend section 506 of the Servicemen's Readjustment Act of 1944, as amended; to Labor and Public Welfare Committee (p. 6927). Remarks of author (pp. 6936-7.)
16. **PRICE SUPPORTS.** H. R. 8122, by Rep. Cooley, to continue the existing method of computing parity prices for basic agricultural commodities; to Agriculture Committee (p. 7045).
17. **TRANSPORTATION.** H. R. 8123, by Rep. Cresser, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act; to Interstate and Foreign Commerce Committee (p. 7045).

course, call for a recognition of the validity of the vote in the House and the appointment of conferees.

Mr. KEM. I appreciate the benefit of the suggestion of the Chair. It seems to me that the question before the Senate is simple. It is whether we are going to give our fighting men the support they so richly deserve, or are we going to forsake them at this decisive point in the conflict in Korea. It cannot be too often said, "Which shall Congress place first—trade and profits, or the safety and welfare of our own Nation?"

UNANIMOUS-CONSENT AGREEMENT

During the delivery of Mr. KEM's speech,

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. KEM. For what purpose?

Mr. McFARLAND. In order that I may propound a unanimous-consent request.

Mr. KEM. I yield.

Mr. McFARLAND. I ask unanimous consent that the Senate continue the consideration of the conference report on House bill 7005, an act to amend the Mutual Security Act of 1951, and for other purposes, now under consideration, until it is finished, and that the Senate resume tomorrow the consideration of Senate bill 2594, to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. WATKINS. Mr. President, I did not catch the last part of the request.

Mr. McFARLAND. That the Senate resume the consideration of the Defense Production Act of 1950 tomorrow. Some Senators did not want to go ahead with it until tomorrow.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WATKINS. Does the Senator mean by that that consideration of the Defense Production Act of 1950 will not be resumed today?

Mr. McFARLAND. That is correct. But in any event we shall continue consideration of the conference report on House bill 7005, an act to amend the Mutual Security Act of 1951, and for other purposes, until it is finished.

Mr. FERGUSON. Mr. President, as I understand, the unanimous-consent agreement heretofore entered into would be in operation at 12:01 o'clock today, at which time we would have to resume temporarily the consideration of the Defense Production Act of 1950.

The conference report is a privileged matter, and consideration of it could proceed.

Mr. McFARLAND. That is correct.

Mr. FERGUSON. Therefore, why should we not proceed with its consideration in this manner?

Mr. McFARLAND. I was asking unanimous consent that the consideration of the conference report be contin-

ued until concluded, but the consideration of the Defense Production Act of 1950 be not resumed before tomorrow.

Mr. CASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. CASE. Would we be resuming consideration of the Defense Production Act of 1950 under a unanimous-consent agreement, or was not an order made last week on motion of the majority leader?

Mr. McFARLAND. There was a motion made, which resulted in the order.

The Senator from Michigan has correctly stated the procedure. Certain Senators, who could not very well be here this afternoon, but intended to be here tomorrow wanted to be sure that the consideration of the Defense Production Act would not be resumed before tomorrow. We have no intention of holding a night session.

Mr. CASE. I have no personal interest in the matter, one way or other. I am going to be here, regardless of when the Defense Production measure comes up. But in the event there had been an order of the Senate, on motion, as I thought, and possibly by a yea-and-nay vote, while of course it could be set aside by unanimous consent, I wonder whether there might be some Senators not on the floor now who might be relying on that order, and who perhaps should have been protected by the suggestion of the absence of a quorum, followed by a quorum call.

Mr. FERGUSON. There was a quorum call when this matter came up. The Senator from Nevada was the one who objected when unanimous consent was requested to bring up the conference report. The distinguished Senator from Texas would be able to do that, of course, on the ground of its privileged character.

Mr. CASE. The Senator from South Dakota is aware of the fact that the conference report is a privileged matter, but whether an order of the Senate may be set aside without notice, I am not so sure. I was present when the other matter came up, when the Senator from Nevada raised his objection. He may be protected, now, but I do not know whether other Senators are protected.

Mr. McFARLAND. The Senator from Nevada was the only one who objected, following a quorum call.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. CASE. I yield to the Senator from Nevada.

Mr. MALONE. The junior Senator from Nevada had made certain arrangements of long standing to be away from the Senate floor a short time tomorrow since the Production Act was to come before the Senate today. But, in view of the decision not to resume consideration of the Defense Production Act of 1950 today, and in view of the fact that the majority leader has said the Senate will continue on the conference report, and that there will be no night session either tonight or tomorrow night, I

think it is generally understood or considered that it will take more than tomorrow afternoon to dispose of the Defense Production Act of 1950. The junior Senator from Nevada is merely anxious that he be on the floor of the Senate before the Defense Production Act of 1950 is finally voted upon. With that understanding, I shall offer no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. McFARLAND. My reason for not having a night session is that if we desire to expedite the work of the Senate, it is necessary to afford the Appropriations Committee an opportunity to act on and report the appropriation bills. Really, the work on the floor is up with the committee work. So we are trying to slow down a little bit in order to give the Committee on Appropriations an opportunity to get their work out.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, notified the Senate that Hon. JOHN W. McCORMACK, a Representative from the State of Massachusetts, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed, without amendment, the bill (S. 2383) to amend the act entitled "An act to create a board of accountancy for the District of Columbia, and for other purposes," approved February 17, 1923.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 661) to amend the Foreign Service Buildings Act, 1926.

The message further announced that the House had insisted upon its amendments to the bill (S. 677) to fix the personnel strength of the United States Marine Corps, and to establish the relationship of the Commandant of the Marine Corps to the Joint Chiefs of Staff, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. DURHAM, Mr. SHORT, and Mr. ARENDS had been appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6133) to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

ENROLLED BILLS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled bills,

and they were signed by the President pro tempore:

S. 1828. An act to confirm the status of certain civilian employees of nonappropriated fund instrumentalities under the Armed Forces with respect to laws administered by the Civil Service Commission, and for other purposes;

H. R. 643. An act for the relief of Mrs. Vivian M. Graham and Herbert H. Graham;

H. R. 646. An act for the relief of Mrs. Inez B. Copp and George T. Copp;

H. R. 1826. An act for the relief of Ellis E. Gabbert; and

H. R. 1842. An act for the relief of Mrs. Ann Morrison.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 9, 1952, he presented to the President of the United States the enrolled bill (S. 1828) to confirm the status of certain civilian employees of nonappropriated fund instrumentalities under the Armed Forces with respect to laws administered by the Civil Service Commission, and for other purposes.

REVISION OF LAWS RELATING TO IMMIGRATION, NATURALIZATION, AND NATIONALITY — CONFERENCE REPORT

Mr. McCARRAN. Mr. President, today the managers on the part of the House filed a conference report in the House of Representatives on the bill (H. R. 5678) to revise the laws relating to immigration, naturalization, and nationality and for other purposes. The report will be taken up in the House in all probability tomorrow. I submit a copy of the report and as soon as the report has been considered and agreed to in the House and messaged over to the Senate, I shall move to take it up in the Senate in its proper order.

The PRESIDING OFFICER. The report will be received and will lie on the table.

(For conference report, see House proceedings in today's CONGRESSIONAL RECORD.)

EFFECT OF INTERNATIONAL MATERIALS CONFERENCE AMENDMENT TO DEFENSE PRODUCTION BILL

Mr. FERGUSON. Mr. President, last Wednesday the Senate adopted an amendment to the Defense Production Act, which, in effect, removes the implementation of the Defense Production Act from decisions of the International Materials Conference, a body which has no legal standing and which has never been authorized by any act of Congress.

Since this action was taken, the press has carried stories emanating from the Defense Production Administration which completely misrepresent the facts by indicating that this country is on the verge of a disaster because of the action taken by the Senate last Wednesday.

An example was the headline in the New York Herald Tribune of Saturday, June 7, which read: "Fowler warns of

disaster in DPA change; says clause would cripple mobilization."

Mr. President, I want to say that that is not a fact. I cite Mr. Fleischmann, who was asked in the committee whether the International Materials Conference was necessary for our defense effort, and his reply was:

The mobilization effort will not collapse if we get rid of it.

Mr. President, Mr. Fowler and others in the Defense Production authority are not only violating the law which prohibits money being spent for propaganda purposes, but they are misrepresenting the facts as to what the amendment would accomplish.

Mr. Fleischmann never once said that there would be a disaster or that the mobilization effort would collapse if the IMC—and when I use those initials I mean the International Materials Conference—went out of existence. Mr. Fowler's dire prediction was in conflict with Mr. Fleischmann's testimony. The press carried numerous accounts which would indicate that a few large companies, particularly automobile companies, under the amendment adopted, would be in a position to buy whatever they needed to make an unlimited number of automobiles.

Mr. President, there is nothing further from the truth. When the Defense Production Agency uses the press of America they ought to tell people the actual truth and the actual facts, and not distort the facts and the truth about what the amendment would do. There is not an iota or a scintilla of suggestion in the amendment that it would allow automobile companies to manufacture one more automobile than the Production Authority wanted produced.

Mr. President, when the agency says that if the amendment goes into effect the automobile companies can manufacture all the automobiles they want to manufacture and charge any price they desire for an automobile, that is an absolute untruth.

I say the time has come when we must correct these mistakes and errors.

The circulation of inferences and statements by defense production authorities and bureaucrats in Washington to the effect that under this amendment the automobile manufacturers could manufacture any number of automobiles and sell them at any price they desire is, of course, utter nonsense, as the allowable production of automobiles is determined by DPA ceilings imposed on each company limiting the total number of units which may be produced. The amendment the Senate adopted does nothing whatsoever to alter such unit ceilings or price regulations. I am told by the Industry Advisory Committee that the automobile industry requested permission to build 2,500,000 automobiles in the last 6 months of 1952. The National Production Authority has established quotas of 2,200,000, or 300,000 fewer units than the industry believed the American people needed and were willing to buy. The amendment in no way alters these or any other limits or the authority to establish them.

Under the Defense Production Act the Office of Defense Mobilization has a right to ban production of any article, as well as to set limits on the total number of any end items which may be produced during any period. For example, construction of theaters and amusement parks was prohibited by the Defense Production Act.

Certainly, I have no desire to obstruct the operations of the controlled material plan, insofar as it channels materials into uses which will best support our mobilization effort and civilian economy. However, I am anxious to have maximum freedom of enterprise to obtain materials, which might not otherwise be available, so as to keep the United States economy strong. I do not blame other nations in the world for wanting to keep themselves economically strong, but I ask also that America be allowed to keep herself economically strong.

Charges have been made through the press that the amendment would increase the price of automobiles and other goods containing imported material. I wish to remind the Senate that the amendment specifically gives permission to purchase commodities in the world market and to import them into the United States, but expressly excludes any provision permitting manufacturers to pass on such costs to their purchasers. I wish to underscore and emphasize that statement. It expressly excludes any provision permitting manufacturers to pass on these costs. There is no way in which the price of automobiles or any other commodity could be increased thereby. Any possible price increase in imported materials, such as copper, would not alter the industry position under the earnings standard which guides OPS in its price determination, because the amendment specifically provides for that.

Following Mr. Fowler's news conference last Friday, Mr. William C. Trupner, Chief of the CMP, told reporters that it is the theory of the defense mobilization agencies that if foreign copper could not be allocated to the brass and wire mills, CMP would automatically fall of its own weight.

The fact of the matter is that most of the foreign copper which enters this country comes from Chile and is produced by two American firms, Anaconda and Kennecott. Those firms process most of this copper in their own brass and wire mills, and the mills of their nonintegrated, historic customers, before they sell copper to others. As soon as copper enters a brass or wire mill and is fabricated into a product for resale, it is then subject to all the allocation rules provided by CMP. So most of the imported copper will be channeled through CMP mechanism, as it always has been. Where in this procedure is the national disaster which the bureaucrats threaten so ominously?

This amendment deals only with free copper, which is available in world markets at world prices to nationals of other countries who have been free to buy it. The real problem at the present time lies in the fact that the price policies of OPS make it impossible for independent wire

and brass mills to make large purchases of imported material, since they cannot recover their costs in their ceiling prices. To the extent that independent mills are unable to bring in copper, this country's copper consumption in total will fall. This is the problem facing CMP, regardless of the amendment we adopted. Insofar as the amendment makes it possible for anyone to import copper, it increases the amount of copper in the country, it reduces price pressures within the country, and makes it possible for that much more copper to be allocated to small-business users, schools, and hospitals, under the CMP plan.

I know what the Defense Production Administration has done. It has used the full power of its bureaucracy to arouse the small-business men of America into believing that the amendment would destroy them. Mr. President, nothing is further from the truth. Let me read to the Senate a telegram which I received this morning from a small-business man. It was addressed to me, at the Senate Office Building:

JERSEY CITY, N. J., June 7, 1952.

HON. HOMER FERGUSON,
United State Senator, Senate Office
Building, Washington, D. C.:

We are small business and wholeheartedly approve amendment to Defense Production Act proposed by Senator FERGUSON as per Wall Street Journal item of June 7. Present regulations have prevented American economy from competing with Russian economy in acquiring foreign metals. We would rather fall in a free contest than fall under unrealistic strangulating relations. This amendment gives us opportunity to fight our own battles. Fowler's statement legalistic obstructionism. Earnestly solicit your support for amendment.

Not long ago I received in the mail from Michigan, and also over the telephone, information that a small manufacturer of window sashes in Detroit saw an advertisement in the Canadian press that aluminum was for sale. He saw nothing wrong with the fact that there was aluminum for sale in Canada. He needed aluminum to make his product, so he thought he would go to Canada, buy aluminum, and bring it back to the United States and use it.

But, Mr. President, when it was discovered that this manufacturer had gone into the world market in Canada to buy aluminum, what happened? Under the International Materials Conference plan, under the cartel, under the entitlement for consumption, as it is called, he was prosecuted for violation of the Defense Production Act.

Last February the Detroit manufacturers of automobiles were given an allotment of 1,050,000 automobiles, but they were allowed only enough copper to make 900,000 automobiles. They had the capacity to make the allotted number of automobiles, and they could have bought copper in the open market. However, they were told that under the International Materials Conference plan they were not allowed to bring copper into the country. They were not allowed to compete with other countries in the world, including the iron-curtain countries, by buying copper in the open market.

This amendment would allow American manufacturers to go into the open market and buy only the copper which they are permitted to use in this country under the allotment plan. The Detroit automobile manufacturers were given an allotment of 1,050,000 automobiles, but they were allowed to obtain copper for only 900,000, even though the amount of copper which they required could have been obtained in the world market. That is the sort of situation to which we are objecting.

As I have said, the limitation imposed on production would prevent big business from using more than a specified amount of copper. The contention is made that any copper which might be brought in would adversely affect other users. Contrary to that contention, it would, in reality, benefit all users by increasing the total supply available. Instead of the calamity which the bureaucrats threaten, we have here a sound and workable mechanism for giving American enterprise an opportunity to compete in the international markets on equal terms with producers of other countries, and to protect our standard of living.

This privilege could be exercised only after full provision had been made for defense stockpiling and military assistance to foreign nations. That was clearly the intention of the Senate in adopting the amendment.

What actually happened? I prophesied last February that it would happen. When Michigan automobile manufacturers were not allowed to have copper to manufacture the allotted number of automobiles, I said that sooner or later copper would be permitted to come in. However, instead of the automobile manufacturers being allowed to buy copper in the open market, the world market, the copper was taken out of the stockpile, indicating that the bureaucrats would rather sacrifice the defense of America and the free world than to allow Americans to go into the open market and compete with the producers of other countries on even terms. American automobile manufacturers would not have been able to obtain a price increase by reason of such purchases.

If the international cartel is not stopped, it will turn the world into a socialistic economy, in which only nations can buy and sell, and individuals or corporations cannot deal at all. The world is being socialized. If socialization takes place on an international scale, we shall never be able to avoid national socialism in the respective countries.

It does not make any difference to the American people whether the monopoly be that of big business, or of government. In the past history of the world I have never known of anyone who advocated monopoly, whether by corporations or individuals, who did not say to the public, "This is the best for you." But "the best for you" means that a few individuals wish to create a monopoly and place the heel of monopoly on the people.

The same thing happened in Britain. There were no antitrust laws in Britain. The monopolists said to the Gov-

ernment, "Every time we are in a hard spot, allow us to monopolize, to fix prices, and fix quotas. That is the only way in which we can operate."

After prices and quotas are fixed and limitations are established on the amount which can be consumed, and the amount which can be sold to the public, what happens? A monopoly is created, and the people are never able to get rid of the monopoly, whether it be a monopoly of business or of government.

The British people were told that such a system was good for them. It brought on nationalization. Such a policy will bring on nationalization in this country. Therefore, the amendment which we have been discussing is a good one, because it preserves some semblance of free enterprise. Unless the controlled materials plan permits free access to the world market for the commodities which may be used for production under our applicable DPA and NPA orders, Congress will have abdicated its control over the domestic economy to an unauthorized group of representatives of other countries who have established themselves as the arbiters of world distribution of commodities. International socialism will take place unless something is done about it.

A year ago this was seen by the Swiss Review of World Affairs, which published an article entitled "France's Economy Shows the Effect of Rearmament." The article was written by Samuel Wolff, of Paris. The article stated:

The new divisions now in the making will be equipped with arms supplied by the United States for the most part, and expenses like soldiers' pay and maintenance will, up to a percentage, also be covered by an American contribution. In other words, the French economy is not for the present required to undergo a drastic change from peace to all-out preparedness conditions. In fact, it can continue to devote itself largely to normal civilian production.

That is what took place. That is what is taking place today. That is not true in America, because we are limiting the amount that we can buy in the world market to make civilian goods.

The article continues:

The obstacle which would have to be overcome is not so much a shortage of labor as a shortage of raw materials.

The article further says:

For in this last respect, France is very dependent on foreign sources, and it is due to this fact that the French Government has already begun to urge an international regulation of the distribution of raw materials.

The producers of France, England, and other countries were not prevented by their governments from purchasing in the free markets of the world materials with which to make civilian goods.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

RECIPROCAL TRADE—MARSHALL PLAN—ITO DISTRIBUTION OF UNITED STATES WEALTH

Mr. MALONE. I should like to ask the distinguished Senator from Michigan a question. Does not the International Materials Conference conform very closely to the description by the State Department of what the originally pro-

posed International Trade Organization was supposed to do?

It was to be the third point in an international distribution-of-wealth program.

The first was free trade, which is currently masquerading under the cognomen of reciprocal trade.

The trade-balance deficits would be made up by the lend-lease going far beyond assisting an ally in the war—UNRRA—\$3,750,000,000 to England, the Marshall plan, ECA, point 4, and now mutual security, including the Bretton Woods World Bank and Import and Export banks.

The idea was to make up the trade balance deficits of foreign nations each year in cash until such time as the markets of this country could be divided among the nations of the world to the point that theoretically there would be no trade-balance deficits. These deficits amounted to from \$7,000,000,000 to \$10,000,000,000 annually.

WORLD MARKETS AND PRODUCTION EQUALLY DIVIDED

The International Trade Organization, recommended by the State Department, was to make such division permanent. Under the International Trade Organization the markets and the production of the world would be allocated on the basis of need—this division to be supervised by an international committee approved by Congress through ITO.

The end result of that program would be a complete redistribution of wealth, and the leveling of the living standards of this country with those of other nations of the world, thus removing the last vestige of protection of the standard of living of the workers and investors of this Nation.

STATE DEPARTMENT CONCEDED DEFEAT

The advocates of this program were finally forced to concede that the International Trade Organization plan could not be passed on the floor of the Senate. I think the Senator from Michigan will remember that the junior Senator from Nevada debated the question at considerable length several times each year from the time the plan was first proposed in 1948.

Finally, when they conceded defeat in the Senate Committee on Finance, they said that if the committee brought out an extension of their reciprocal trade agreements for 2 years—we finally cut the time from the proposed extension of the so-called Reciprocal Trade Act to 3 years—they would not bring the International Trade Organization before the committee again, but would handle the matter in another way.

INTERNATIONAL MATERIALS COMMITTEE SAME AS ITO

I ask the distinguished Senator from Michigan if he detects any similarity between the IMC and the formerly proposed ITO. In other words, is not the International Materials Conference trying to do the same thing without the sanction of Congress that was intended to be done by the International Trade Organization which was proposed that the Congress approve.

Mr. FERGUSON. I believe it is going further.

Mr. MALONE. It could not go further.

Mr. FERGUSON. At least it is an attempt on the part of the State Department which for a number of years has been attempting to control all the world's goods, both as to the amount that can be manufactured by an industry, or in a country, and the prices that can be charged or paid for them.

DIVIDE MARKETS AND PRODUCTION

Mr. MALONE. If the Senator from Michigan will further yield, the way they would divide the markets of the world would be under the so-called Reciprocal Trade program, by allowing the Secretary of State, who has had no experience or seeming interest in the industry of this country, to trade any industry to foreign nations through lowering the tariff, in agreements with foreign countries, and then through the proposed International Trade Organization, which has now been superseded by the International Materials Conference, limit raw materials to American industries and to allocate such raw materials to foreign countries, and in that way divide the production, without the sanction of Congress. Is that correct?

Mr. FERGUSON. That is correct. Going back to my quotation from the Swiss newspaper, it will be recalled that France was one of the sponsoring nations of the IMC. From the foregoing it is obvious that it was primarily concerned, not with defense, but with its "normal civilian production."

There is no complaint with respect to that. They wanted to produce civilian goods. They wanted to get ahead. The complaint is that America has been ordered to keep up civilian production at the same time that it is asked to help supply the free world with armaments.

An example of how the United States gives but does not get under the IMC is contained in an article in the London Economist last December. The article concludes with this statement:

In the IMC, member countries are in fact put on their honor. They cannot say they wish to cooperate and then do nothing. The organization is so slender that it can work only if member countries want it to work. Finally, the major powers, and in particular the United States, set the example by making the first contribution. Britain's record in this body is unfortunately not untarnished, because the materials like tin and rubber, which the sterling area produces and the United States consumers, were not brought into the orbit of the conference.

That quotation comes from an English newspaper.

The amendment which we adopted is not designed to produce the disaster that Mr. Fowler threatens in our domestic allocations program, and will not do so unless the Administration deliberately attempts to create chaos in order to confuse the issue. It is designed purely and simply to permit American civilian producers to enjoy equal opportunity with foreign competitors in the markets of the world after all defense needs have been met. Any statement to the contrary does not square with the facts.

Mr. President, I wish to summarize what I have had to say, because I believe it is very important. I shall put it in this language.

Whenever any rule or regulation adopted by our Government has the effect of handicapping American businessmen and hence harms their employees, I shall protest to the best of my ability. The situation which the automobile companies have faced is no different from the one faced by thousands of other businessmen and their employees. After the needs of defense are adequately taken care of all American businessmen are entitled to an even break with foreign economic interests in competing for the free supply of any material. If being on the side of maximum employment in my State and in the United States is wrong, than I am wrong.

The effect of this amendment which I propose and which the Senate adopted is being completely and deliberately misrepresented by its opponents. It was originally proposed by the automobile companies publicly as an amendment to the NPA regulation. Under it, not one single automobile could be made in excess of the total number permitted by the NPA. No company could produce more than its quota as fixed by NPA. All the amendment would do is to say that if NPA sets quotas at say 1,000,000 per quarter but only allocates copper for 900,000 and surplus copper is available in the free world market to any bidder, it could be bought to help build the allowable total. However, the difference between the world price and the domestic price would have to be absorbed by the companies.

The issue is now at least in the open. It is whether the administration is to continue to take tax money from the pockets of American workmen and give it to other nations where it can be used to increase their output of consumer goods, while the production of the same goods is being curtailed at home without the review and approval of Congress.

Mr. President, I wanted to make my statement today, because we will be voting on the Defense Production Act tomorrow. I think the information I have given is very material because of the fact that the production authority has caused editors and columnists to use such expressions as "Hatchet Men." For instance, I find the Washington Post parroting the remarks of the Production Board in an editorial this morning: "FERGUSON's hatchet."

The editorial goes on to say:

The amendment approved by the Senate last week is one of those curious special-interest grabs that utterly ignore the national interest and the interests of the nations allied with us in the rearmament program.

Mr. President, there is no special interest, unless the United States of America and the employees and citizens of the United States of America can be considered a special interest, in their endeavor to be placed on the same plane and in the same position as the subjects and citizens of other free nations of the world, in going into the open market and buying goods produced under the free-enterprise system.

Mr. President, what are we facing these days? Are we in the United States of America to be free. Are we really trying to stop aggression by communism and by totalitarianism? Do we here in the United States of America believe in freedom and liberty? Do we actually believe in the free enterprise system or the individual enterprise system? Are we willing to sacrifice it, as many other peoples in the world have done, when we come to a hard spot in life; or are we willing to solve those problems under our constitutional system? Are we going to surrender it, never to return to free individual enterprise?

Mr. President, that is the test which we in the United States of America face. Here, at least, we should put on the brakes.

We have said to those who would make our Nation totalitarian, insofar as international relations are concerned, "You cannot do that. In America we have a system that benefits all the people of our country, and that system should be defended. Our system is not one of special privilege or special benefit to any particular group or small segment of our society."

Mr. President, I am satisfied that in the end the people of the United States will be grateful to the Congress for carrying out, in its true spirit, this principle, and for refusing to surrender these fundamental rights. After all, once they are surrendered, either in the United States of America or in the world, there will be no return to them.

All of us know that hard cases make poor law. Therefore we should try to overcome these obstacles under the procedures established by the document which outlines the course of our national life, namely, the Constitution of the United States. We should proceed by means of the Constitution, rather than by means of surrendering to bureaucracy and allowing bureaucracy to become the dictators of the policies of America. Under the Constitution, the people of the United States are sovereign, and they determine our policies.

[Manifestations of applause in the galleries.]

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Under the Senate rules, the Chair is required to admonish the occupants of the galleries that no indications of either approval or disapproval are allowed.

Mr. MALONE. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. I yield.

Mr. MALONE. I think the distinguished Senator from Michigan is doing a great service to the United States of America by calling attention to the wording and the effect of the State Department or administration policy. The administration first tried to get Congress to approve that policy, but found that that was impossible because the Senate would not approve it.

Now the administration is attempting to sidetrack entirely the Congress. At this time premiums are being paid by our Government for minerals or other materials produced in foreign countries;

our Government pays for such materials a premium price, as compared with the price paid to domestic producers of such minerals or materials. Thereafter, through the International Materials Conference, those materials are distributed throughout the world. In other words, we are giving the other nations the money with which to outbid us in the market. We are purchasing this material—for instance, several thousand tons of copper were given by us to France, after we had purchased the copper—and then we are distributing it in accordance with what the International Materials Conference says is the need of the nations.

Therefore, Mr. President, in reality the result is to hold down wages and prices in the United States, in connection with the production of such materials. For instance, in the United States the wages of the workers who produce the materials are perhaps two or three times the wages which are paid in foreign countries to the workers who produce such materials there. However, under the International Materials Conference procedure, the price of the commodity is held to a lower price—for instance, the price of copper is held down to 24½ cents a pound—when, as a matter of fact, it is well known that copper which either has been given by us to these foreign countries or has been sold by us to them at a low price, has been resold by them at a price of from 50 to 60 cents a pound.

So I think the distinguished Senator from Michigan is entirely correct when he says that we must decide, on the basis of principle, how our country will be run in the future. We must decide whether there is to be one economic world—the sort of world to which the State Department has attempted to point the way, by means of the three moves it has made. As a matter of fact, the Secretary of State and his assistants have testified on many occasions that their efforts toward one economic world were dependent on those three moves. The first was free trade; the second was the subsidy; the third was an International Trade Organization to make those policies effective and permanent. However, when the administration failed to obtain the enactment of permanent legislation along that line, the International Materials Conference was created. Its purpose was to accomplish the same thing—in other words, to allocate the raw materials to other countries, so that American industries would be held down, and therefore unemployment would exist in many parts of the United States.

So I ask the distinguished Senator from Michigan whether he is aware that there is now a definite move to transfer the work of the International Materials Conference to the United Nations, where that work would be administered to the benefit of each foreign nation, although our money would be used; and there would be no differential to cover the difference between the wages paid to American workmen and the wages paid to the workmen of other countries; but the

United Nations would then take over the work, and simply would distribute the raw materials and other needed commodities to all nations alike, on the basis of need.

Is the Senator from Michigan aware that that move is under way?

Mr. FERGUSON. I am aware of that fact, and I called the attention of the Senate only last Friday to the fact that in the United Nations such a move is under way.

Mr. President, I believe America can best serve the rest of the free world by perfecting the system under which our country has become great and strong—that is to say, the system under which the United States of America is a republic, with a Congress which establishes the policies and has the right to make the laws and to determine the future of the country.

If we are to surrender to bureaucracy, if we are to become totalitarian merely by a surrender to the Executive, then the United States of America we have known, the United States of America which has become great under our constitutional system, will become weaker and weaker. If we in the United States of America surrender our constitutional system, we shall not be giving to the rest of the free world the leadership it deserves. We shall not help the rest of the free world by destroying our American system. If we are to become internationalists in the true sense of the word, we must offer to lead and to demonstrate that our Republic can produce sufficient goods and can defend the other nations of the free world from totalitarianism.

So, we must ask the other peoples of the free world to permit all of us to have an equal chance in the free markets of the world. We must not attempt to go totalitarian in international relations, when we are trying to defend ourselves from that very thing.

Mr. FREAR. Mr. President, will the Senator from Michigan yield for a question?

Mr. FERGUSON. I yield.

Mr. FREAR. I wonder whether the Senator from Michigan has seen a release issued by Mr. Henry Fowler, Administrator of the National Production Administration—I do not know the date of the release—regarding the so-called Ferguson amendment. I have particularly in mind the last paragraph of the release.

Mr. FERGUSON. I have not seen it, and I shall be glad to have the Senator from Delaware read the paragraph to which he has referred.

Mr. FREAR. That part of the release reads as follows, in referring to the Ferguson amendment:

The inevitable result of this amendment is a national disaster this July 1 which would produce either chaos in our civilian economy or a stab in the back to our defense program. Who would profit? A few large manufacturers of automobiles who are unwilling to share equitably in the national supply of copper. Who would suffer? Everyone in the domestic economy, or everyone who has a stake in our defense program.

Will the Senator from Michigan comment on that paragraph?

Mr. FERGUSON. Yes, I shall be glad to do so. I have previously commented on certain remarks regarding it.

Mr. President, my comment on that paragraph of the release is that nothing could be further from the truth. How could the automobile companies benefit, except that if they are given a quota of 1,050,000 automobiles, and if they are able to obtain only sufficient copper to manufacture 900,000 automobiles, they could then go into the open world market and could buy sufficient copper to permit them to manufacture a total of 1,050,000 automobiles. Then they could return to Michigan and could allow the workmen there to manufacture 1,050,000 automobiles. If there is only enough material for a certain number of cars, say to make 900,000 cars, and the National Production Authority want to act fairly, they ought to say, "That is all you can make." But they are afraid of the political consequences of such an honest thing; so instead of saying 900,000 cars, they lead the public to believe that the automobile manufacturers can make 1,050,000 cars, and then not allow them sufficient material to make the 1,050,000 cars, and prohibit them from going out into the open markets of the world and obtaining the necessary copper.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. FREAR. Who would suffer, if the 1,050,000 cars were not made, but, instead, 900,000 cars were made?

Mr. FERGUSON. The working people would be the ones to suffer, whether it be in the automobile industry or in any other industry. The people in Connecticut would suffer. A similar amendment has been offered in the House by a distinguished Representative from the State of Connecticut, where copper and brass goods are manufactured, and where copper and brass are used in the making of many products. The only people who can be harmed are the American people. No special interests would be harmed, unless it be the special interests of the American people.

Mr. FREAR. Does the Senator from Michigan really think that Mr. Fowler knew exactly what he was saying in this last paragraph?

Mr. FERGUSON. I am going to give him the benefit of doubt by assuming that he was misled by someone, and that he did not know what the facts were. He did not understand the amendment, because, had he understood it, he could not honestly have said what he did in that paragraph, for it is absolutely untrue. It is not what would be caused by the amendment at all.

Mr. FREAR. Numerous other questions could be asked, based on this release Mr. Fowler made, but I shall not take the time to ask them.

Mr. FERGUSON. I shall be very glad to go over them.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I yield to the Senator from Alabama.

Mr. SPARKMAN. I should like to ask the distinguished Senator from Michi-

gan whether in his opinion it would be possible to maintain the controlled-materials plan under the Ferguson amendment?

Mr. FERGUSON. Yes. There is nothing which would conflict with it. Under the Ferguson amendment, the controlled-materials plan may provide that so much material may be used in the manufacture of automobiles, and that so many cars may be built. If the manufactures were allowed to make the cars, but were not given sufficient material, they could buy the material in the open market of the world—not in this country, but in the open market of the world—in competition with the other free countries of the world.

Mr. SPARKMAN. It is true, is it not, to use the example which has been used more frequently than any other, that there is not a sufficient supply of copper in this country to take care of our needs?

Mr. FERGUSON. That is correct.

Mr. SPARKMAN. I believe the statistics show that we lack about one-third of the copper required in the United States.

Mr. FERGUSON. I think that is about the figure.

Mr. SPARKMAN. If the Ferguson amendment should become effective, then so far as one-third of the copper is required, that would certainly be out from under our control.

Mr. FERGUSON. No, it would not be.

Mr. SPARKMAN. Why would it not be, if it were simply released and everyone was allowed to enter the market and buy it?

Mr. FERGUSON. That could be controlled, so far as units and prices are concerned, because they do not allow, and would not have to allow, an increase in price for any goods for anyone who went into the free market to buy. The Senator is talking about articles in which only a small amount of copper is used, such as in the manufacture of automobiles. The automobile manufacturers could have obtained what they were allotted, had they been able to purchase 3,000 tons in the open market. Fifty thousand people were thrown out of work in Detroit and in the State of Michigan, because they were not allowed to have 3,000 tons of copper when there was more than that in the open market of the world which they could have purchased and brought into the United States, thus allowing the workers to remain at work. Should they not be allowed to get that copper in a free, open market, when the other countries are not being restricted one iota in the matter of going into the open market to buy commodities, particularly copper, with which they wanted to make civilian goods? Why should we alone be restricted?

Mr. SPARKMAN. Of course, I do not suppose I am in a position to answer the Senator's questions, since he is in control of the time.

Mr. FERGUSON. I am glad to have the Senator answer.

Mr. SPARKMAN. There are answers to them. I think the question implies

something which does not actually exist; that is, that we would be the only country to be restricted.

Mr. FERGUSON. We were the only one.

Mr. SPARKMAN. We might be in the particular case to which the Senator has just referred. But there are many other things for which we are dependent upon other countries to a much higher degree than in the case of copper. Certainly it seems to me that the underlying philosophy of the Ferguson amendment is faulty in this respect, that it regards the situation as if the United States had complete control of the situation throughout the world with respect to—

Mr. FERGUSON. It does no such thing.

Mr. SPARKMAN. All the different metals and critical and strategic materials, when such is not true. As a matter of fact, there is in this country a great deficiency in a great many of the strategic and critical materials.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. SPARKMAN. I do not have the floor. We are dependent on other countries for them. What we have tried to do in connection with the International Materials Conference is to try to solve this problem in a spirit of cooperation. It seems to me the defect of the Ferguson amendment is that it breaks down the idea of cooperative action and proceeds on the assumption that the United States may write its ticket for whatever it wants.

Mr. FERGUSON. It assumes no such thing.

Mr. SPARKMAN. That is the way it seems to me.

Mr. FERGUSON. But the United States does object to a world monopoly. I have referred to other countries. For example, Britain objects to putting tin and rubber into this cartel. Why? Because Britain produces tin and rubber. Are we getting a fair deal in the International Materials Conference? Why are not all products included? Because they want to control the commodities they produce. America is willing to cooperate, but is America's free-enterprise system to be told that, even though given a quota in regard to so many articles, Americans cannot go into the world market to obtain certain raw materials with which to make those products which they have been allotted?

As I said before, if the Defense Production Administration wants to be honest about it, let it say that so many articles may be made, provided the material may be obtained in this country. The people would then know the truth about what is going on, and the people, I am satisfied, would do exactly what is proposed to be done under the Ferguson amendment.

Small business would be benefited by this amendment, not harmed. I have read the story of an American small-business man, who says he is unable to go into the free markets of the world to buy material which Russia is able to buy. For example, when wool was being sold in Australia, Russia was going into the

market there, yet we were being restricted in the purchase of wool. Russia had the right to make any purchase of wool she desired. Is that the way we want to treat the American people?

Mr. SPARKMAN. I should like to ask the Senator a further question.

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Alabama?

Mr. FERGUSON. I yield for a question.

Mr. SPARKMAN. I wonder what chance the Senator thinks the little jewelry maker in New England, for instance, would have in the free open market of which he speaks, as contrasted to General Motors, for example. It is easy to stand here and deal in platitudes and generalities about a free, open market; but when we get down to the realities of the situation, we simply know that little business, such as I mentioned—the jewelry maker in Providence, R. I., let us say, or the little instrument maker in Arkansas, or anywhere else—does not have the ghost of a chance in trying to compete in this wonderful, free, open market of which the Senator speaks, in competition with General Motors or Ford or Chrysler or any of the other large users of these products.

I believe the record will bear me out in the statement that it was the Senate Small Business Committee that made the first recommendation to the Office of Defense Production to the effect that it set up a controlled-materials office. That was the very first recommendation the committee ever made, if I recall correctly, and it was done because we saw the pinch was coming, because we heard a great deal about the death sentence against the makers of less essential goods throughout the country, and that literally thousands of fabricators of aluminum products were on the verge of being forced out of business because they could not get aluminum. We asked the Office of Defense Production to set up a controlled-materials plan so that there might be an orderly distribution of whatever was left over after the defense plants had been supplied.

Such a plan was put into effect, and I think it has functioned fairly well. I believe they responded pretty well when the Senator from Michigan protested against the drastic cut-back in automobiles. They responded with reference to pleas of small business concerns. Regardless of what the able Senator from Michigan says—and I have a high regard for him and for his opinion—I simply do not believe that under the Ferguson amendment it will be either practicable or profitable to maintain a controlled-materials plan. The result, I think, is inevitable, that small businesses all over the country will feel the pinch and those who are depending upon these critical materials will be forced out of business.

Mr. FERGUSON. I wholly disagree with the Senator from Alabama. He is of the opinion that bigness is an evil.

Mr. SPARKMAN. No; not at all. No; I do not believe it is an evil.

Mr. FERGUSON. The Senator asked me a question—

Mr. SPARKMAN. Yes; but I do not want the Senator to put words into my mouth or to say things that I do not believe, because I do not subscribe to the idea that bigness is an evil. I think it is something wonderful. The great productive capacity of the United States could not have been brought about if it were not for the wonderful manner in which we have built up big business and little business together. I do not in any degree subscribe to the idea that bigness is evil.

Mr. FERGUSON. Very well. I shall answer the question, then, Mr. President, in the way in which the Senator put it. He wants to know how it is possible for a small manufacturer, who wants some material that a company like General Motors wants, to be able to procure it. He asks how it is going to be possible for a little company to compete with a big company. What he is saying is that the only way they can compete is for Government to control the lives and conduct of these two businesses, and put them on an equal basis. Therefore we are going to have the Government dictate the policy as to what shall be done.

A small-business man in Michigan thought he had the means of getting aluminum, because he saw an advertisement in a newspaper in Canada. He went over the line and bought the material in Canada and brought it back to the United States. When he was prosecuted he found big business was not in as bad shape as he was because he tried to obtain material in the free market.

I have a telegram from a friend in New York saying that a firm in which he is interested need a thousand tons of copper. Everyone knows that in America there are jobbers, wholesalers, and so forth, and that the small-business man can go out into the world and buy from the big man unless Government throttles by its control the lives of business people. Who is to be throttled first—the big-business man or the little-business man? Which will die first in case of control? Of course it will be the little-business man.

Ever since I have been in Congress I have heard about the lip service which is given to the small-business man. Every time we put on a control or a regulation, the man who feels it the most is the small-business man, the person who cannot afford to combat the evils of controls, regulations, and so forth.

That is what has happened in America. If small business is to survive we must help small business.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Nevada.

Mr. MALONE. I think the Senator from Michigan is rendering great service to the United States.

Mr. FERGUSON. I thank the Senator from Nevada.

Mr. MALONE. The whole principle of free trade as enunciated and carried out under the Reciprocal Trade Agreements Act is to lower the differential established by the Tariff Commission between the standard of living here and abroad. The primary purpose was to

maintain the differential, and that has been the policy of this country for the past 75 years, until this administration came into office.

We hear talk about protecting new business and we are told that that is not necessary now and that the workers are the ones who need protection. They receive \$10 to \$15 a day against \$2.50 paid to labor in other nations. So it is necessary to have short amortization periods in connection with enlarging assets.

A guaranteed unit price is applied to copper, lead, zinc, and other materials which must be mined and processed, so that the taxpayer of America who is putting his money into this business, instead of the private people in America, is protected.

As the distinguished Senator from Michigan has pointed out, we are not only controlling materials in this country to the point of causing unemployment, but we are also continually furnishing money to foreign countries to the extent of between seven and ten billion dollars a year to enable them to outbid us in the market.

Mr. FERGUSON. That is correct.

Mr. MALONE. Foreign countries usually buy materials at low prices and resell them at very high prices.

Mr. President, we are also protecting the system that makes possible the very thing the distinguished Senator was pointing out, and ruins us in whole materials control program. There is no tin or rubber control, and foreign production is controlled largely by England. But who guarantees the integrity of the colonial system? The United States of America, through the great Atlantic Pact, so that wherever Great Britain is in trouble, we are in trouble. Thus we are protecting the British colonial system in Africa, where much manganese is located; we are protecting it in the Far East, where rubber and tin are located.

I wish to point out again that none of these things can be considered alone. This is a control program. I wish to ask the distinguished Senator from Michigan if he agrees with me that we must take all these bureaucratic controls into consideration in order to arrive at an answer.

Mr. FERGUSON. That is correct. It is necessary to consider the whole plan which is being put into effect.

Mr. MALONE. In other words, the international materials program is merely one factor.

Mr. FERGUSON. One phase.

Mr. MALONE. The furnishing of money to foreign nations, to enable them to outbid us in the foreign market, is another factor.

Mr. FERGUSON. I tried to cure that in the act we are now debating, by not allowing foreign countries to go out and compete with our money.

Mr. MALONE. A prominent Nevada engineer wrote me from Reno, quoting another engineer, as follows:

A prominent and well-known engineer here this summer and now in the Orient had just returned from Europe and said that when he was in Belgium and Holland, he

was informed that the United States was selling copper to the governments of those countries for 24½ cents a pound and the governments in turn were selling to their people 50 cents a pound up, putting the profit in their pockets.

Mr. FERGUSON. It is true that copper was being sold in this market at low prices, some of it being taken out of the country and sold for more money.

Mr. MALONE. Mr. President, if the Senator will further yield, all those things go on under our noses, and when there is taken up on the floor of the Senate a great plan to create a new bureau to regulate something, we consider it as an isolated instance. We do not consider all the other factors of which it is merely a part.

In the beginning, as the Secretary of State has said, and during the 4 or 5 years that I have served on the Senate floor, there was the Reciprocal Trade Agreements Act of 1934, which made it possible to control and depress tariffs below the differential of cost, made up principally of the difference between the wage standard of living here and abroad. That was the first point. The second was the making up of the trade balance deficits, by whatever name the program was called, whether UNRRA, the loan to England, the Marshall plan, ECA, or some other designation. The designation is unimportant. The program called for the amount of money necessary to make up trade balance deficits, until, through free trade, the markets of this country could be divided, so that every nation would live alike—in other words, averaging the living standards of the nations of the world.

Then there was the International Trade Organization, which I would not like the Senate to forget was pressed for 4 years, until finally we were able, on the Senate floor, to convince its proponents that there was no chance to get it through. The International Materials Conference simply takes the place of the International Trade Organization, and is being pressed to do exactly the same thing, without the sanction of Congress, for which the sanction of Congress was formerly asked; namely, to control the division of markets and the division of production among nations of the world, on the basis of need, and to level all wages and living standards simply by controlling raw materials, and to allocate raw materials to the nations, as it was claimed, on the basis of need. Under the International Trade Organization, production could have been directly allocated. Under the International Materials Conference production is controlled by withholding the raw materials that are needed.

So those three things are leading us into the chute, and it should now be plain to the people of the United States that we are headed for one economic world, one political world, and a federation of nations, each with one vote, or each with two Senators, or perhaps one Representative, in accordance with population, so that they can vote taxes upon the American people without the present slight embarrassment of having to come to Congress.

Again, I should like to ask the Senator from Michigan if all the long-range plans of the administration do not lead to one thing, namely, the leveling and division of production of the countries of the world, and a division of markets among countries of the world, on a basis of need, as it is said, which would mean on an even basis. Is not that what the plans would lead to?

Mr. FERGUSON. I believe those who advocate one world—one economic, political, and social world—and there are those who claim honestly that they believe in it—will lead exactly to what the Senator describes.

Mr. MALONE. The rest of them are unwittingly following.

Mr. FERGUSON. Well, they are unwittingly following.

Mr. MALONE. Unwittingly following.

Mr. KEM. May I ask the Senator from Michigan if some countries which are important producers of raw materials are withholding their production from the International Materials Conference?

Mr. FERGUSON. For some time Chile has been withholding her copper production from that organization. She has never placed her entire production in it, but always reserved 20 percent, or a certain amount, and sold that in a free, open market, which included even iron-curtain countries.

Mr. President, I yield the floor.

GOLD HOLDINGS OF THE UNITED STATES

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). The Chair, in his capacity as senior Senator from California, asks unanimous consent to have placed in the body of the RECORD a letter which he addressed to the Secretary of the Treasury under date of April 14, 1952, raising certain questions relative to the gold holdings of the United States and purchases at home and abroad, together with a copy of the reply thereto, under date of June 5, from the Secretary of the Treasury, enclosing a compilation in answer to questions submitted by the Senator from California.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 14, 1952.

HON. JOHN W. SNYDER,
Secretary of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY: As a member of the Senate Appropriations Committee, I would appreciate it very much if you would supply me with information concerning the purchase and sale of gold by the United States Government for each year from January 1, 1933, through December 31, 1951.

1. I would like this broken down as to purchase of gold from newly mined sources in the United States and from new production, if any, from other countries of the world.

2. Purchases and sales from and to other governments.

3. Sales during that period of time to industrial establishments for manufacturing purposes.

4. The amount of gold turned in each year by United States citizens and/or other residents including gold coin and/or gold bullion other than newly mined as indicated in paragraph 1 above.

5. Whether or not the Treasury has paid in any case more than \$35 per ounce for any of the gold mentioned above, or has sold any gold at a higher price.

6. What information does this Government have as to the price of gold on the foreign market in Europe and Asia for each of the years requested? This information to include the quoted price per ounce (high and low for the year) in American dollars.

7. Does this Government have any information relative to the sales of gold by foreign countries at a price higher than \$35 an ounce and, if so, are such sales still being made?

8. Under what conditions sales of gold are made by the Treasury to foreign governments and what agreements or understandings exist relative to the resale of such gold stocks and the reporting of such transactions to the Treasury? Is it possible for a foreign government to purchase gold at \$35 an ounce from this Government and have such gold stocks held by the Treasury or the Federal Reserve bank and then have them to dispose of an equivalent or lesser amount on the free market at the prevailing world price?

I would appreciate it very much if this information could be furnished me at your earliest convenience.

With best personal regards, I remain,
Sincerely yours,

WILLIAM F. KNOWLAND.

THE SECRETARY OF THE TREASURY,
Washington, June 6, 1952.
HON. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: This is in further reply to your letter of April 14, 1952 asking for a number of tabulations of information regarding gold.

As the enclosed material will indicate, an extensive effort has been made to compile as complete answers as possible from Treasury records now available in Washington.

To your question No. 5, asking whether or not the Treasury has paid in any case more than \$35 per ounce for any gold, or has sold any gold at a higher price, the answer is, first, that the Treasury has not paid more than \$35 per ounce for any gold, and, secondly, the Treasury has not sold any gold at prices higher than \$35 per fine ounce plus one-quarter of 1 percent where payment was made in dollars.

Gold was sold during World War II to a total of 2,485,200 ounces of fine gold (worth \$86,982,000 at \$35 per fine troy ounce) in India, Iran, and Egypt, at open market prices and for local currencies in order to obtain such currencies for United States military expenditures there. These operations were conducted jointly with the Bank of England, with that bank acting as agent. In addition, some of the gold sold in the United Kingdom and France during the years 1934-39 against payment in pounds sterling and francs, may have been at prices which, when calculated at the exchange rates then prevailing, were a few cents above \$35 per fine ounce.

In case the enclosed material does not fully meet the purposes of your inquiry, please do not hesitate to call upon us further.

Sincerely,

A. N. OVERBY,
Acting Secretary of the Treasury.

MATERIAL IN REPLY TO QUESTIONS FROM SENATOR KNOWLAND

The questions in Senator KNOWLAND's letter and an explanation of the material submitted herewith in reply to each are as follows:

General question. Information concerning the purchase and sale of gold by the

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 10, 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 3, after line 5, insert the following new section 102:

1 SEC. 102. Title I of the Defense Production Act of
2 1950, as amended, is further amended by adding at the
3 end thereof the following new section:

4 "SEC. 105. (a) In carrying out the policy of the
5 United States as set forth in section 2 of this Act, the
6 President, by and with the advice and consent of the Senate,
7 may appoint representatives to confer with other friendly
8 nations in an effort to ascertain the existing and potential
9 supply of materials useful in the economic mobilization of

1 this and such other nations, as well as the most effective
2 distribution of such materials in executing that policy. Upon
3 a finding by the President, reached after a hearing at which
4 interested parties may express their views, that a pattern
5 of international distribution recommended after such con-
6 sultation is necessary or appropriate to promote the national
7 defense and compatible with the best interests of the United
8 States, he may, any other provision of law to the contrary
9 notwithstanding, use the authority vested in him by this
10 Act to make it possible for this Nation to carry out the
11 recommendations made by any such conference.

12 “(b) Subject to the provisions of subsection (a) of this
13 section, nothing contained in this Act shall impair the
14 authority of the President under this Act to exercise alloca-
15 tion and priorities controls over materials both domestically
16 produced and imported and facilities through the controlled
17 materials plan or other methods of allocation.”

AMENDMENT

Intended to be proposed by Mr. FULBRIGHT to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 10, 1952

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Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 10, 1952

Ordered to be printed

AMENDMENT

Proposed by Mr. MORSE to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, viz: On page 9, after line 16, insert the following amended, viz: On page 9, after line 16, insert the following new section:

1 “SEC. 108. Title IV of the Defense Production Act of
2 1950, as amended, is amended by adding, at the end thereof,
3 the following new section:

4 “SEC. 412. (a) That title II of the Labor Management
5 Relations Act, 1947, is amended by renumbering present
6 sections 211 and 212 as sections 216 and 217, respectively,
7 and inserting the following after section 210:

8 “SEC. 211. Whenever the head of an appropriate de-
9 partment or independent agency reports to the President,
10 and the President finds, that a national emergency is threat-

1 ened or exists because a stoppage of work or operations has
2 resulted or threatens to result from a labor dispute (includ-
3 ing the expiration of a collective-bargaining agreement) in
4 a vital industry or plant which seriously affects the security
5 of the United States, and the Director of the Federal Media-
6 tion and Conciliation Service advises the President that all
7 attempts at mediation and conciliation have been exhausted
8 without success, the President shall issue a proclamation to
9 that effect and call upon the parties to the dispute to refrain
10 from a stoppage of work or operations, or, if such stoppage
11 has occurred, to resume work and operations in the public
12 interest.

13 “ ‘PROCEDURE FOLLOWING PROCLAMATION

14 “ ‘SEC. 212. (a) Immediately after issuing a proclama-
15 tion pursuant to section 211, the President shall submit to
16 the Congress for consideration and appropriate action a full
17 statement of the case based upon such information as has
18 been made available to him through the appropriate agencies
19 of Government, together with such recommendations as he
20 may see fit to make as to procedures for effecting final settle-
21 ment of the dispute and, pending settlement, for maintaining
22 operation of the enterprise or enterprises involved.

23 “ ‘(b) The President may include a recommendation
24 that the United States take possession of and operate the
25 business enterprise or enterprises involved in the dispute.

1 The President may make such additional reports and recom-
2 mendations as he deems advisable. If the President recom-
3 mends that the United States shall take possession of and
4 operate such enterprise or enterprises, the President shall
5 have authority to take such action forthwith. If the Congress
6 by concurrent resolution within ten days after the submission
7 of such recommendation to it determines that such action
8 should not have been or should not be taken any property
9 seized shall be returned to its owners and no future seizure
10 shall take place during that dispute without congressional au-
11 thorization by concurrent resolution: *Provided*, That during
12 the period in which the United States shall have taken
13 possession, the Federal Mediation and Conciliation Service
14 shall continue to encourage the settlement of the dispute by
15 the parties concerned, and the agency or department of the
16 United States designated to operate such enterprise or
17 enterprises shall have no authority to enter into negotiations
18 with the employer or with the labor organization for a col-
19 lective-bargaining contract or to alter the wages, hours, or
20 the conditions of employment existing in such industry or
21 plant prior to the dispute, except in conformity (in whole
22 or in part) with the recommendations of the emergency
23 board or an agreement of the parties: *Provided further*, That
24 in case an emergency board assumes jurisdiction over any
25 form of union security which requires an employee to join

1 a union as a condition of continued employment the putting
2 into effect of its union security recommendations during a
3 period of Government possession shall require the acceptance
4 of the labor organization and the employer concerned in the
5 dispute. If the Congress or either House thereof shall have
6 adjourned sine die or for a period longer than three days,
7 the President shall convene the Congress, or such House
8 forthwith for the purpose of consideration of an appropriate
9 action pursuant to such statement and recommendations.

10 “ ‘(c) After the issuance of a seizure order, it shall be
11 the duty of any labor organization of which any employees
12 who have been employed in the operation of such enterprise
13 are members, and of the officers of such labor organization,
14 to seek in good faith to induce such employees to refrain
15 from a stoppage of work and not to engage in any strike,
16 slow-down, or other concerted refusal to work, or stoppage of
17 work, and if such stoppage of work has occurred, to seek in
18 good faith to induce such employees to return to work and
19 not to engage in any strike, slow-down, or other concerted
20 refusal to work or stoppage of work until the dispute is
21 settled or until possession of such enterprise is relinquished
22 by the United States, whichever occurs sooner.

23 “ ‘(d) After the issuance of a seizure order or any
24 time thereafter, the President may direct the Attorney
25 General to petition any district court, having jurisdiction of

1 the parties, to enjoin such stoppage of work or operations,
2 and if the court finds that the President has reasonable cause
3 to believe that a national emergency is threatened or exists
4 because a threatened or actual stoppage of work or operations
5 may result or has resulted from a labor dispute (including
6 the expiration of a collective agreement) in a vital industry
7 or plant which seriously affects the security of the Nation,
8 it shall have jurisdiction to enjoin such stoppage of work
9 or operations, or the continuing thereof, and to make such
10 other orders as may be appropriate. In granting such in-
11 junction or relief, the jurisdiction of courts sitting in equity
12 shall not be limited by the Act entitled 'An Act to amend the
13 Judicial Code and to define and limit the jurisdiction of
14 courts sitting in equity, and for other purposes, approved
15 March 23, 1932' (U. S. C., Supp. VII, title 29, secs. 101-
16 115). Such injunction or order shall be dissolved when the
17 dispute is settled or possession of an enterprise seized pur-
18 suant to this section is relinquished by the United States,
19 whichever occurs sooner.

20 " 'EMERGENCY BOARDS

21 " 'SEC. 213. (a) After issuing such a proclamation,
22 the President may appoint a board to be known as an
23 "emergency board".

24 " '(b) Any emergency board appointed under this sec-

1 tion shall promptly investigate the dispute, shall seek to in-
2 duce the parties to reach a settlement of the dispute, and
3 in any event shall, within a period of time to be determined
4 by the President but not more than thirty days after the
5 appointment of the board, make a written report to the
6 President, unless the time is extended by agreement of the
7 parties, with the approval of the board. Such report shall
8 include the findings and recommendations of the board and
9 shall be transmitted to the parties and be made public. The
10 recommendations shall be consistent with all laws and regu-
11 lations otherwise applicable to compensation, hours, and
12 other terms and conditions and incidents of employment.
13 The Director of the Federal Mediation and Conciliation Serv-
14 ice shall provide for the board such stenographic, clerical,
15 and other assistance and such facilities and services as may
16 be necessary for the discharge of its functions.

17 “‘(c) An emergency board shall be composed of a
18 chairman and such other members as the President shall
19 determine, and shall have power to sit and act in any place
20 within the United States and to conduct such hearings either
21 in public or in private, as it may deem necessary or proper,
22 to ascertain the facts with respect to the causes and circum-
23 stances of the dispute.

24 “‘(d) Members of an emergency board shall receive

1 compensation at the rate of \$75 for each day actually spent
2 by them in the work of the board, together with necessary
3 travel and subsistence expenses.

4 ““(e) For the purpose of any hearing or inquiry con-
5 ducted by any board appointed under this title, the pro-
6 visions of sections 5 (f), 9, and 10 (relating to the attend-
7 ance of witnesses and the production of books, papers, and
8 documents) of the Federal Trade Commission Act of Sep-
9 tember 16, 1914, as amended (U. S. C., title 15, secs. 45
10 (f), 49, and 50, as amended), are hereby made applicable
11 to the powers and duties of such board.

12 ““(f) When a board appointed under this section has
13 been dissolved, its records shall be transferred to the Director
14 of the Federal Mediation and Conciliation Service.

15 ““(g) No member of an emergency board shall be an
16 officer or employee of the organization of employees or any
17 employer involved in the dispute.

18 ““SEC. 214. (a) In the event that the Government
19 shall take possession of and operate any business enterprise
20 or enterprises involved in a given dispute, the President shall
21 designate the agency or department of Government which
22 shall take possession of any business enterprise or enter-
23 prises including the properties thereof involved in the dis-
24 pute and all other assets of the enterprise or enterprises

1 necessary to such continued operation thereof as will protect
2 the national security.

3 “ (b) Any enterprise or properties of which possession
4 has been taken under this title shall be returned to the owners
5 thereof as soon as (1) such owners have reached an agree-
6 ment with the representatives of the employees in such enter-
7 prise settling the issues in dispute between them, or (2) the
8 President finds that the continued possession and operation
9 of such enterprise by the United States is no longer necessary
10 under the terms of the proclamation provided for in section
11 211: *Provided*, That possession by the United States shall
12 be terminated not later than sixty days after the issuance
13 of a seizure order unless the period of possession is extended
14 by concurrent resolution of the Congress.

15 “ (c) Beginning not later than thirty days after issuance
16 of a seizure order, the United States shall impound and hold
17 all income received from the operation thereof in trust for
18 the payment of general operating expenses, just compen-
19 sation to the owners as hereinafter provided in this sub-
20 section, and reimbursement to the United States for ex-
21 penses incurred by the United States in the operation of
22 the enterprise. Any income remaining shall be covered into
23 the Treasury of the United States as miscellaneous receipts.
24 In determining just compensation to the owners of the
25 enterprise, due consideration shall be given to the fact

1 that if the United States had not initiated the procedures set
2 forth in sections 211 to 215 of the Act the owners' production
3 would have been interrupted by a stoppage of work or opera-
4 tions, to the fact that the United States took or continued
5 possession of such enterprise when its operation had been
6 interrupted by a stoppage of work or operations or that
7 stoppage of work or operations was imminent; to the fact
8 that the United States would have returned such enter-
9 prise to its owners at any time when an agreement was
10 reached settling the issues involved in such stoppage of
11 work or operations; and to the value the use of such enter-
12 prise would have had to its owners in the light of the labor
13 dispute prevailing, had they remained in possession during
14 the period of Government operation: *Provided*, That any
15 increase in wages or other compensation or any increase re-
16 sulting from a change in the method of computing wages or
17 other compensation which are agreed to by the parties retro-
18 actively for the period of Government operation or any
19 portion of that period shall be deemed costs or expenses
20 for such period.

21 ““(d) During the period in which possession of any
22 enterprise has been taken by the United States under this
23 section, the employer or employers or their duly designated
24 representatives and the representatives of the employees in
25 such enterprise shall be obligated to continue collective

1 bargaining for the purpose of settling the issues in the dispute
2 between them.

3 ““(e) (1) The President may appoint a compensation
4 board to determine the amount to be paid as just compensa-
5 tion under this title to the owner of any enterprise of which
6 possession is taken. For the purpose of any hearing or
7 inquiry conducted by any such board the provisions relating
8 to the conduct of hearings or inquiries by emergency boards
9 as provided in section 213 of this title are hereby made
10 applicable to any such hearing or inquiry. The members of
11 compensation boards shall be appointed and compensated
12 in accordance with the provisions of section 213 of this title.

13 ““(2) Upon appointing such compensation board the
14 President shall make provision as may be necessary for
15 stenographic, clerical, and other assistance and such facilities,
16 services, and supplies as may be necessary to enable the
17 compensation board to perform its functions.

18 ““(3) The award of the compensation board shall be
19 final and binding, unless within thirty days after the issuance
20 of said award, a party moves to have the said award set
21 aside or modified in the United States Court of Claims in
22 accordance with the rules of said court.

23 ““SEC. 215. When a dispute arising under this title
24 has been finally settled, the President shall submit to the
25 Congress a full and comprehensive report of all the pro-

1 ceedings, together with such recommendations as he may
2 see fit to make.'

3 “(b) Section 717 of this Act, as amended, shall not
4 apply to this section 412.”

AMENDMENT

Proposed by Mr. Morse to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 10, 1952

Ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 11, 1952

For actions of June 10, 1952

32nd-2nd, No. 100

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate debated defense production bill. House adopted conference report on immigration revision bill. House received conference report on road-authorization bill.

SENATE

1. DEFENSE PRODUCTION. Continued debate on S. 2594, to extend the Defense Production Act, considering amendments relating to the steel strike (pp. 7063-66).
2. ELECTRIFICATION. Concurred in the House amendment to S. 97, authorizing the construction, operation, and maintenance of facilities for generating hydro-electric power at the Cheatham Dam, Tenn. (p. 7063). This bill will now be sent to the President.
3. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments H. R. 2813, to authorize the Interior Department to construct, operate, and maintain the Collbran reclamation project, Colo. (S. Rept. 1719)(p. 7051).
4. PUERTO RICO. The Interior and Insular Affairs Committee reported with amendments S. J. Res. 151, approving the constitution of Puerto Rico (S. Rept. 1720)(p. 7051).
5. APPROPRIATIONS; CLAIMS. Received from the President a supplemental appropriation estimate to pay claims for damages, audited claims, and judgments against the Government; to Appropriations Committee (S. Doc. 144)(p. 7047).
6. PRICE MAINTENANCE. Sen. Morse inserted a Washington Post editorial criticizing the so-called fair trade bill (pp. 7047-8).

HOUSE

7. IMMIGRATION. Adopted, 203-53, the conference report on H. R. 5678, to revise the immigration and naturalization laws (pp. 7109-13).

8. ROAD AUTHORIZATIONS. Received the conference report on this bill, H. R. 7340, authorizing appropriations for road construction in the fiscal years 1954 and 1955. The conferees agreed to authorize \$550,000,000 for 1954 and 1955, allotting 45% or \$247,500,000 of this amount for the Federal-aid primary system, 30% or \$165,000,000 for the Federal-aid secondary system, and 25% or \$137,500,000 for the primary system in urban areas. They also agreed to the House authorization for the Federal-aid highway system and the 2-year grace period for matching funds. They also agreed on a compromise figure of \$25,000,000 for each year for interstate highways. The conferees agreed to authorize \$22,500,000 for forest highways, and the House conferees accepted the \$22,500,000 for forest-development roads and trails contained in the Senate amendment with the understanding that not less than \$5,000,000 of this amount will be applied to timber-access roads. The House conferees agreed to a Senate amendment authorizing \$50,000,000 in lieu of the House authorization of \$12,000,000 for access roads to timber and mineral resources, to be applied to all types of defense access roads. The conferees agreed in a reduction from \$5,000,000 to \$2,500,000 for public lands roads (H. Rept. 2132) (pp. 708-2). The "Daily Digest" states that the House will act on this report on Wed. (p. D564.)
9. RECLAMATION. The Interior and Insular Affairs Committee ordered reported (but did not actually report) S. 2610, providing that excess-land provisions of Federal reclamation laws shall not apply to certain lands receiving water from the San Luis Valley project, Colo., and S. 2646, to cancel irrigation maintenance and operation charges on the Shoshone Indian Mission School lands on the Wind River Indian Reservation (p. D565).
10. ADMINISTRATIVE PROCEDURE. The Judiciary Committee reported with amendment S. 1770 to amend the Administrative Procedure Act and to eliminate certain exemptions therefrom (H. Rept. 2133) (p. 7121).
11. LAND TRANSFER. The Agriculture Committee reported without amendment S. 1536, to stabilize the economy of New Mex. residents on the North Lobato and El Pueblo tracts and to transfer such lands to the Forest Service (H. Rept. 2134) (p. 7124).
12. EMERGENCY POWERS. The Rules Committee reported a resolution providing for consideration of H. J. Res. 477, to continue certain emergency powers for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, through June 30, 1953 (pp. 7113, 7124). The "Daily Digest" states the House will consider this measure on Wed. (p. D564.)
13. PERSONNEL. Received from the Civil Service Commission a draft of a bill "to amend the Classification Act of 1949, as amended"; to Post Office and Civil Service Committee (p. 7124).
14. FOOD PRICES. Rep. Marshall inserted a St. Paul Pioneer Press article explaining that food costs have "more than tripled since prewar days" because of increases in farm prices and improvements in the amounts and kinds of food served (p. 7114).

BILLS INTRODUCED

15. EDUCATION. H. R. 8145, by Rep. Bailey, to improve and extend financial assistance for local educational agencies in areas affected by Federal activities; to Education and Labor Committee (p. 7125).
16. TOBACCO. H. R. 8150, by Rep. Scaer, to provide price support for the 1952 crop of Maryland tobacco; to Agriculture Committee (p. 7125).

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the resolution under consideration will, under the precedents, be placed on the calendar.

CONSTRUCTION OF FACILITIES FOR GENERATING HYDROELECTRIC POWER AT CHEATHAM DAM, TENN.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 97) to authorize the construction, operation, and maintenance of facilities for generating hydroelectric power at the Cheatham Dam on the Cumberland River in Tennessee, which was, on page 2, line 2, to strike out all after "Tennessee" down to and including "facilities" in line 3 and insert "and there is hereby authorized to be appropriated the sum of \$18,200,000 for carrying out the purposes of this act."

Mr. McKELLAR. Mr. President, the amendment by the House merely changes the language so as to correct an error in the original bill. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5678) to revise the laws relating to immigration, naturalization, and nationality, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and they were signed by the Vice President:

S. 2383. An act to amend the act entitled "An act to create a Board of Accountancy for the District of Columbia, and for other purposes," approved February 17, 1923;

H. R. 6133. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 6661. An act to amend the Foreign Service Buildings Act, 1926; and

H. R. 7005. An act to amend the Mutual Security Act of 1951, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 10, 1952, he presented to the President of the United States the enrolled bill (S. 2383) to amend the act entitled "An act to create a Board of Accountancy for the District of Columbia, and for other purposes," approved February 17, 1923.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. It was perfectly obvious, when I offered my amendment last Friday, in which I included language striking out the word "immediately" and inserting the words "within 7 days from this date," that the purpose of the language was to allow time for settlement by collective bargaining of the dispute then pending. At that time, as I said on the floor of the Senate, the parties were engaged in negotiations, and it looked as though they would settle the dispute over the week end. I expressed that hope in my comments on the amendment.

Now that the negotiations have broken down, my parliamentary inquiry is, Would I be in order to ask unanimous consent to strike out, on line 2, after the word "recommends", all the language from there to the end of the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered on the Senator's amendment, but his request may be agreed to by unanimous consent.

Mr. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Virginia will state it.

Mr. BYRD. Would granting the request of the Senator from Oregon change the amount of time for debate in any way? Would there be any additional debate?

The PRESIDING OFFICER. No; no more debate would be allowed. The yeas and nays have been ordered. By unanimous consent the Senator from Oregon may change his amendment, but he would be allowed no additional time for debate.

Mr. MORSE. I may say to the Senator from Virginia that I have asked only the courtesy of being allowed to perfect my amendment by striking out language that is no longer appropriate, because since last Friday the time has elapsed when there was hope of a settlement. The language is not appropriate today.

Mr. DIRKSEN. Mr. President, I wonder if the Senator from Oregon would restate the perfecting language.

Mr. MORSE. On line 2, after the word "recommends", to strike out the remainder of the amendment.

Mr. DIRKSEN. Then really the only modification the Senator from Oregon suggests is to substitute the word "recommends" for the word "requests" in the Byrd amendment?

Mr. MORSE. That is correct.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment of the Senator from Oregon is modified accordingly.

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Hill	Morse
Bennett	Hoey	Mundt
Bridges	Holland	Neely
Butler, Md.	Humphrey	Nixon
Butler, Nebr.	Hunt	O'Connor
Byrd	Ives	O'Mahoney
Case	Jenner	Pastore
Chavez	Johnson, Colo.	Robertson
Clements	Johnson, Tex.	Russell
Connally	Johnston, S. C.	Saltonstall
Cordon	Kem	Schoeppel
Dirksen	Kerr	Seaton
Douglas	Kilgore	Smathers
Dworshak	Knowland	Smith, Maine
Eastland	Lehman	Smith, N. J.
Ellender	Long	Smith, N. C.
Ferguson	Magnuson	Sparkman
Flanders	Martin	Stennis
Frear	Maybank	Taft
Fulbright	McCarran	Thye
George	McCarthy	Tobey
Gillette	McClellan	Underwood
Green	McFarland	Watkins
Hayden	McKellar	Welker
Hendrickson	Millikin	Wiley
Hennings	Monroney	Williams
Hickenlooper	Moody	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to the so-called perfecting amendment offered by the Senator from Oregon [Mr. MORSE] to the Byrd amendment. The yeas and nays have been ordered.

Mr. McCARRAN. Mr. President, under date of June 6, 1952, the junior Senator from Oregon [Mr. MORSE]—

The VICE PRESIDENT. The Chair must say to the Senator from Nevada that in view of the fact that all time for debate under the unanimous-consent agreement has been exhausted on all the amendments, the Chair cannot recognize the Senator until the vote is taken.

Mr. McCARRAN. May I inquire, who has control of the time?

The VICE PRESIDENT. No Senator is in control of the time, because all the time for debate has been exhausted. The Chair will recognize the Senator a little later.

Mr. MORSE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. Would I be in order to ask unanimous consent that the Senator from Nevada be allowed to proceed?

The VICE PRESIDENT. The time having been exhausted on the Senator's amendment, the Chair does not believe that even the Senator from Oregon has the right to the floor.

The question is on agreeing to the modified amendment offered by the Senator from Oregon [Mr. MORSE] to the amendment offered by the Senator from Virginia [Mr. BYRD]. On this question

the yeas and nays have been ordered, and the clerk will call the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] is absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Tennessee [Mr. KEFAUVER] is absent by leave of the Senate.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The Senator from Nevada [Mr. MALONE] is absent on official business.

If present and voting, the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Massachusetts [Mr. LODGE] would each vote "nay."

On this vote the Senator from Vermont [Mr. AIKEN] is paired with the Senator from Washington [Mr. CAIN]. If present and voting the Senator from Vermont would vote "yea" and the Senator from Washington would vote "nay."

The result was announced—yeas 15, nays 65, as follows:

YEAS—15

Anderson	Green	Monroney
Case	Hennings	Moody
Chavez	Ives	Morse
Clements	Kilgore	Pastore
Douglas	Long	Tobey

NAYS—65

Bennett	Holland	Nixon
Bridges	Humphrey	O'Connor
Butler, Md.	Hunt	O'Mahoney
Butler, Nebr.	Jenner	Robertson
Byrd	Johnson, Colo.	Russell
Connally	Johnson, Tex.	Saltionstall
Cordon	Johnston, S. C.	Schoeppel
Dirksen	Kem	Seaton
Dworshak	Kerr	Smathers
Eastland	Knowland	Smith, Maine
Ellender	Lehman	Smith, N. J.
Ferguson	Magnuson	Smith, N. C.
Flanders	Martin	Sparkman
Frear	Maybank	Stennis
Fulbright	McCarran	Taft
George	McCarthy	Thye
Gillette	McClellan	Underwood
Hayden	McFarland	Watkins
Hendrickson	McKellar	Welker
Hickenlooper	Millikin	Wiley
Hill	Mundt	Williams
Hoey	Neely	

NOT VOTING—16

Aiken	Carlson	Malone
Benton	Duff	McMahon
Brewster	Ecton	Murray
Bricker	Kefauver	Young
Cain	Langer	
Capehart	Lodge	

So Mr. MORSE's modified amendment to Mr. BYRD's amendment was rejected.

EXPLANATORY STATEMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair would like to make a clarifying statement for the benefit of the Senate and of the Chair as well.

Earlier in the day the Chair ruled that when an adjournment is had, under the rule automatically on the following day morning business must come up unless it is dispensed with by unanimous consent or by a direct implication in the request that may be made with reference to the proceedings on that day.

Unfortunately, the Chair was not present yesterday, but he has examined the RECORD, to which he wishes to invite the attention of the Senate for the benefit of the Senate and in order to clarify the situation.

The Chair has always felt, and feels now, that when an adjournment is had until the following day, automatically under the rule the morning business comes up, unless it is dispensed with by unanimous consent or by the strongest implication growing out of the request that is made.

In the proceedings of yesterday the Chair reads as follows, at the time the Senator from Missouri [Mr. KEM] had the floor:

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. KEM. For what purpose?

Mr. McFARLAND. In order that I may propound a unanimous-consent request.

Mr. KEM. I yield.

Mr. McFARLAND. I ask unanimous consent that the Senate continue the consideration of the conference report on House bill 7005, an act to amend the Mutual Security Act of 1951, and for other purposes, now under consideration, until it is finished, and that the Senate resume tomorrow the consideration of Senate bill 2594, to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. WATKINS. Mr. President, I did not catch the last part of the request.

Mr. McFARLAND. That the Senate resume the consideration of the Defense Production Act of 1950 tomorrow. Some Senators did not want to go ahead with it until tomorrow.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WATKINS. Does the Senator mean by that that consideration of the Defense Production Act of 1950 will not be resumed today?

Mr. McFARLAND. That is correct.

There is nothing in the colloquy which indicates directly or otherwise that the morning hour after the adjournment would be set aside. No request was made to set aside the morning hour on the following day. There is nothing the Chair can read into the colloquy which sets aside the morning hour. That is why the Chair ruled as he did this morning, that the morning hour must take place, unless specifically it is requested that it be dispensed with, or the plain

implication of any request which was made on the previous day does dispense with it. The Chair cannot read into the colloquy any dispensation which would abolish the morning hour today. That is why the Chair ruled as he did.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. For the benefit of the Senate, if the Chair may express an opinion, the Chair believes that it is good practice to have an adjournment occasionally in place of having so many recesses, which carry the same calendar day for a long time. It is good practice to have an adjournment now and then in order to get rid of the old legislative day and to get a new day. Unless there is a specific request that the morning hour be dispensed with on the day following an adjournment, or by plain implication that it is expected to be dispensed with, the Chair does not know how he can hold that the morning hour is dispensed with. That is why he ruled the way he did this morning.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New York will state it.

Mr. LEHMAN. In view of the ruling of the Chair, which seems to me to be eminently correct, I wonder, if a request is made to set aside the unanimous-consent request limiting debate, it would be proper for the Chair to rule, in view of the fact that an adjournment intervened between the time the agreement was reached and today, that the unanimous-consent agreement would be vitiated.

The VICE PRESIDENT. The Chair could not make such a ruling, because an adjournment has no effect on any previous agreement as to the limitation of debate on a pending measure. An adjournment means only that the Senate meets on a new day beginning on the following day, that a morning hour will be had until 2 o'clock, during which time morning business may be transacted, and that at 2 o'clock automatically the unfinished business comes up before the Senate, under the same conditions that existed at the time of the adjournment. The Chair could not rule that the unanimous-consent agreement limiting debate on the pending bill is vitiated by an adjournment. The Chair could not rule that way, because it would not be in accordance with the rules of the Senate.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The question is on agreeing to the substitute amendment offered by the Senator from South Carolina [Mr. MAYBANK] to the amendment offered by the Senator from Virginia [Mr. BYRD].

For the information of the Senate the Chair would state that the Byrd amend-

ment is open to amendment if a Senator desires to offer an amendment to it. If so, it would be in the nature of a perfecting amendment, and a vote would be had on it prior to a vote on the substitute amendment.

Is there any further amendment to be proposed to the Byrd amendment?

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from South Carolina will state it.

Mr. MAYBANK. Is there any possible way in which the substitute amendment can be amended?

The VICE PRESIDENT. There is not.

Mr. MAYBANK. However, I would not be estopped from offering an amendment to the bill; would I?

The VICE PRESIDENT. If the Senator's substitute amendment is adopted by the Senate there is no further opportunity of amending it.

Mr. MAYBANK. But I can amend the general bill.

The VICE PRESIDENT. The Senator from South Carolina may offer an amendment to any other provision of the bill which is not inconsistent with the substitute amendment.

Mr. MAYBANK. Would there be any inconsistency in an amendment to the production section, as opposed to the section to which I have proposed an amendment?

The VICE PRESIDENT. Will the Senator from South Carolina propound his question again?

Mr. MAYBANK. I wanted to make certain, if the substitute is agreed to—and I am sorry that it is a substitute, and that it had to be offered as a substitute at the time—whether it would substitute for the so-called Byrd amendment, which has to do with the use of the Taft-Hartley law, in the wage and price section of the bill.

When I submitted the amendment, I said it was a good one, but I said that it was hard on both labor and management.

Since I offered the amendment the negotiations between the management of the steel mills and the workers in those mills have fallen apart, so to speak, and nothing has been accomplished.

Of course, this amendment has accomplished something, in my judgment, in that at least the negotiators for labor and for the management of the steel mills have agreed to make sure that the amount of steel needed for the armed services and for the defensive action in Korea will be produced.

It was my purpose—

The VICE PRESIDENT. The yeas and nays have been ordered, and debate is not now in order.

Mr. MAYBANK. I understand, but I wish to make it absolutely clear that if this amendment is adopted, I can submit an amendment to the general provisions of this measure, to take care of the changes which have occurred since the steel negotiations broke down.

The VICE PRESIDENT. The adoption of a substitute for the Byrd amendment would not preclude the offering of an amendment to the general provisions of the bill.

Mr. MAYBANK. I thank the Chair, because that would be my intention.

Mr. TAFT. Mr. President, I offer an amendment to the Maybank amendment.

The VICE PRESIDENT. Such an amendment is not now in order, and cannot be offered at this time.

The yeas and nays have been ordered—

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair asks Senators to wait a moment, please.

The question now is on agreeing to the so-called Maybank substitute for the Byrd amendment. The Maybank substitute itself is an amendment in the second degree, and therefore an amendment to it is not in order.

On this question the yeas and nays have been ordered, and debate is not now in order.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New York will state it.

Mr. LEHMAN. I wish to make the following inquiry: In the event that, unhappily, the Byrd amendment should prevail, would it be possible for the Senator from Oregon [Mr. MORSE], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Maryland [Mr. O'CONOR], or other Senators to offer to the bill amendments which, to all intents and purposes, would vitiate the provisions of the Byrd amendment? In other words, in that case will Senators be estopped from submitting other amendments, or will the submission of other amendments be in order?

The VICE PRESIDENT. The Chair cannot very well pass on an amendment or the ability to offer such an amendment until the amendment is actually offered. The Chair would not like to answer in advance a question as to right to offer an amendment which might have the effect of vitiating or nullifying the Byrd amendment, if the Byrd amendment is adopted.

Mr. LEHMAN. Then I shall amend my parliamentary inquiry: It has been ruled now that in view of the fact that the Maybank amendment is in the form of a substitute, and therefore cannot be amended—

The VICE PRESIDENT. It cannot be amended because under the rules and precedents of the Senate the substitute is itself an amendment, and therefore is in the second degree, and cannot be amended by another amendment, which would be in the third degree.

Mr. LEHMAN. Will it be possible for Senators to submit amendments—I refer particularly to the amendment proposed by the Senator from Oregon [Mr. MORSE]; or will such amendments be ruled out of order?

The VICE PRESIDENT. The amendment of the Senator from Oregon is an amendment to the Byrd amendment. The amendment of the Senator from Oregon to the Byrd amendment has been rejected. Another amendment, similar in form to the Morse amendment to the Byrd amendment, would not now be in

order, because the Senate has already passed on the Morse amendment to the Byrd amendment.

Mr. LEHMAN. The Senator from Oregon has another amendment—

The VICE PRESIDENT. It has not been offered. The Chair understands that the Senator from Oregon has a bill which has been pending before a committee, and the Chair understands that the Senator from Oregon might offer that bill as an amendment. However, the Chair cannot pass on that question until it develops.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Ohio will state it.

Mr. TAFT. I do not wish to question the Chair's ruling; but my understanding is that a substitute is not an amendment. For instance, I understand that in that case there is a clear distinction as to the amendments which are to be voted on first. The Morse amendment was voted on before the Maybank amendment, because the Maybank amendment was a substitute, and the Morse amendment was not. My understanding is that when a substitute is offered it can be perfected, or the original provision can be perfected.

The VICE PRESIDENT. The Chair is bound to say that under the rules and precedents of the Senate a substitute is regarded as an amendment.

Mr. TAFT. Technically, yes; but it is actually different from an amendment.

The VICE PRESIDENT. We have to pass on the rules technically. A substitute is an amendment. It is offered as an amendment by way of a substitute; and it is an amendment in the second degree, in this case.

Mr. TAFT. I wish to point out to the Chair, however, that there is a distinction which we have just recognized by virtue of the fact that the Morse amendment to the Byrd amendment was voted on before the Maybank amendment to the Byrd amendment was voted on. That was done because the Maybank amendment to the Byrd amendment is an amendment in the form of a substitute. Thus, we already have recognized the fact that there is a difference.

The VICE PRESIDENT. The Morse amendment to the Byrd amendment was a perfecting amendment to the Byrd amendment, and had precedence in voting over an amendment in the nature of a substitute. Any other perfecting amendment to the Byrd amendment would be in order, provided it was germane.

Mr. IVES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New York will state it.

Mr. IVES. I should like to inquire whether, under the ruling which has been made by the Chair, the Senator who offers an amendment—in this case the Senator from South Carolina—is unable to modify or perfect his substitute in any way, shape, or manner?

The VICE PRESIDENT. Not after the yeas and nays have been ordered. The author of the amendment could do so if the yeas and nays had not been

ordered; but after the yeas and nays are ordered, the Senator offering such an amendment cannot modify his own amendment.

Mr. IVES. Then, Mr. President, if by unanimous consent the order for the yeas and nays was withdrawn, the Senator from South Carolina might be able to perfect his amendment. Is that correct?

The VICE PRESIDENT. If the order for the yeas and nays was withdrawn, by unanimous consent, the substitute would be in the same situation that it was in before the yeas and nays were ordered; and then the Senator from South Carolina could modify his own amendment.

Mr. IVES. Then if the Senator from South Carolina offers an amendment and can modify it, cannot some other Senator modify it?

The VICE PRESIDENT. Any Senator who offers an amendment to the Byrd amendment may modify his own amendment, whereas another Senator could not do so, because if such a modification were offered by another Senator, it would be in the form of an amendment in the third degree, whereas if an amendment to the Byrd amendment were modified by its own author, the modification would not be in the form of an amendment in the third degree.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from South Carolina will state it.

Mr. MAYBANK. Since the yeas and nays have been ordered and since conditions at this time are entirely changed, as compared with the conditions which existed on Friday afternoon, if it is the desire of the Senator from Ohio or of some other Senator to amend my amendment to the Byrd amendment, I would ask unanimous consent that the order for the yeas and nays be rescinded.

The VICE PRESIDENT. That would not modify the situation. If the order for the yeas and nays were nullified, the result could only be to permit the Senator from South Carolina to modify his own amendment; but no other Senator could do so.

Mr. MAYBANK. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator from South Carolina will state it.

Mr. MAYBANK. Could I modify my amendment by means of amendments which other Senators might suggest?

The VICE PRESIDENT. The Senator who offered the amendment could modify his own amendment in any way he might see fit to do.

Mr. MAYBANK. Then I assure other Senators that I shall modify the amendment in that way, for I had no intention of rushing anything through during the late hours of Friday evening.

The VICE PRESIDENT. Unanimous consent would be required to nullify the order for the yeas and nays.

Does the Senator from South Carolina make such a request?

Mr. MAYBANK. I do.

Mr. GEORGE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Georgia will state it.

Mr. GEORGE. May any Senator modify his own amendment, by unanimous consent?

The VICE PRESIDENT. That could be done in this case by unanimous consent, but not otherwise.

Mr. GEORGE. Exactly.

Mr. CASE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from South Dakota will state it.

Mr. CASE. As I understand the situation, the Maybank amendment has been offered as a substitute for the Byrd amendment. Would not it be possible, either if the Maybank amendment were rejected or if it were withdrawn by unanimous consent, for the Byrd amendment to be voted upon, and then for the Maybank amendment later to be offered as an independent amendment, in which case it would then be open to amendment?

The VICE PRESIDENT. If the amendment of the Senator from South Carolina is rejected or withdrawn by unanimous consent—and unanimous consent would be required in order to withdraw the amendment at this time—the Byrd amendment would still be open to amendment so long as such amendment was not in the third degree.

If the Byrd amendment were adopted or were rejected, the bill itself would be open to amendment, thereafter.

Mr. CASE. Thereafter, then, as I understand, the Byrd amendment could be offered as a new section to the bill, standing on its own feet.

The VICE PRESIDENT. Does the Senator from South Dakota refer to the Byrd amendment or to the Maybank amendment?

Mr. CASE. I meant to say the Maybank amendment—if the Maybank amendment were later offered as an original amendment.

The VICE PRESIDENT. If the Maybank substitute amendment is voted on and rejected, the question will then arise whether it could be offered thereafter as an independent section of the bill. There would have to be a substantial change in the terms of that amendment in order for it to be proper to be offered under such a situation.

Mr. CASE. Can the Maybank substitute be withdrawn at this time, except by unanimous consent, inasmuch as the yeas and nays have been ordered?

The VICE PRESIDENT. Only by unanimous consent.

Mr. CASE. But if that amendment were rejected, with the result that it would not then be before the Senate, and if the Byrd amendment were then either accepted or rejected, thereafter could not the Maybank amendment, in new form, then be offered as a new amendment or as an original amendment?

The VICE PRESIDENT. Yes; but there would have to be a substantial change in the Maybank amendment in that case.

Mr. WATKINS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. WATKINS. Is it proper to have the Maybank substitute read for the information of the Senate, inasmuch as we have had so much discussion since it was originally offered?

The VICE PRESIDENT. Without objection, the substitute proposed by the Senator from South Carolina will be read.

Mr. NEELY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. NEELY. Would it be in order to ask unanimous consent that the Senate proceed to the transaction of business?

The VICE PRESIDENT. Presumably that is what we are doing. The clerk will read the amendment.

The LEGISLATIVE CLERK. On page 9, after line 16, it is proposed by Mr. MAYBANK to insert the following new section:

SEC. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"NATIONAL EMERGENCY PRICE AND WAGE BOARD

"SEC. 412. (a) Whenever the President finds that a threatened or actual work stoppage or lock-out affecting an entire industry or a substantial part thereof will, if permitted to occur or to continue, imperil the national defense or defeat the purposes of this act, he may refer such dispute to the Board created in subsection (b) to inquire into the issues involved in the dispute and to make a written report to him within 113 days after such dispute has been referred to it. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position, and shall contain the Board's recommendation with respect to wage and price stabilization as well as other matters involved in such dispute. The President shall make the contents of such report available to the public.

"(b) There is hereby established the National Emergency Price and Wage Board (hereinafter referred to as the "Board") which shall be composed of a chairman and six other members to be appointed by the President by and with the advice and consent of the Senate, and shall have power to sit and act at any place within the United States and to conduct such hearings either in public or private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute. Each member of the Board shall receive compensation at the rate of \$50 for each day actually spent by him in the work of the Board, together with necessary travel and subsistence expenses.

"(c) The provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act, as amended (15 U. S. C. 49 and 50), shall be applicable with respect to any hearing or inquiry conducted by the Board under this section.

"(d) The President shall make such provision for stenographic, clerical, and other assistants, and for facilities, services, and supplies, as may be necessary to enable the Board to perform its functions.

"(e) Whenever a dispute is referred to the Board the President shall immediately notify the parties to the dispute that the dispute has been so referred and until the Board makes its report to the President and for 7 days thereafter it shall be unlawful for the parties to engage in any work stoppage or lock-out. The provisions of sec-

tion 706 of this act shall apply in the case of any violation of this section.

"(f) Within 7 days after the Board has reported its findings and recommendations to the President, the parties to the dispute shall advise the President in writing whether or not they are willing to accept the recommendations of the Board for settlement of the dispute.

"(g) If all parties to the dispute agree to accept the recommendations of the Board for settlement of the dispute, the President shall take such action under this title as may be necessary to effectuate the recommendations of the Board.

"(h) If any party to the dispute refuses within the period specified in subsection (f) to accept the recommendations of the Board and as a result thereof a work stoppage or a lock-out is threatened, the President shall take immediate possession of and operate all plants, mines, or facilities involved in the dispute subject to payment of just compensation therefor as required by the Constitution of the United States. During such period of operation the terms and conditions of employment which were in effect at the time possession of such plant, mine, or facility was taken by the President shall remain in effect.

"(i) Whenever any plant, mine, or facility is in the possession of the United States it shall be unlawful for any person (1) to coerce, instigate, induce, conspire with, or encourage any person to interfere, by lock-out, work stoppage, slowdown, or other interruption, with the operation of such plant, mine, or facility, or (2) to aid any such lock-out, work stoppage, slowdown, or other interruption interfering with the operation of such plant, mine, or facility by giving direction or guidance in the conduct of such interruption or by providing funds for the conduct or direction thereof or for the payment of work-stoppage, unemployment, or other benefits to those participating therein.

"(j) At any time after the referral of the dispute to the Board or during the operation by the Government of any plant, mine, or facility, the parties to the dispute may reach an agreement by means of collective bargaining. Such agreement must be within the framework of the stabilization policies then in effect.

"(k) Upon settlement of any dispute so referred to the Board the President shall immediately return possession of the mine, plant, or facility involved to the owners thereof in the event possession of such mine, plant, or facility has been taken by the President pursuant to the provisions of this section.

"(l) While this section is in effect the provisions of sections 206 to 210, inclusive, of the Labor Management Relations Act, 1947, shall not apply in the case of any dispute referred to the National Emergency Wage and Price Board. In any such case the provisions of the act of March 23, 1932 entitled 'An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, shall not be applicable.'

Renumber succeeding sections.

Mr. MAYBANK. Mr. President, I ask unanimous consent to amend my amendment.

The VICE PRESIDENT. Is there objection?

Mr. BYRD. Mr. President, if the request were granted would it extend the debate?

The VICE PRESIDENT. It would not. The Senator from South Carolina may modify his own amendment, by unanimous consent, and that would not extend the debate. The clerk will state

the amendment of the Senator from South Carolina to his amendment.

The LEGISLATIVE CLERK. It is proposed to strike the last sentence in section 412 (h), and, at the end of section 412 (j) to insert the following new sentence:

Any such agreement reached after referral of the dispute to the Board shall be retroactive to the date the dispute was deferred to the Board pursuant to subsection (a). The President, upon making a finding that a price increase for the product of such industry is warranted under stabilization policies then in effect, shall take into consideration in fixing the price ceiling of such product under this act the cost of retroactive wages and other benefit paid by the industry under this section.

The VICE PRESIDENT. Is there objection to the modification?

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. HUMPHREY. I should like to ascertain, if possible, whether this is the amendment which was in the mind of the Senator from Ohio.

The VICE PRESIDENT. The Chair does not know, since he cannot read the mind of either the Senator from Ohio or the Senator from South Carolina.

Mr. HUMPHREY. Mr. President, would the Senator from South Carolina be willing to answer the question?

Mr. MAYBANK. It is not.

Mr. DIRKSEN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. DIRKSEN. I make the point of order that all time for debate has been exhausted.

Mr. HUMPHREY. I have my answer, Mr. President.

The VICE PRESIDENT. Is there objection to the modification requested by the Senator from South Carolina to his amendment?

Mr. TAFT. Mr. President, I think the implications of the question asked by the Senator from Minnesota entitle me to make a statement. The amendment offered by the Senator from South Carolina had nothing whatever to do with anything I had in mind. I had no connection with it in any way.

Mr. HUMPHREY. I thank the Senator from Ohio. That answers the question.

The VICE PRESIDENT. The question now is on the amendment, as modified, offered by the Senator from South Carolina in the nature of a substitute for the Byrd amendment. The yeas and nays having been ordered and all time for debate having been exhausted, the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] is absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained in order to keep an engagement at the White House.

I announce further that, if present and voting, the Senator from Connecticut [Mr. BENTON] and the Senator from Montana [Mr. MURRAY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The Senator from Nevada [Mr. MALONE] is absent on official business.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], the Senator from Indiana [Mr. CAPEHART], and the Senator from Massachusetts [Mr. LODGE] would each vote "nay."

The result was announced—yeas 12, nays 68, as follows:

YEAS—12		
Clements	Hayden	McFarland
Connally	Holland	McKellar
Fulbright	Johnson, Tex.	Monroney
Green	Maybank	Smathers
NAYS—68		
Anderson	Hoey	Neely
Bennett	Humphrey	Nixon
Bridges	Hunt	O'Connor
Butler, Md.	Ives	O'Mahoney
Butler, Nebr.	Jenner	Pastore
Byrd	Johnson, Colo.	Robertson
Case	Johnston, S. C.	Saltonstall
Chavez	Kefauver	Schoeppel
Cordon	Kem	Seaton
Dirksen	Kerr	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Dworshak	Knowland	Smith, N. C.
Eastland	Lehman	Sparkman
Ellender	Long	Stennis
Ferguson	Magnuson	Taft
Flanders	Martin	Thye
Frear	McCarran	Tobey
George	McCarthy	Underwood
Gillette	McClellan	Watkins
Hendrickson	Millikin	Welker
Hennings	Moody	Wiley
Hickenlooper	Morse	Williams
Hill	Mundt	
NOT VOTING—16		
Aiken	Carlson	McMahon
Benton	Duff	Murray
Brewster	Ecton	Russell
Bricker	Langer	Young
Cain	Lodge	
Capehart	Malone	

So Mr. MAYBANK's amendment, as modified, in the nature of a substitute for Mr. BYRD's amendment, was rejected.

Mr. MONRONEY. Mr. President, I should like to call up my amendment to the Byrd amendment, which is on the clerk's desk.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, may I ask why the amendment is not read?

Mr. MONRONEY. I thought I could save the time of the Senate. I have no objection to its being read.

Mr. McCLELLAN. Is it printed and lying on the desk?

Mr. MONRONEY. Yes. It is printed and is on the desk. It has been there for approximately a week.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. If the amendment should be read, would the time be taken from the time of the Senator from Oklahoma?

The VICE PRESIDENT. No.

Mr. MAYBANK. I think the amendment should be read, Mr. President.

The VICE PRESIDENT. The clerk will read the amendment.

The LEGISLATIVE CLERK. On page 9, after line 16, it is proposed to insert the following new section:

SEC. 108. Section 18 of the Universal Military Training and Service Act is amended as follows:

(1) Section (18) (g) (1) is amended by adding the following subsection thereto:

"(C) The term 'day' means calendar days exclusive of Saturdays and Sundays."

(2) Section 18 is further amended by adding the following subsection thereto:

"(i) (1) Whenever the President finds that there is an actual or threatened cessation or delay in production, manufacturing, or transportation, arising from a dispute or disputes over terms and conditions of employment and involving plants or facilities so indispensable that such cessation or delay is endangering or will endanger the national health or security, including the interest of the United States in programs authorized and approved by the Congress for the military assistance of other nations; and when he finds that such dispute or disputes have not been resolved despite the utilization of procedures prescribed in the Labor Management Relations Act of 1947, as amended, the Railway Labor Act, as amended, or the Defense Production Act of 1950, as amended, or when he finds that, upon a report of the facts made to him by the Secretary of Labor concerning previous efforts at bargaining, there is no substantial prospect of a resolution of such dispute or disputes by the utilization of such procedures, he may issue a proclamation reciting such findings and stating, that, unless a settlement of such dispute or disputes occurs within seven days or such longer period as he may prescribe, he may, after appropriate action required by this subsection 18 (i) and upon making the further findings required in subsection 18 (i) (2) of this act, direct that a Government agency designated by him take possession and assume control of the plants or facilities involved in such dispute or disputes.

"(2) At the expiration of such period of 7 days or such longer period as he may have prescribed in his proclamation, the President may, upon further finding that no settlement of such dispute or disputes has occurred and that the cessation or delay referred to in his proclamation is occurring or threatening to occur within 7 days, take possession and assume control on behalf of

the United States, through a Government agency designated by him, of such plants or facilities involved in such dispute or disputes: *Provided*, That at least 2 days prior to taking possession and assuming control of such plants or facilities under subsection 18 (i) of this act, the President shall have caused his proclamation concerning such dispute or disputes to be communicated to both Houses of Congress: *Provided further*, That if both Houses of the Congress shall, by concurrent resolution, express disapproval of the taking of possession and assuming of control of any such plants or facilities within 15 days from and after the communication to them of his proclamation, the President, if he has not yet taken such possession and control, shall not take such action; and, if he has previously taken possession and assumed control of such plants or facilities, such possession and control shall terminate on the date specified in the concurrent resolution of the Congress, or, in the absence of such specification, within 10 days from the approval of such concurrent resolution, except that the President may terminate such possession and control at an earlier date. In any event, the possession and control taken of any plants or facilities shall terminate 80 days from and after the taking of such possession and control, except that, if the Congress shall not be in session at that time, such possession and control shall terminate 15 days from and after the day of the next convening of Congress: *Provided, however*, That the Congress, by concurrent resolution, may extend the duration of such possession and control for any greater period, during which period, however, the President may terminate such possession and control at an earlier date. Any taking of possession and assuming of control of plants or facilities under subsection 18 (i) of this act shall be subject to the payment of just compensation therefor as required by the Constitution of the United States.

"(3) It shall be the duty of the President to communicate to the Congress any proclamation issued pursuant to subsection 18 (i) (1) of this act, and any Executive order or other directive or communication by which he may direct the taking of possession and assuming of control of any such plants or facilities pursuant to subsection 18 (i) of this act"

Mr. TAFT. Mr. President, I make the point of order that the amendment is not germane to the bill.

The VICE PRESIDENT. The clerk has not finished reading the amendment. The Chair cannot recognize the Senator until the reading of the amendment is concluded.

The legislative clerk resumed and concluded the reading of the amendment as follows:

"and to cause any such proclamations, Executive orders, and other directives or communications to be published within 3 days from their issuance in the Federal Register.

"(4) No taking of possession and assuming of control of plants or facilities under subsection 18 (i) of this act shall be construed to relieve any employers or employees, or their representatives, from the duty to bargain concerning such dispute or disputes, or from the obligation of any agreement to arbitrate such dispute or disputes which may have been made prior or subsequent to any taking of possession or assuming of control of such plants or facilities under subsection 18 (i) of this act.

"(5) (a) There is hereby established the National Emergency Price and Wage Board (hereinafter referred to as the 'Board') which shall be composed of a Chairman and six other members to be appointed by the

President by and with the advice and consent of the Senate for a term of 1 year, and which shall have power to sit and act at any place within the United States and to conduct such hearings either in public or private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute or disputes referred to it by the President, and to make such recommendations as are authorized by subsection 18 (i) of this act. Each member of the Board shall receive compensation at the rate of \$50 for each day actually spent by him in the work of the Board, together with necessary travel and subsistence expenses. The provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act, as amended (15 U. S. C. 49 and 50), shall be applicable with respect to any hearing or inquiry conducted by the Board under this subsection. The President shall make such provision for stenographic, clerical, and other assistants and for facilities, services, and supplies as may be necessary to enable the Board to perform its functions.

"(b) During the period when any Government agency has possession and control of any such plants or facilities vested in it by the President under subsection 18 (i) of this act, such Government agency may, in the absence of a resolution of such dispute or disputes by bargaining of the parties, and with the approval of the President, effect such changes in terms and conditions of employment of employees operating or employed in or at such plants or facilities as may be recommended by a majority of the Board. The Board may, after the President refers to it any dispute or disputes over terms and conditions of employment involving plants or facilities of which possession and control are taken under subsection 18 (i) of this act, recommend such changes in terms and conditions of employment of employees operating or employed in or at such plants or facilities as it determines to be fair and equitable on the basis of increases in the living costs of such employees as shall have occurred since the date of the most recent collective-bargaining agreement, which contained provisions concerning such terms and conditions of employment, made by such employees: *Provided, however*, That no such recommendations shall include proposed changes in terms and conditions of employment which would be in violation of stabilization regulations or standards prescribed under the Defense Production Act of 1950, as amended: *And provided further*, That such recommendations shall not include any proposal for a change in the existing union shop, maintenance of membership, or similar arrangements between employers and employees."

The VICE PRESIDENT. The Chair thinks that the amendment of the Senator from Oklahoma would come under the provision of the unanimous-consent agreement allowing debate of 1 hour, 30 minutes to a side on amendments affecting the Wage Stabilization Board. Therefore the Senator from Oklahoma is entitled to 30 minutes, instead of 15 minutes.

Mr. TAFT. Mr. President, first I should like to make a point of order.

The VICE PRESIDENT. The Chair desires to state that, under the unanimous-consent agreement, the time is under control of any Senator offering an amendment and the Senator from South Carolina [Mr. MAYBANK], if he is opposed to it.

At the conclusion of debate the Chair will entertain a point of order, but while

debate is in progress, under control, the Chair does not believe he should recognize the Senator from Ohio.

Mr. TAFT. Will the Chair hear me on the question of 1 hour of debate being permitted? The amendment does not change the Wage Stabilization Board; it leaves the Board in full effect, and not modified in any manner. The amendment merely adds another provision which has no relation to the Wage Stabilization Board. It deals only with national emergencies.

The VICE PRESIDENT. The amendment in the nature of a substitute does deal with the question of the Wage Stabilization Board.

Mr. TAFT. Not at all. The amendment does not have anything at all to do with wage stabilization. It is simply in the nature of an amendment to the Taft-Hartley law, deals with national emergency strikes, and provides a special board for that purpose, leaving the Wage Stabilization Board exactly as it is in the bill. I submit that nothing in the amendment would warrant the extension of debate on it to 1 hour.

The VICE PRESIDENT. Under the unanimous-consent agreement, debate on amendments and provisions dealing with the Wage Stabilization Board and provisions dealing with seizure was limited to 1 hour 30 minutes to a side. The amendment in the nature of a substitute offered by the Senator from Oklahoma does deal with those questions, and for that reason the Chair felt the Senator was entitled to an hour instead of 30 minutes.

The Senator from Oklahoma is recognized.

Mr. MONRONEY. Mr. President, I yield myself 15 minutes.

The amendment which I propose to the amendment of the Senator from Virginia attempts to strike a middle-of-the-road policy in order to deal with the difficult and critical situation with which the Nation is today faced.

Today America stands without any protection whatsoever against any kind of crippling, paralyzing strike that might occur in any of our national or indispensable war industries, in our utilities, or in our railroad services, or in any other services on which our security and health as a nation depend.

The impact of the Supreme Court decision wiped away the last vestige of executive power which might have been implied or assumed to deal with the paralyzing situation in which the Nation finds itself as a result of the steel strike. Or the kind of situation in which it might find itself as the result of a utility strike, a railroad strike, or many other types of labor crises.

I believe that the Supreme Court properly called the attention of Congress to the fact that the power should rest in Government, and undoubtedly does rest in Government, to save the country from such situations. But it also held that in making use of such power the Congress is the only branch of the Government which can grant such power; that the Executive cannot legislate, and that the Congress should do so if we

expect to prevent such a situation from happening.

I tried my best in this amendment to reach a middle-of-the-road position. I do not believe that the amendment will be popular with either management or labor. In fact, it is designed solely to protect the public of the United States, our military efforts, and our men fighting overseas, without regard to which union they belong to, or whether they belong to the National Association of Manufacturers or the United States Chamber of Commerce.

This is action which I believe is necessary. I believe that the Defense Production Act on which we are working is the last chance Congress will have to speak and legislate during this session.

Briefly, I should like to explain the mechanics of seizure, for which this bill provides, when all collective-bargaining arrangements prove unavailing, when whatever tools the President felt were necessary and could be expeditiously used for the settlement of such a crisis have been used without result. Then, with respect to any defense plants, industries, or utilities which are indispensable—and I ask Senators to bear in mind that qualification—to the Nation's health and security and to our military efforts in behalf of other nations, the President may give 7 days' notice of intent to seize the struck facility or facilities.

The reason for the 7 days' notice is to encourage the every effort at collective bargaining.

The 7 days' notice of intention to seize is a drive forward in a last-minute effort to bring the union and management together to settle their own difficulties before seizure takes place.

If such effort is unavailing, 2 days before seizure the President must notify the Congress, which must be in session. In other words, if he intends to seize a facility which is important enough to our national defense to require seizure, then before it can be seized he must assemble the Congress in session, if it be not then in session.

Within those 2 days the Congress, by concurrent resolution, may prevent the seizure of the facilities. Or, if it does not act within the 2 days, within 15 days thereafter, by concurrent resolution, the Congress can veto, override, and overturn the President's seizure of the facilities and direct that the facilities which have been seized be turned back to their owners.

I believe that that provision safeguards the system of checks and balances in the extraordinary processes of law which we recognize, are necessary for the national good under the conditions which the emergency creates.

Furthermore, this amendment protects both industry and labor. Such seizure as may take place may continue only for a period of 80 days. After 80 days the Congress must extend the period of seizure by concurrent resolution; or, if the Congress be not in session at the expiration of 80 days, then within the first 15 days after the reconvening of Congress the seizure period must be extended by concurrent resolution.

This provision gives an added impetus to genuine collective bargaining because it brings about a period of time within which labor and management can say, "Seizure is terminating after 80 days. Let us get together and decide these issues through collective bargaining."

Subject to all the qualifications and safeguards which have been mentioned, we provide that industry shall receive just compensation under the Constitution for any losses which occur during the period of Government operation. That protects the management side against seizure without due process of law, and awards it just compensation under our Constitution and system of laws.

I do not agree that management should be allowed to neglect bargaining in good faith, thereby forcing into seizure necessary facilities in order that the Government may freeze wages and working conditions of labor over a long period of seizure.

So I provide in this amendment for a special emergency board, whose members are to be confirmed by the United States Senate, whose duty it will be to fix temporary wages for labor under Government seizure. We employ a cost of living index, in comparison with cost-of-living increases since the last collective-bargaining agreement arrived at between industry and labor. That will provide a yardstick to measure any adjustment of wages or working conditions which the emergency board, confirmed by the Senate, may put into effect during Government seizure.

The Board is specifically prohibited from recommending or putting into effect any changes in the union shop conditions of the plant, because we do not believe that during Government seizure any board or Government agency should have the right to change this type of union organization. However, I feel that under the operations of the Wage Board labor has a right to receive increases in wages corresponding to cost-of-living increases during the period of seizure. It is only fair to protect labor in that way.

Mr. President, I should like to invite attention to a small difference between my amendment and the amendment of the distinguished Senator from Oregon [Mr. MORSE]. They are very similar in many respects, but my amendment amends the Selective Service and Universal Military Training Act.

That makes this provision emergency legislation, so that when an emergency occurs within an emergency—in other words, if the crisis is severe enough to justify drafting the men of America to fight and die in Korea—we should have the right, as a Congress, to expect full production of steel and other goods to supply the men whom we send into combat through selective service.

There is a long list of precedents under the Selective Service Act. I should like to call attention to a few precedents involving seizure to support the Selective Service System.

Government-placed orders must take precedence over all other production schedules. That provision is in the act.

If a person fails to carry out such an order, the President is authorized to take immediate possession of the facility or facilities involved, in order to insure production of the needed article.

Furthermore, it is made the duty of the steel industry under the Selective Service Act to furnish the amounts of steel needed for production of articles ordered, in accordance with previous sections; and provision is made for seizure of steel plants if such production is not carried out.

In enacting the Selective Service Act, Congress decided that the Government could take a portion of industry's production to support Selective Service. But when the entire production of an industry is shut down, are we going to be so cowardly and fearful as to refuse to give the President the tools which every man knows are necessary to put the giant of American steel production back into our war effort?

Mr. MOODY. Mr. President, will the Senator yield?

Mr. MONRONEY. I am delighted to yield to my distinguished colleague from Michigan.

Mr. MOODY. First I should like to say that I think the Senator from Oklahoma has presented the most constructive idea that has yet been presented for a vote in the present situation.

Secondly, I should like to ask the distinguished Senator from Oklahoma whether or not it is true that if the Byrd amendment were adopted and Congress took no other action, the country might be left crippled when Congress was out of session? Would that not leave a situation in which the period of 80 days within which the President could, by injunction, keep the steel plants in operation, would expire in September or October? Congress would not be in session, and the Government would be left helpless at that time to get vital steel production going.

Mr. MONRONEY. The Senator from Michigan is quite correct. If I read the calendar correctly we would reach a showdown under the Taft-Hartley Act on the 17th of September.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the Senator from South Carolina.

Mr. MAYBANK. Provided the President uses the Taft-Hartley Act.

Mr. MONRONEY. Provided that he uses it.

Mr. MAYBANK. Of course, the Senator knows that I offered an amendment in that connection, which was defeated. I offered it only because the Supreme Court by its recent decision has returned to Congress its constitutional powers. As the President so ably stated—and I agree with him—the Supreme Court said that it is the duty of Congress to legislate. If Congress is to legislate what is already on the books, and if the President will not use it, we would not be legislating anything. Does the Senator agree with me?

Mr. MONRONEY. The Senator from South Carolina is eminently correct. The President knows that there is a Taft-Hartley law on the books and that

the Taft-Hartley law says the President may—and let us not forget that the act says "may" throughout its provisions—do certain things.

It directs him to use the tools which he believes are best fitted to settle a labor crisis. The Taft-Hartley law does not say that the President "shall" do anything. It is discretionary. It is an alternative process. If the Senate thinks it can get by with the country in this crisis by restating the Taft-Hartley law, it is mistaken.

Mr. MAYBANK. If Congress thinks it can get around the Supreme Court, when the President of the United States could not get around it, they have another thought coming.

Mr. MONRONEY. I thank the Senator.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LONG. It seems to the junior Senator from Louisiana that the Taft-Hartley law, regardless of its merits, does not provide the answer to the present situation. If the injunction provision were used it would only afford a breathing spell of 80 days. In the meantime Congress would not be in session and there would be no way in which the President could proceed to obtain the necessary steel production. The amendment offered by the Senator from Oklahoma has merit in that if a seizure were to take place it would be a seizure by the entire United States Government, namely, by the President and by Congress. Congress could prevent seizure, and would have time to prevent it.

Mr. MONRONEY. We would have preserved the checks-and-balances system. I believe everyone realizes that the situation finally requires determination. When plants go down, when the fires are pulled from under the steel furnaces, when the railroads stop running on the line, or when power is shut off, someone must act. The Supreme Court has limited seizure almost, as I read its opinions, to cases of invasion.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. MAYBANK. But the Supreme Court said in substance—and I hope the Senator will correct me if I am wrong—that it was the duty of Congress to legislate, the duty of the President to administer, and the duty of the Court to pass upon laws which Congress passed.

Mr. MONRONEY. As I see it, the Supreme Court practically handed us an engraved invitation, from all of the Justices on both sides of the question, that it was the duty of Congress to act if this is the crisis that we think it was.

Mr. MAYBANK. Is not this the first time the question has been raised before the Supreme Court for generations, and the first time the Supreme Court has clearly stated the situation so far as seizure and emergency are concerned in dealing with the powers of Congress?

Mr. MONRONEY. Because of the Supreme Court decision in the steel case the country stands absolutely naked without vestige of power or authority to stop any kind of crippling strike,

whether it originates through the action of a handful of Communists or by the action of great steel organizations.

No matter how critical the situation, we are still without power to prevent a crippling strike.

Mr. MAYBANK. As I stated when I submitted my amendment, labor and big business are not the only ones who are interested. I said I was hopeful that something could be done by Congress which would be on the side of the American people, small business, and the mothers and fathers whose boys are fighting in Korea or whose boys are stationed in Germany. We have suffered greater casualties in this war than in any way except during World War II.

Mr. MONRONEY. The President has asked for the tools with which to do the job and get production rolling. He has asked for bread in behalf of the defense effort and Congress is content to give him a stone.

Mr. MAYBANK. I do not always agree with the President on some questions. For example, I did not believe he had the right to seize the steel mills.

The PRESIDING OFFICER (Mr. HILL in the chair). The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. I yield myself an additional 5 minutes.

Mr. MAYBANK. Mr. President, I yield 5 minutes of the opposition time to the Senator from Oklahoma, and I yield the remainder of the time to the Senator from Ohio [Mr. TAFT].

The PRESIDING OFFICER. Is the Senator from South Carolina opposed to the amendment?

Mr. MAYBANK. I advised the Senator from Illinois and the Senator from Ohio that I shall not speak in opposition to the amendment, but will yield 15 minutes to the Senator from Ohio, and 10 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The distinguished Senator from South Carolina, if he is opposed to the amendment, is in control of the time in opposition to it. On the other hand, under the unanimous-consent agreement, if he favors the amendment he does not control the time.

Mr. MAYBANK. I am not opposing the amendment. I assured the Senators on the other side of the aisle that I would not speak against it. I ask unanimous consent that the time I took in colloquy with the Senator from Oklahoma be charged to the opposition.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIRKSEN] is in control of the time in opposition to the amendment. The Senator from Oklahoma has yielded himself five additional minutes. He will be recognized for 5 minutes. The Senator from Illinois will have control of the time in opposition.

Mr. MAYBANK. May I yield 5 minutes to the Senator from Oklahoma?

The PRESIDING OFFICER. Under the unanimous-consent agreement the Senator from South Carolina, being in favor of the amendment, does not control the time in opposition. The time in opposition is controlled by the Senator from Illinois.

Mr. MAYBANK. I did not say that I was not in favor of the amendment. I said I was not opposing it.

The PRESIDING OFFICER. Under the unanimous-consent agreement entered into, if the Senator from South Carolina is in favor of an amendment he does not have control of the time in opposition. If he is opposed to an amendment he controls the 30 minutes in opposition.

Mr. MAYBANK. I shall not oppose the amendment. I yield time to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Oklahoma has yielded himself five additional minutes.

Mr. MONRONEY. Will the time consumed in the colloquy come out of my time?

The PRESIDING OFFICER. It will not come out of the Senator's time.

Mr. MONRONEY. I yield myself five additional minutes.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. As the matter stands, the Senator from Oklahoma will use up his time, and the full 30 minutes will be available to Senators in opposition to the amendment.

The PRESIDING OFFICER. As the matter stands the Senator from Oklahoma has consumed 15 minutes. He has yielded himself an additional 5 minutes. Unless he yields himself additional time after he has consumed the 5 minutes, the Senator from Illinois will be recognized.

Mr. DIRKSEN. Thirty minutes will still be available to Senators who wish to speak in opposition to the amendment. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. MONRONEY. I may reserve 10 minutes of my time, if I wish. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MONRONEY. Mr. President, I yield to the Senator from Michigan for a question.

Mr. MOODY. What we need today is not a promanagement amendment or a prolabor amendment, but a propublic amendment. I ask the Senator from Oklahoma whether he does not feel, since Congress would not be in session when the 80 days under the Taft-Hartley Act would expire, that the President and the country would be left helpless to protect the national interest? This is a critical situation which must be taken care of before Congress adjourns.

Mr. MONRONEY. I agree with the Senator from Michigan. Mr. President, let me give briefly what I consider to be the defects of the Taft-Hartley Act in this situation.

I voted for the Taft-Hartley Act. I have never apologized for my vote in that connection. I have had to take the consequence of strong labor opposition at times. The controlling reason why I voted for the Taft-Hartley Act

was because of the section in the Taft-Hartley Act which endeavors to prevent crippling strikes on a Nation-wide basis.

It was the only choice we had. After watching the act in operation and after analyzing it in the situation in which we find ourselves, I believe it would be following a rather ridiculous procedure for the Senate to direct or request or recommend to the President, as our only solution of this great difficulty, that he take cognizance of the existence of the Taft-Hartley law. In the first place, the Taft-Hartley law, after the cooling-off period and fact-finding period, winds up in a blind alley.

It winds up in a place where nothing can possibly happen if management and labor do not get together. After the 80 days have run, after the last offer of management has been submitted to the workers by the union for a vote, we wind up right where we are today, namely, with the plants not in operation.

I do not know of any arrangement whereby, in any situation that is likely to occur, labor can be kept working for the same wages for which they have worked for 120 days while the President parallels the fact-finding procedure and parallels the cooling-off period. The President already has done everything that he could have done under the Taft-Hartley Act, except to have a vote taken by the workers on the last offer made by management.

Mr. TAFT. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield, if the Senator from Ohio will agree to have the time he takes charged to his own time.

Mr. TAFT. Yes; gladly.

The PRESIDING OFFICER. The Senator from Ohio does not have any time available.

Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DIRKSEN. Yes; I yield 2 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. TAFT. I wish to ask whether under the Senator's amendment at the end of 80 days all the plants would not be returned to their owners?

Mr. MONRONEY. Yes; unless the Congress by concurrent resolution extended the seizure of the plants.

Mr. President, there is finality to my amendment; but under the procedures of the Taft-Hartley Act, we would wind up in a blind alley.

Mr. TAFT. But under the Taft-Hartley Act, at the end of 80 days the Congress could act by way of concurrent resolution, just as it could under the amendment of the Senator from Oklahoma.

Mr. MONRONEY. However, in this case the Senator from Ohio is asking the Congress to request the workers to wait another 80 days, after already waiting 120 days under a similar program or arrangement.

Mr. President, that is not the way I like to do business. After all these proc-

esses have been gone through, I think it would be rather a shyster operation to say to the workers, "Wait another 80 days."

Mr. President, let us not think that the situation in the case of steel production constitutes the only crisis. On June 1, the only legislation we had to provide for continued operation of the railroads of the United States in the event of a strike expired. The Taft-Hartley Act does not apply to the railroads. So today there can be a strike in any or in all of the railroads, and then the country will be powerless to move a train or to switch an engine or see to the transportation by railroad of indispensable articles of food, drugs, military supplies, and so forth, in our Nation.

I am sure that the author of the Taft-Hartley Act, who is in the Chamber at this time, will not deny that at this time we are without any legislative power whatsoever—or without any implied power in the President—to continue the operation of the railroads, in the case of a strike.

That is another defect of the Taft-Hartley Act. We should not simply say, "The operation of the steel plants has been suspended, and we must enact legislation because of that situation." There can be other crippling strikes, and such strikes could have just as great an impact as the steel strike has at this time. Therefore we need to act in such manner to safeguard against all manner of paralyzing strikes—not just that which we face today in steel.

Mr. LEHMAN. Mr. President, will the Senator from Oklahoma yield at this time for a question?

Mr. MONRONEY. I yield to my distinguished colleague from New York.

Mr. LEHMAN. Is it not a fact that the steel workers have been prevented for 150 days from having a wage increase to which they were entitled? Have not they already been prevented for 150 days from having that increase?

Mr. MONRONEY. They have voluntarily continued at work at the old pay scale, while negotiations were under way with the fact-finding group.

Mr. LEHMAN. Yes. As a matter of fact, the management is willing to grant some pay increase, and has acknowledged that the workers were entitled to it. However, the workers have continued to work at the same old pay for 150 days now, and at this time it is proposed that they work at the same old pay for another 80 days, whereas the management has gained the profits of continuous operation under the old wages.

Under the Taft-Hartley Act, or under any other Act, as a matter of fact, the workers would be entitled to proper compensation. However, in the present situation the management has all the advantage, and the workers are expected to continue working for a total of 230 days without any increase in pay to compensate them for the increase which has occurred in the cost of living.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has again expired.

Mr. MONRONEY. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I yield 15 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. TAFT] is recognized for 15 minutes.

Mr. TAFT. Mr. President, the Senator from Oklahoma has said, in presenting his case, to the Senate, what he has already said in a press release, namely:

This is strictly emergency legislation. Today the Nation stands without any protection whatsoever against crippling strikes in railroads, utilities, or basic industries vital to the national security.

Of course, that is not a correct statement, for the Taft-Hartley Act is in full effect, and the Nation is protected in the case of situations such as those to which the Senator from Oklahoma has referred.

As a matter of fact, the so-called national emergency provisions of the Taft-Hartley Act were not my proposal. They were worked out by the Committee on Labor and Public Welfare in 1947. I think all of us felt that the problem was a very difficult one to meet, and that it was not at all easy to meet it properly.

My recollection is that all the members of the committee, including the distinguished Senator from Oregon and the distinguished Senator from New York—although I may be mistaken—thought we should try it, at least; they thought that was as good a measure as we could agree upon.

That law has been in effect ever since. There is no reason at all why the President should not use it. Obviously he does not want to use it, but I do not know what may be the reasons why he does not wish to use it, because he has used it already a dozen times; and often has used it with success. What may be his present reason for not wishing to use it in this case, I do not know. In any case, his reasons as set forth in the message he has sent to Congress are childish.

Only last summer the President used the Taft-Hartley Act in the copper strike, and in that case the men returned to work after the injunction was obtained, and the difficulty was adjusted within 2 weeks.

I do not know that there is any entirely satisfactory solution of the present difficulty. Yet the Taft-Hartley law offers a perfectly reasonable procedure.

Today criticism has been made of the Taft-Hartley Act from the point of view that under the procedures which already have been undertaken by the President, everything which could be done under the Taft-Hartley Act has already been done, except to seek an injunction and to prolong the situation for 80 days more, during which the status quo would continue while further efforts were made to settle the strike.

Mr. President, I wish to point out that that is infinitely the quickest method of dealing with this matter. I care not what proposed legislation might be passed now by the Senate, in any event it would have to go to the House of Representatives, for the measure now before us is the Defense Production Act. In that case there would be a long dispute about many other provisions of the act, and the chances of passing such a Defense Production Act before the 1st of July are remote.

If the Senate wishes to have quick action taken, the only way to have that done is to use the Taft-Hartley Act; there is no other remedy.

The Taft-Hartley Act provides for an 80-day delay. It is said that the men are suffering or would suffer under that delay. Of course that is not so, Mr. President, because all settlements in cases of this sort are retroactive settlements. The steel companies have been dealing with the men during the past few months on the basis of a retroactive settlement. Undoubtedly the settlement will be retroactive; there can be no question about that. The men are deprived only temporarily of the pay to which they may finally be entitled. So there is no question of the doing of an injustice to the men under that particular provision.

Mr. LONG. Mr. President, will the Senator from Ohio yield for a question?

Mr. TAFT. Mr. President, I prefer not to yield at this time.

The Taft-Hartley law provides that after the injunction is obtained, the board shall make a report on the facts, but shall not make an actual recommendation of a settlement. In the opinion of the committee, a recommendation came very closely to the idea of compulsory arbitration, of which we did not approve. Of course, there may be a difference of opinion on that point. I myself supported, last year, I believe, an amendment, which I was willing to have considered, which would have provided for the making of a definite report. That is not a very important difference between the Taft-Hartley Act and other measures which have been suggested.

The Taft-Hartley Act provides, finally, for the taking of a vote by the men on the last and most favorable offer of the employers, at the end of 80 days. I believe the people of the United States feel that it is right that in a national emergency—and the Taft-Hartley Act applies only to national emergencies—there should be a definite and deliberate vote by the workers on the question of whether they intend to strike and to tie up the entire national economy, and that that action should not be taken by their leaders, but should be taken by the action of the men, in the last analysis. That seems to be a wise provision. Such a provision is omitted from all the proposals which now are before the Senate.

That provision may or may not work. I think that point in the procedure has been reached only twice in connection with the various injunctions which have been sought under the Taft-Hartley law. In one case that procedure was sabotaged because Harry Bridges simply or-

dered all the members of his union to refuse to vote at all. Inasmuch as those men were scattered all over the world, on various ships, it was not very easy to have a vote taken under those circumstances.

I do not think there will be any objection to the taking of such a vote in this case, and I believe that provision should remain in the law.

It is said that at the end of 80 days, the Taft-Hartley law provides nothing further. That is quite correct. But in the measures now proposed provision is made in effect for compulsory arbitration and for the fixing of wages by the Government or by a Government board. I do not think such a provision should be a part of any permanent legislation dealing with labor-management relations. The moment such a provision is placed in such legislation, it kills collective bargaining and destroys freedom of collective bargaining and destroys freedom in the fixing of wages. I do not think we can have a system by which, in effect, the Government will fix wages, without going on to have the Government fix prices and fix every other provision or arrangement or part of our economic life. I do not believe any permanent law should contain a provision for the fixing of wages by the Government. But the measures now before us provide, in effect, for the fixing of wages.

It seems to me that at the end of the 80-day period provided for by the Taft-Hartley Act, if no settlement is thus made, we would have to consider the passage of a special emergency law. If so, it should be confined to this particular steel strike, in my opinion; I believe that in any case it should be confined to the particular strike then existing. Such a special emergency law might include seizure, so far as I am concerned, or other provisions. Such provisions have been made before. As I recall, in the Adamson law, Congress itself fixed the wages of the railroad workers.

There are all sorts of different ways of meeting a particular emergency by drastic legislation, but I do not think it ought to be met by making seizure or by making the fixing of wages by compulsory arbitration a permanent part of the legislation of the United States, because I think that would strike at the freedom of the workman as much as it would at the freedom of all Americans.

Coming to the question of seizure, seizure is not for the benefit of the workmen. Seizure is merely for the socialization of the entire process that is taken over. We have recently noted the seizure of the railroads by the Government. This produced the greatest indignation on the part of railroad workers. Why? Because it has been used to prevent the freedom of strikes; because it has been used to postpone the settlement of the rights of railroad workers; because, for more than a year and a half, the Government continued in control without bringing to a head any of the final settlements. It is all very well for labor, when they have an administration that

is 100 percent on their side, as Mr. Truman is on the side of Philip Murray; but if they happen to have Mr. Steelman opposed, in effect, to the railroad unions, then it is a greater imposition upon the men themselves than it is upon an industry.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. TAFT. I prefer not to yield at the present time.

The PRESIDING OFFICER. The Senator from Ohio declines to yield.

Mr. TAFT. Seizure is one thing which puts into the hands of the Government the power to prohibit a strike. Over and over again the railroad men started a strike, because they could not get a settlement of their claim; and they were always enjoined. They would like to have the Taft-Hartley law, which puts off their claims for only 80 days. The seizure provision of the railroad law put off their claims for 2 years without any settlement. At the moment of seizure, there is the right to an injunction against any strike of any kind. When anyone talks about being against injunctions under the Taft-Hartley law, he should consider the result of seizure as shown in the United Mine Workers case, which gives the Government an indefinite right of injunction; and if seizure goes on forever, with a Government adverse to the particular union in question, it might easily use it as a tremendous weapon of oppression against labor itself.

I think seizure is fundamentally against the interests of labor, just as it is also against the interests of management. So, Mr. President, I do not see in any of the pending proposals anything better than the Taft-Hartley law. I have no proposal except to say to the President, "You have this right; the Congress enacted the law after great and careful consideration; it is not perfect, try it out. He says that he has postponed a strike many times by persuasion; but the Taft-Hartley law contemplated the whole process of mediation, arbitration, and everything else, first. The injunction was only for use when the point was reached where nothing could be done voluntarily. This is not a substitute for voluntary postponement. Of course, the Government obtained voluntary postponement for a number of months in this case. But the Taft-Hartley law is to be used after all other means of settlement have been exhausted; and so there is no reason at all that the President should not use it today.

The President, I think, is doing himself a great injustice when he says:

Furthermore, even if an injunction were granted, there is no assurance that it would get the steel mills back in operation. I call the attention of the Congress to the fact that such an injunction did not get the coal mines back in operation in 1950.

Mr. President, that is practically an invitation to the steelworkers to refuse to obey an injunction issued by the court. I think the President himself is asking for sabotage of the Taft-Hartley law in that connection. In my opinion it is an outrageous thing for him to undertake

to suggest to the steelworkers that they should refuse to obey an injunction of a court of the United States, simply because he does not happen to want to use the Taft-Hartley law under present conditions, whether he has promised Mr. Murray that he will not use it or not. I do not know what the reason may be. I can see no other reasonable cause for his refusal to use that law. Of course, the entire message presents no argument whatever against the Taft-Hartley law.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. TAFT. Let me say one thing in conclusion. My feeling is that we should say to him, "You now have a law on the books; try that law out. We see no reason for emergency legislation until that law shall have been tried." In the meantime, I would refer the Monroney bill, the Morse proposal, the proposal of the distinguished Senator from South Carolina, and any other proposals to a committee, and let them draft an emergency law, ready to be put into effect, if the Taft-Hartley law provisions do not succeed at the end of 80 days in achieving a settlement of the steel strike. We have not had time to consider all the intricacies of this problem. We cannot, on the floor, consider the details I have suggested and have any reasonable and satisfactory debate on them here. I think the committee should consider them. All that I would say is that there is no provision in any of them that I am very strongly against, if it is confined to an emergency law to deal with this particular strike situation in the steel industry. For that I would be willing to consider, so far as I am concerned, many provisions as emergency legislation which I do not think should be in any case a part of the permanent labor-management relations law of the United States.

Mr. JOHNSON of Texas and Mr. MOODY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield, and if so to whom?

Mr. TAFT. I yield first to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, the President indicated in his message to the joint session of Congress today that he would be required to appoint a board of inquiry under the Taft-Hartley Act. I should like to get the opinion of the Senator from Ohio as to whether that is the case.

Mr. TAFT. Yes, he is required to appoint a board of inquiry, but the board's first report is only on the question as to whether a national emergency exists, and whether the dispute has gone beyond the point where it can be settled by any voluntary means. If the Board reports the President has the right immediately to seek an injunction. In the Maritime case he got an injunction 4 days after he appointed the board, which is certainly by far the quickest action we could possibly hope for under any of the pending proposals.

The amendment of the Senator from South Carolina, of course, did not give any right of seizure for 130 days, or some such time; and the other proposals give

a right of seizure within a shorter period; but they could not go into effect today, and not until the Senate has passed the Defense Production Act, the House has passed it, and the conference committee has met and worked out all the differences with respect to price and wage controls. That certainly is going to take 30 days, compared to 4 days under the Taft-Hartley law.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. FERGUSON. Could there be any reason for saying that the President could not use the same board he has used under the Wage Stabilization Act?

Mr. TAFT. No. He could appoint the same board. In fact, I know of no reason for saying, considering all the circumstances which have been brought out here, that the President's board should not report the day after its appointment. I see no particular reason to the contrary. There is no limitation. They could report at once if they want to.

Mr. President, I yield the floor.

Mr. MONRONEY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. MONRONEY. Mr. President, the distinguished Senator from Ohio has generally referred to this amendment as permanent legislation. I again would like to call the attention of the Senate to the fact that this is temporary and emergency legislation in the nature of an amendment to the Selective Service Act, which everyone knows we are not going to continue unless there is a national emergency.

Furthermore, in case of seizure the amendment provides for a congressional veto and for an 80-day expiration date for the seizure, and requires a continuing resolution of Congress for any extension. Certainly this does not make my amendment in the nature of permanent seizure legislation.

The Senator from Ohio has argued that the slowness of the Congress, because it will not get busy and act, is a reason why we should not act now. That is not the kind of argument I like to hear. The very fact that the wheels of Congress turn so slowly that the President has to use a bad law is sufficient indication that we should give the President real tools with which to work.

The distinguished Senator from Ohio talked about the evil the administration and the President did to the railroads. I wonder if he means that the President should have allowed the railroads to shut down while they went through months of extra collective bargaining.

As I gathered from his statement, the Senator from Ohio objected to seizure of the railroads. I suppose that is one of the reasons why he left railroads out of the Taft-Hartley Act. There is nothing in that act to enable the Government to keep the railroads running after other processes have failed and the railroads stop operating.

The Senator from Ohio enumerated carefully the steps under the Taft-Hartley Act. I ask every Senator who

is familiar with the processes invoked in the steel controversy whether most of these steps have not already been taken and whether the Senator from Ohio is now asking that labor go through them all over again.

The first step is that the President shall find there is a national emergency. Does anyone doubt that there is a national emergency, when we are engaged in a cold war and all the steel plants are shut down?

Then there is a cooling-off period of 80 days. I do not think it is going to cool them off after waiting 120 days to wait another 80; I think it is going to heat them up. I could not blame them much, after voluntarily foregoing their strike privileges and pay increases for 120 days if they have to wait now for another 80 days.

There is a fact-finding board which the Senator from Ohio has said is similar to the Wage Stabilization Board. The Board sat on the case for 30 days and is just as familiar with the facts as anyone could be. They made recommendations. Is there anything wrong about that? Because they did find facts, and because they did make recommendations, are we going to make the parties wait 80 days more? All three of those processes have been followed. The only other process under the Taft-Hartley Act is a vote by the employees. I for one, would be very happy to see the President use the portion of the Taft-Hartley law which asks the employees to vote on the last offer of management, if anyone can find out what that offer was.

Finally, the good Senator from Ohio says that when all efforts at collective bargaining under the Taft-Hartley law break down, he might be willing to consider seizure. Evidently he does not consider it so bad if that is the alternative. Maybe there is something else. I do not know what it is. We have been through a waiting and fact-finding period for 125 days and have used three out of the four processes of the Taft-Hartley law. Why the President did not use the fourth process I do not know, but I imagine he thought he could get a little bit more collective bargaining on both sides of the table if the fourth process were not used.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from California [Mr. NIXON].

The PRESIDING OFFICER. The Senator from California is recognized for 3 minutes.

Mr. NIXON. Mr. President, I should like to use a part of my time by asking the Senator from Oklahoma a question.

What procedures does the Senator's amendment provide for settling a dispute that are not available under the Taft-Hartley Act?

Mr. MONRONEY. The main difference is that my amendment provides that all the processes may be utilized and collective bargaining may go forward while the Government is in ostensible control of the plant.

Mr. NIXON. I think the Senator's answer to my question makes obvious the comment that there is nothing in the Taft-Hartley Act which prohibits collective bargaining to continue during the 80-day period.

Mr. MONRONEY. Would the Senator from California like a little more amplification?

Mr. NIXON. Yes.

Mr. MONRONEY. The main difference between my amendment and the Taft-Hartley law is that under seizure, if the special wage board provided for finds that because of cost-of-living increases labor is entitled to wage adjustment during seizure, they will have it. Under the Taft-Hartley Act management can reap all the profits possible in the next 80 days, but the wages of labor are frozen.

Mr. NIXON. I recognize that difference, but the Senator has still not indicated why management would be more likely to agree in collective bargaining to wage increases after seizure than it would have been willing to agree before.

I think, Mr. President, we should bear in mind, as we consider the amendment, two very important factors. The first one is that we all recognize the necessity for speed in dealing with the steel strike and in meeting the emergency. The Senator from Oklahoma [Mr. MONRONEY], the Senator from Ohio [Mr. TAFT], and the President have all agreed that an emergency exists, and that something must be done speedily. On that ground I do not think the Senator's proposal can be supported when we compare it with the speed available under the Taft-Hartley Act.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. NIXON. May I have two additional minutes?

Mr. DIRKSEN. Mr. President, I yield two additional minutes to the Senator from California.

Mr. NIXON. The Senator from Ohio pointed out that under the Taft-Hartley Act action could be taken in a period of 3 days. Under the proposal of the Senator from Oklahoma, assuming that the Defense Production Act is passed today, goes to conference, and is approved by the President, in a week's time, there will be a period of at least 9 days after the bill passes during which no seizure action can be taken. So, Mr. President, if we want speed, we shall not get it by adopting the amendment of the Senator from Oklahoma.

The Senator has also made a great deal of the point he made when he proposed the amendment last Thursday. He said the Nation stands without any protection whatsoever against crippling strikes. So that we may understand exactly what the situation is, I think it is clear from the debate that if the Nation does stand without protection against crippling strikes, responsibility for that lack of protection rests squarely upon the President of the United States for refusing to use a law which we have seen today is the most speedy and effective way of dealing with the crisis—the Taft-Hartley Act.

Mr. DIRKSEN. Mr. President, how does the time stand?

The PRESIDING OFFICER. The Senator from Illinois has 10 minutes left, and the Senator from Oklahoma has 7 minutes left.

Mr. DIRKSEN. Mr. President, the discussion of the proposal of my good friend from Oklahoma [Mr. MONRONEY] stirs some recollections of what happened to the Defense Production Act a year ago. I am sure Senators will remember with what volcanic intensity they labored the amendment to license all business in the country, which proposal was offered as an amendment to the Defense Production Act. Had it been adopted in the heat of debate, the President of the United States, as a condition precedent to a company continuing in business, could have revoked a license or could have demanded certain conditions. Fortunately, the amendment was voted down.

I remember also an amendment offered by the Senator from Connecticut which would have empowered the President to acquire mines, build plants, and use whatever funds were necessary to equip them. I remember, also, Mr. President, a very logical and persuasive statement made by the distinguished Senator from Georgia [Mr. GEORGE] in the small hours of the night or in the morning as we discussed that amendment.

I think, therefore, that what happened last year ought to serve as a warning and as a caution when a proposal like that of my friend from Oklahoma is presented.

In the first place, the Senator from Oklahoma does not propose directly to amend the Defense Production Act. What he proposes to do is to amend the Universal Military Training and Service Act, as to which there is no termination date. So the Senator's amendment would become permanent legislation. I think we should be pretty cautious about that.

It seems to me that some progress has been made in the steel controversy. The parties have been hauled to the White House to bargain and negotiate. If I am correctly informed, virtually every substantive issue, with the exception of the union-shop question, has been pretty well determined. No amount of machinery which can be set up by Congress is finally going to dispose of such an explosive issue as that involving the union shop.

Mr. NIXON. Mr. President, will the Senator yield at that point?

Mr. DIRKSEN. If I may finish my sentence.

No amount of machinery can be set up that will dispose of that kind of explosive issue, I suppose, short of seizure, if both sides set their heads, and one says "Yes" while the other says "No."

I yield to the Senator from California.

Mr. NIXON. As the Senator from Illinois has pointed out, the main stumbling block to settlement at the present time is apparently the issue of the union shop. The amendment of the Senator from Oklahoma, upon which the Senate is to vote in a few minutes, does not meet this problem, because it ex-

pressly excludes consideration of the of the union-shop issue during seizure.

Mr. DIRKSEN. I may say that the language is most ingenuous. As a matter of fact, there can be bargaining for a change of conditions even while the steel plants are being operated by the Government, but certain things cannot be recommended and must not be done. Those certain things relate to the union shop, maintenance of membership, and so forth. As a matter of fact, it becomes something of a one-way street.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. TAFT. I have been reliably informed that one of the chief matters of disagreement remaining in the steel controversy is the question of the union shop. Certainly the amendment of the Senator from Oklahoma does not deal with that at all, so I do not see what would be accomplished by adopting his amendment.

Mr. MONRONEY. Mr. President, will the Senator yield for a comment to be charged to my time?

Mr. DIRKSEN. I yield.

Mr. MONRONEY. Of course the amendment of the Senator from Oklahoma does not deal with the union shop. That is a question which is left for collective bargaining. I do not think the Senator from Illinois, the Senator from California, or the Senator from Ohio would want the Government to put into effect a change of union-shop conditions while the plants are under seizure. That is the issue. That is why that section is in the amendment. Of course, the unions would like to have the Government order that the plants be under a union-shop requirement while they are under Government seizure. But in an effort to be fair to the public and to management, so that there could not be a change in the type of working conditions, the Senator from Oklahoma specifically prohibited a change of union-shop conditions. Of course, the parties could continue collective bargaining—and they would if we would only wait and let them do so.

Mr. DIRKSEN. I think the President's statement to the joint session this noon was not in the best of grace. It was a rather strange precedent for the President to use the instrumentality of a joint session for the purpose of telling Congress and the country why he would not employ the Taft-Hartley Act or employ existing law. I think the President would have come in better grace if he had suggested to the country today, "I am going to ask Congress to enact a law that will ignore, in part, the time factors in the Taft-Hartley Act, and to use the provision in section 209 (b) that is constructive and very useful." This is what that section says:

The National Labor Relations Board, within the succeeding 15 days, shall take a secret ballot of the employees of each employer involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General within 5 days thereafter.

If the time factor is to be emphasized, how much time has already elapsed? Very well. There could be one paragraph to the effect that, notwithstanding any other provision of the Taft-Hartley Act, the President shall direct that the secret ballot shall be employed to vote upon the last offer made by each employer. Then there could be a coming to grips with the issues involved, including the union shop. What more is needed? That would give those who have an abiding interest in the matter a chance to be heard, and not necessarily through their leaders.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DIRKSEN. Not at the moment.

The PRESIDING OFFICER. The Senator from Illinois declines to yield for the present.

Mr. DIRKSEN. I am not forgetting that there was a convention in Philadelphia. I am not forgetting that the Secretary of Labor was there and spoke, in my judgment, in rather prejudicial, biased terms. I am not forgetting that the Presiding Officer of this body—and I say it with the utmost of grace and humility—was before that convention in Philadelphia. It seems to me that a little more impartiality, just a little more humility, and just a little more grace, might have served not to fan the fires so much, and might have brought about a conclusion.

So in the act itself there is now an instrument for determining, not from leaders, but from rank and filers in the steel union, whether or not, for each employer, they will accept the last offer of the employer. That includes everything. If this matter is of such high immediacy and such urgency, the President could have done infinitely better today to have come, in a spirit of humility, with that kind of recommendation, rather than to say to the country, in tones that at times seemed a little tinged with arrogance and cynicism, that he will not use existing law.

Mr. President, that is all the more reason why we ought to be guided by two considerations. The first is that we should reaffirm the interest of Congress in the Taft-Hartley Act and adopt the Byrd amendment. Secondly, with respect to substantive legislation dealing with the whole problem of labor-management relations, as it relates to emergency strikes, the matter should be sent back to the committees for reasoned and careful consideration.

When the proposal of my distinguished chairman, the Senator from South Carolina, was first presented, the Senator from Indiana was quite right in saying that perhaps it should be sent back for committee consideration. That would have been a wise and timely thing to do. But I believe we can still cure all our difficulties simply by voting down all the proposals now being urged and reaffirming our interest in the Taft-Hartley Act, as provided in the Byrd amendment, and let the other proposals be carefully considered before we add to the permanent law of the country in a rather hasty, ill-advised fashion.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Illinois has 1 minute left.

Mr. DIRKSEN. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma has 6 minutes.

Mr. MONRONEY. Mr. President, I do not believe many votes will be changed by what I have to add. I should like to summarize what my amendment proposes to do. It provides that in extraordinary situations, where facilities which are indispensable to national health or security, or to military assistance to our fighting allies, are in peril because of paralyzing strikes the President, upon finding that there is no possibility of settling a labor dispute, may take over the facilities.

The Taft-Hartley Act, generally speaking, whose use is urged, would, after 80 days, be a blind alley so far as ultimate settlement of labor disputes is concerned. Furthermore, the Taft-Hartley Act does not apply to railroads and does not apply to individual bottleneck plants, no matter how necessary they might be to our national defense, national security, or national health.

My amendment would give a congressional veto over any seizure, which would absolutely insure the public interest with respect to the necessity of taking over the plants in the immediate crisis. It is proposed as temporary legislation attached to the Selective Service Act. It is suggested on the theory that if the crisis is great enough to take men and draft them into the Army, it is great enough to compel continued production by the facilities of supply.

Under my amendment seizure can last for only 80 days. If needed to be continued, it must be continued by a concurrent resolution of Congress. My amendment is not designed to please management or labor. It is designed to insure to the public that in a crisis such as the present one, the Government is not going to be absolutely impotent, or unable, with its hands chained behind it, to move in times of peril.

Mr. President, I ask for a vote on the amendment, and I yield the floor.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY] in the nature of a substitute for the amendment of the Senator from Virginia [Mr. BYRD].

Mr. TAFT, Mr. MONRONEY, and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] is absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce that the Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from Maine [Mr. BREWSTER]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Montana [Mr. MURRAY] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER] and the Senator from Nevada [Mr. MALONE] are absent on official business.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], and the Senator from Indiana [Mr. CAPEHART] would each vote "nay."

On this vote the Senator from Maine [Mr. BREWSTER] is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Connecticut would vote "yea."

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Montana would vote "yea."

The result was announced—yeas 28, nays 52, as follows:

YEAS—28

Anderson	Hill	McFarland
Chavez	Humphrey	McKellar
Clements	Hunt	Monroney
Connally	Johnson, Colo.	Moody
Douglas	Johnston, S. C.	O'Mahoney
Fulbright	Kefauver	Pastore
Gillette	Kerr	Smathers
Green	Lehman	Sparkman
Hayden	Long	
Hennings	Magnuson	

NAYS—52

Bennett	Byrd	Dworshak
Bridges	Case	Eastland
Butler, Md.	Cordon	Ellender
Butler, Nebr.	Dirksen	Ferguson

Flanders
Frear
George
Hendrickson
Hickenlooper
Hoey
Holland
Ives
Jenner
Johnson, Tex.
Kem
Kilgore
Knowland
Martin

Maybank
McCarran
McCarthy
McClellan
Millikin
Morse
Mundt
Neely
Nixon
O'Connor
Robertson
Saltanstall
Schoeppel
Seaton

Smith, Maine
Smith, N. J.
Smith, N. C.
Stennis
Taft
Thye
Tobey
Underwood
Watkins
Welker
Wiley
Williams

NOT VOTING—16

Aiken
Benton
Brewster
Bricker
Cain
Capehart

Carlson
Duff
Ecton
Langer
Lodge
Malone

McMahon
Murray
Russell
Young

So Mr. MONRONEY's amendment in the nature of a substitute for the amendment of Mr. BYRD was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, after line 16, it is proposed to insert the following new section:

SEC. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 412. Findings:

"The United States of America has undertaken and is exercising leadership in a global struggle for the preservation of democratic institutions;

"This Nation has made and is making great sacrifices to arm against and repel totalitarian aggression;

"The Armed Forces of the United States are deployed throughout the world to discourage aggression by totalitarian forces;

"The continued production of arms and material is vital to the security of the United States and the free nations associated with it; and

"The continuous production of steel and steel products is essential to the adequate production of arms and material required by the Armed Forces of the United States and the democratic nations dedicated to the preservation of freedom.

"SEC. 413 (a) The President of the United States is empowered to take possession of and operate all enterprises which produce steel and steel products and whose operations are interrupted by the current labor dispute.

"(b) The President shall continue to possess and operate any such enterprise or part thereof until—

"(1) he finds that any such enterprise or part thereof is not essential to the production found necessary in section 412 or

"(2) the labor dispute which disrupted production is settled.

"SEC. 414. The President is empowered to designate an appropriate department or independent agency to operate any enterprise or enterprises of which possession is taken under sections 412 and 413. That department or agency, with the approval of the President, may adjust wages, hours, and working conditions other than union shop in such a manner as to insure fair and equitable treatment of employees of the enterprise or enterprises so operated.

"SEC. 415. The President is empowered to appoint a compensation board which shall determine just compensation to be paid the

owners of the enterprises of which possession is taken pursuant to sections 412 and 413. The award of the Compensation Board shall be final and binding, unless within 30 days after the issuance of said award a party moves to have the said award set aside or modified in the United States Court of Claims in accordance with the rules of said court."

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

Mr. ROBERTSON. Mr. President, I make a point of order against the amendment.

The VICE PRESIDENT. The Chair would like to inquire of the Senator from Minnesota if he is offering his amendment as a substitute for the Byrd amendment or as an amendment to the Byrd amendment?

Mr. HUMPHREY. It is offered as a substitute.

Mr. DIRKSEN. Mr. President, may I inquire whether the amendment has been printed?

Mr. HUMPHREY. It has been mimeographed.

Mr. ROBERTSON. Mr. President, the Byrd amendment is to title V, which deals with the settlement of labor disputes. It states that the settlement must be in conformity to the Taft-Hartley law if it relates to the kind of dispute with which we are now dealing in connection with steel.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Under the unanimous-consent agreement with respect to the limitation of time for debate the Senator from Minnesota is entitled to speak in behalf of his amendment, unless he yields for a parliamentary inquiry.

Mr. ROBERTSON. Mr. President, do I have the floor on my point of order?

The VICE PRESIDENT. Not at the moment. The Chair does not believe that the making of a point of order can deprive a Senator of the floor when he offers an amendment and is entitled to speak on it.

Mr. ROBERTSON. The amendment is not germane. That is my point of order.

The VICE PRESIDENT. That point of order will have to be made later, the Chair will say to the Senator from Virginia. A Senator cannot take another Senator, who has offered an amendment, off the floor, by making a point of order. That cannot be done under the unanimous-consent agreement, unless a Senator who is in control of time yields for such purpose.

Mr. HUMPHREY. Mr. President, my time is limited. As I understand, I am entitled to 15 minutes on the amendment.

The VICE PRESIDENT. The Chair believes that under the unanimous-consent agreement—

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Just a moment. The Chair believes that under the terms of the unanimous-consent agreement the pending amendment, which deals with the Stabilization Board, entitles the proponents to speak on it for

30 minutes and entitles the opponents to speak on it for 30 minutes. Therefore the Senator from Minnesota is entitled to 30 minutes.

The Senator from South Carolina [Mr. MAYBANK], if he is opposed to the amendment, is entitled to 30 minutes in opposition.

The Senator from Minnesota is recognized for 30 minutes.

First, let the Chair state that points of order or amendments to the amendment, or other proceedings relating to it, if in order at all, would be in order following the conclusion of the hour of debate. A Senator offering an amendment cannot be deprived of his time, nor can Senators who are opposed to the amendment be deprived of time, by intervening motions.

Mr. MAYBANK. Mr. President, will the Senator from Minnesota permit me to use some of my time, in opposition to the amendment, to ask the majority leader a question?

Mr. HUMPHREY. Certainly.

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from South Carolina?

Mr. HUMPHREY. I yield on the Senator's own time.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the time consumed in this colloquy be not charged to either side.

The VICE PRESIDENT. The Senator from South Carolina has yielded himself some of his time. He has half an hour for debate on his side.

Mr. MAYBANK. I understood the majority leader to say yesterday that we would not have a night session today. Debate on the pending amendment will take an hour. The Senator from Arkansas [Mr. FULBRIGHT] has a very important amendment which he had hoped he would be able to offer after the amendment of the Senator from Virginia [Mr. BYRD] was voted on. The distinguished Senator from Arkansas is not present at the moment. I was wondering whether we could bring up his amendment after we have voted on the amendment offered by the Senator from Virginia. I should like to know what I may tell Senators who are members of the committee with respect to how late the Senate will be in session today.

Mr. McFARLAND. I made a definite commitment to a Senator yesterday that there would not be a night session this evening. It would be a night session to the extent it went beyond 6 o'clock, but I hope we can make good progress with the bill this afternoon and that it will be possible for me to live up to the commitment I made, if Senators will stand by me.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

Mr. McFARLAND. Mr. President, I ask unanimous consent that this time be charged to neither side.

The VICE PRESIDENT. Does the Senator from Minnesota yield for that purpose?

Mr. HUMPHREY. I yield.

The VICE PRESIDENT. Without objection, the time will not be charged to either side.

Mr. TAFT. Mr. President, the amendment offered by the Senator from Minnesota seems to be repetitious of the amendment offered by the Senator from Oklahoma [Mr. MONROE]. It seems to me that if similar amendments are to be offered one after another, a motion to lay them on the table would be in order. I do not intend to make such a motion in connection with the pending amendment, but unless amendments of this nature are offered, I believe we can finish consideration of the Byrd amendment this evening without difficulty and without a night session.

Mr. McFARLAND. I will say to my friend from Ohio that the commitment which I made was made to a Member on his side of the aisle. When I make a commitment, I like to keep it. The commitment was that we would not have a night session this evening. I like to live up to my commitments.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. TOBEY. Do we get time and a half for overtime?

Mr. McFARLAND. I wish we could.

Mr. MAYBANK. Mr. President, I thank the Senator from Minnesota.

Mr. McFARLAND. Mr. President, I have the floor for the purpose of making an announcement, by unanimous consent. I yield first to the Senator from Oregon.

Mr. MORSE. Mr. President, after action is had on the Byrd amendment, the junior Senator from Oregon proposes to offer an amendment to the Taft-Hartley law which, I am advised, would be in order because it pertains to carrying out the Byrd amendment, if the Byrd amendment is agreed to.

Mr. McFARLAND. I have no control over the amendments which will be offered.

Mr. HUMPHREY. Mr. President, a few moments ago the Senator from Ohio said this amendment apparently was no different from any other amendments which have been submitted.

I should like to state exactly what this amendment will do, and I should like to show the difference between this amendment and other amendments.

This amendment applies only to the current labor dispute in the steel industry. This amendment applies only for the length of the duration of the Defense Production Act.

In other words, this amendment is an emergency amendment for an emergency situation in a particular case at a particular time, for a particular period of time. In short, this amendment, if adopted, would not be permanent legislation. This amendment does not propose legislation to cover every case which may arise. This amendment is directed specifically and precisely at the dispute which now is before the American people

as a serious threat to our defense production program.

I believe this amendment provides a proper way for Congress to legislate in terms of the Defense Production Act, in light of the President's message to the Congress and in light of the dire situation presently facing our country.

Mr. President, this amendment is not a complicated one. In the amendment we do not call for detailed procedure.

As has been pointed out again and again, the Supreme Court has said that the President's so-called emergency powers, whatever they may be, certainly do not apply in the present case. What the Supreme Court's ruling means in cases beyond the present case, no one can tell. The Supreme Court did not rule for posterity or for eternity. It ruled in terms of the present case, as that case was presented to the Supreme Court, and in the light of the particular facts of that case. So, Mr. President, one would be very foolish indeed to attempt to prejudge or predict what future Supreme Courts will do in other cases of this type.

My amendment does not empower the President to seize any industry. My amendment empowers the President to do what every Member of this body knows needs to be done, namely, to have steel produced, although at this time the production of steel has been stopped because of the inability of the parties to this dispute to agree.

My amendment empowers the President to make some adjustments in terms of the compensation to be given employees, and it provides for the establishment of a board which would determine the terms of the compensation to the employers. My amendment provides that the principles of equity and fairness shall be applied to both parties to the dispute.

Mr. President, it will not take me long to explain the amendment.

If all the Senate wants is its pound of flesh with the Taft-Hartley "Ax" then, instead of legislating, we shall simply be taking vindictive action, in proving that we can tell the President what to do.

On the other hand, Mr. President, the Senate can adopt resolution after resolution from now to kingdom come, but the President will not have to do one thing about such resolutions, for resolutions are not law. If the Congress enacts legislation, the President does have to follow that law.

My amendment specifically gives the President the power to seize. My amendment does not give the President advice.

The Byrd amendment provides:

Resolved, That by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress requests the President to immediately invoke the national emergency provisions—

"Requests" him to do so, Mr. President. As the Senator from South Carolina [Mr. MAYBANK], the chairman of the Banking and Currency Committee, has said, he did that weeks ago; but the President made perfectly clear, in the speech he

made early this afternoon before the joint session of Congress, that without precise legislation from the Congress, he would not follow such a request. He made it clear that he felt that seizure was a much more desirable and equitable method to be used in the present dispute. Of course, Mr. President, I am referring to the present dispute. I do not believe the Senate is of a mind to legislate in the general field of seizure.

I shall support the bill of the Senator from Oregon [Mr. MORSE], for I believe it is the best measure before us, and I believe that has been proved by the votes taken thus far on the other two measures.

At this time I wish to commend the Senator from Oklahoma [Mr. MONRONEY] for the valiant fight he made to have his amendment adopted, even though it was defeated by a vote of more than 2 to 1.

Mr. President, the Members of the Senate know that seizure legislation is very serious business. I believe that behind all these votes there is a general desire to have the congressional committees properly process and report a general seizure bill. What we wish to do and what the American people want to have Congress do is to pass a bill giving specific legislative authority, so that at least the President can move forward on a legal basis to protect the national welfare and the national safety. My amendment will do just that.

Mr. President, I am not talking now about general seizure legislation or about conditions which may exist in the days to come. To the contrary, I am speaking of the particular, specific problem which now confronts us.

My amendment does not necessarily preempt the field. Even though my amendment is adopted, the President will still have a right to exercise his judgment in reference to using the injunction process provided by the Taft-Hartley Act.

Of course it is all very well for some Senators to wish to have the Senate adopt a general resolution requesting the President to invoke the Taft-Hartley Act, and it will be all very well for the Senate to take action of that sort, if Senators wish to have that done.

However, this amendment provides for seizure in connection with the present dispute.

There is an honest difference of opinion as to whether any agency of Government should make recommendations and adjudications on the so-called noneconomic issues. I point out to the Senate that we already have adopted an amendment relating to the authority of the Wage Stabilization Board in the field of compensation. The amendment of the Senator from New York [Mr. IVES] was adopted—it was adopted by a very close vote, to be sure, but it was adopted; and that amendment prevents the Wage Stabilization Board from making recommendations on noneconomic matters. That amendment gives the Wage Stabilization Board the right to make recommendations in regard to matters relating to wages, salaries, and compensation.

This amendment fits right in with the action the Senate has already taken, because in the amendment we preclude governmental imposition of the union shop in connection with the current dispute.

Mr. LONG. Mr. President, will the Senator from Minnesota yield at this time?

Mr. HUMPHREY. I yield.

Mr. LONG. The amendment of the Senator from Minnesota in section 415 does not refer at all to having Congress give its consent in the case of appointments to the Compensation Board. It occurs to me that the industry involved in this case is a very large one which affects a great number of persons and a large segment of the American public, even if we consider only the stockholders of the steel companies.

Mr. HUMPHREY. The failure to have the amendment provide for confirmation by the Senate of the members of that board was only an inadvertence on my part; I have no strong feeling one way or another on that matter. So I am perfectly willing to modify the amendment so as to provide for Senate confirmation of the members of the Compensation Board. Certainly I have no desire to hamstring the President or in any way to deny the Senate an opportunity to exercise its ordinary functions in connection with this matter. So, Mr. President, I accept such a modification.

Mr. LONG. Would the Senator from Minnesota accept a modification in section 415, after the words "the President is empowered to appoint", by inserting the words "with the consent of the Senate"?

Mr. HUMPHREY. Mr. President, I accept that suggestion, and I modify my amendment accordingly, so as to include provision for confirmation by the Senate of the members of the Compensation Board.

The VICE PRESIDENT. The amendment will be modified accordingly.

Mr. HUMPHREY. Mr. President, what do we wish to have done? What is Congress seeking to have done at this moment?

Frankly, Mr. President, I agree with the Senator—I believe it was the Senator from Ohio [Mr. TAFT]—who a moment ago said that we have taken several votes on various measures thus far, and that there is no need to prolong this situation.

The simple fact of the matter is that in the present steel dispute there has been a great deal of cooperation and self-sacrifice on the part of the workers in the steel industry. I wish to cite for the RECORD the situation referred to earlier this afternoon by the President of the United States: These working people have not had a salary increase since December 1950. These men and women have children, and they are home owners and land owners, and they are good, loyal citizens. They have worked for their country and for their communities and for their families. These people have been denied, however, an opportunity to have a wage increase, despite the fact that the cost of living has skyrocketed

since December 1950. These people have been producing for the steel companies which have made unprecedented profits. Mr. President, let us consider for a moment the millions and millions of dollars which the steel companies have made in recent years. These working people have a right to have fair play and fair treatment.

Earlier this afternoon the Senator from Oregon stated categorically, and I agree, that to have an injunction under the Taft-Hartley Act issued against these workers would be to deny them fair play and equity. Such an injunction would constitute a fine upon these workers; it would mean that they would be prevented for another 80 days from receiving any semblance of justice.

Mr. President, I am not out here to give the steel companies a rough time. They have made billions of dollars—paid by the American people. They are richer than they have ever been before. Only yesterday, when it looked as if the negotiations in the steel dispute were going to end up in a settlement, what happened? I state on the floor of the Senate that leaders in the steel industry, representing companies against which there is no strike, were in Washington consulting with the managers of the United States Steel Co., and others, telling them not to accept an agreement. Yes, I go on record as making that statement because I know whereof I speak. I know, for instance, that the illustrious Mr. Weir, one of the great steel magnates of this country, with a history of company unionism in his plant, was in Washington, and consulted on this particular strike situation; and yet he has no strike in his plant. The workers in the steel industry are entitled at least to some definite recognition from their Congress. They do not deserve to be punished and neither management does not deserve to be punished, but the American people are entitled to have steel. The workers are willing to work for their Government. The workers are willing to produce steel for America's fighting men and for their sons and their daughters; and the management says it is willing to produce it. Now, how are we going to get it produced under fair conditions? It can be produced under such conditions only while the Government of the United States operates the steel plants under provisions of law which insure just compensation for management and the employees, until a bargaining agreement can be concluded.

I have heard a great deal of talk about 50-50, about impartiality. There has been too much "horse and rabbit" talk here, and I would say that some people have a rabbit, for sure. That is called 50-50. Since the steelworkers' last contract was put into effect, the officers of these companies have had fantastic increases in salaries, running into thousands upon thousands of dollars. I have not heard Mr. Fairless or any of the other steel company officials say that they did not think they were worthy of an increase since December of 1950. Not only that, but I went on the RECORD to

point out again and again that the steel companies have conditioned any increase in wages upon a price increase. This may all be in the past, but there has been far too much reference here to so-called impartiality, which is not impartiality at all. There are involved in this problem 650,000 workers, 150,000,000 Americans, and also 400,000 troops in Korea.

What does my amendment offer? My amendment offers the solution. My amendment offers steel production. My amendment offers some semblance of equity. It says to the steelworkers, "Go back to the mills and produce, and we will give you some of your due"; and it says to the management at the plant, "Open up your doors, heat up your furnaces, turn loose your technicians, and get us steel, first, and you will be properly compensated."

The Taft-Hartley law says none of that. All the Taft-Hartley law does, and all this Congress would be doing if it adopted the Byrd resolution, which politely, but not too politely, reminds the President to invoke the Taft-Hartley injunction process, would be to say to the workers in the steel industry, "You have been taking a licking since December 1950. We are going to spank you for another 80 days." That is all it says.

Is there any Member of this body who can stand here in reply and honestly say that these workers are not entitled to a wage increase? Is there anyone here who is willing to stand here and deny that Mr. Fairless has said that the workers are entitled to a wage increase? Do we not know that the steel companies have already offered an increase of between 16 and 21 cents an hour? Yet what would we be saying if we compelled the Taft-Hartley injunction process to be invoked? We would be saying to these working people, "It was good enough for you on December 1, 1950; and despite the fact that the cost of living has skyrocketed, you are going to take a licking for another 80 days." Not with my vote, Mr. President.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I am much impressed by what the distinguished Senator from Minnesota has had to say, but I wonder whether two agencies are not involved in determining wages and working conditions, or wages and hours. That is, should not any wage increase relate in some way to what the Wage Stabilization Board has done? Let us suppose the Wage Stabilization Board said that 21 cents would be a fair increase, and yet the operating agency came along and said 10 cents or 15 cents would be a fair increase. Would the Senator accept an amendment to provide that any change made must be within the recommendation of the Wage Stabilization Board, if such a recommendation has been made?

Mr. HUMPHREY. It was my intention to provide for that; my amendment was to be interpreted as being within the existing policies established by the Economic Stabilization Agency and any of

its adjuncts. So I will accept the Senator's suggestion. I shall modify my amendment, if I may, under section 414, after the word "operated", to insert a colon and the words "Provided, That such adjustments are consistent with wage-stabilization policies." Would that meet the Senator's suggestion?

Mr. IVES. Mr. President, will the Senator yield for a question on that point?

Mr. HUMPHREY. I want first to find out whether what I have said is what the Senator from Tennessee was suggesting.

Mr. KEFAUVER. I was suggesting that it be made consistent with the action of the Wage Stabilization Board, or with wage-stabilization policies, as set forth by the Wage Stabilization Board, if the Senator would amend it that way.

Mr. HUMPHREY. I would accept that language.

The VICE PRESIDENT. Does the Senator from Minnesota modify his amendment?

Mr. HUMPHREY. Yes; I modify it at that point.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. IVES. I think there is another side to this question. I think section 415, dealing with profits, should also be taken into consideration in connection with the item just referred to by the distinguished Senator from Tennessee. In other words, if we are to consider ceilings or recommendations of the Wage Stabilization Board, consideration should also be given, so far as prices are concerned, to the limits set by the OPS. No efforts should be made to control profits in an unfair way.

Mr. HUMPHREY. I may say to the Senator from New York that my amendment was prepared in the light of the existing facts with respect to such matters as the Herlong amendment, the Capehart amendment, the wage stabilization policies, and the economic stabilization policies and formulas which are at present in the law. My amendment would in no way alter, diminish, or change the present law, insofar as economic stabilization is concerned. The Senator from New York has aptly pointed out a section which needed this legislative interpretation. There is no intent on the part of the Senator from Minnesota to cripple anyone's economic due or economic gain. My desire is to get the steel mills back into operation. My desire is to have this amendment operate within the wage stabilization, the price stabilization, and the over-all economic stabilization program. We are not trying to hold workers by force, so to speak, to a job. We are trying to give people a chance to live and let live, and to produce steel. That is what I am for. I am not trying to find a remedy for all the problems of the days to come. The Defense Production Act will continue for about 8 months, which is as long as the effect of this amendment would last.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that although the workers have been denied any increase in wages since December 1950 and have voluntarily waived their right to strike for a period of 150 days, it is now proposed on top of that, they shall be denied an increase in wages for another 80 days? In the meantime, has not management been the beneficiary of an increase, and have they not increased their incomes and profits on a larger scale than ever before in the history of the steel industry? Is it not also true that management would be the sole beneficiary of a delay in the settlement of this strike, because they keep their profits?

Mr. HUMPHREY. Indeed they do.

Mr. LEHMAN. The workers do not receive any increase, but management keeps the profits, which their treasurers will pay out to the stockholders. Management is, therefore, the sole beneficiary of a delay in the settlement of the strike, is it not?

Mr. HUMPHREY. The Senator is eminently correct. What is more, Mr. President, a good deal of the steel which these companies produce will be produced at the expense of the taxpayers of the United States of America, for the armed services of our country, and to aid our allies.

Mr. LONG. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. LONG. I should like to ask the Senator from Ohio a question. The Senator from Ohio made the point that settlements, even if qualifications were imposed upon labor, would be retroactive. I know of nothing in the law which requires that any settlement may be retroactive for the benefit of labor. The companies could, if they wanted to, go ahead and split their dividends with the stockholders.

Mr. HUMPHREY. Indeed, they could.

Mr. LONG. They might be so kind as to give labor some of it, but that would seem unfair, because it would be money which should have been paid, in all fairness, as wages to labor, giving the money to labor only if labor agreed to certain terms.

Mr. HUMPHREY. Insofar as we have been able to ascertain from press reports and personal conferences, there has been no retroactive feature in any part of any company offer that went back later than March. Retroactivity does not retroact to the point where it started. It is somewhat like a recoil mechanism that loses some of its spring.

Mr. LONG. The fact is that under the Taft-Hartley law, if labor is required to work under an injunction, there is no obligation that any wage increase must be retroactive.

Mr. HUMPHREY. The Senator is correct.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. I have tried to get the exact wording of section 414. As I understand, the new words added are these:

Provided, That such adjustments are consistent with the Wage Stabilization Board policies.

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. I should like to ask the distinguished Senator from Minnesota if, under that wording of section 414, it would mean that the only adjustment of wages, hours, and working conditions which would be permitted would be in accordance with the findings and recommendations of the Wage Stabilization Board.

Mr. HUMPHREY. I may say to the Senator from Florida, as a point of clarification, that no recommendations could be permitted higher than that. Recommendations lower than that would be permitted.

I use as a precedent what happened in connection with the railroad companies. The Department of the Army actually gave a wage increase, which was not so large as that which was recommended by the emergency board, but it gave some wage increase. It would be my understanding, may I say to the Senator from Florida, that under the terms of this modification any wage adjustment would have to be consistent with Wage Stabilization Board policies as found by that Board. Not any higher, and with room down below.

Mr. HOLLAND. I would simply like to observe that under my interpretation of the wording—

That department or agency, with the approval of the President, may adjust wages, hours, and working conditions—

Under the Senator's amendment as modified, it would be limited entirely and would be synonymous and identical with the recommendations of the Wage Stabilization Board.

Mr. HUMPHREY. As the author of this amendment, I think I can make the legislative history read accurately. The Wage Stabilization Board could have made a regulation in terms of a formula. In this case it has made a recommendation in terms of wages. It does not compel the Department of Commerce, if the Secretary of Commerce should be the recipient of the steel mills, to apply the full recommendations of the Wage Stabilization Board. It means that the Secretary of Commerce, with the approval of the President, could select, choose, and apply such wage and salary adjustments and fringe benefits as may be necessary to insure production. He cannot go above it. No union shop is involved.

Mr. HOLLAND. The actual recommendation of the Wage Stabilization Board would not be considered, then, as a part of the Wage Stabilization Board policy.

Mr. HUMPHREY. Yes. What I tried to make clear to the Senator—

Mr. HOLLAND. I think I understand what the Senator wishes to do, and I am simply inviting his attention to the fact that, in my humble judgment, he is not

going to accomplish that result through the words used.

Mr. HUMPHREY. If I had felt that the agency should be bound by it, I would have made it mandatory. The reason I do not make it mandatory is that in this particular case the Wage Stabilization Board has made a set of recommendations. All I am saying is that, under my amendment, no officer of the Government can pierce the ceiling, so to speak, of the stabilization formula. He cannot go higher than the recommendations made by the Wage Stabilization Board. He can go lower. It is flexible and is a matter of discretion on the part of the officer in charge. I think we have got to provide that much leeway.

I may point out that even the parties to this dispute, as they negotiated at the White House, have negotiated within the recommendations of the Wage Stabilization Board, both labor and management. The amendment removes from the area of any Government dictation the matter of the union shop. One of the recommendations of the Wage Stabilization Board was the union shop. Under my amendment, the Government could not impose the union shop, but it could grant some adjustments in terms of wages, salaries, and other compensation.

Mr. IVES. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. IVES. The Senator's amendment reads in part as follows:

That department or agency, with the approval of the President, may adjust wages, hours, and working conditions, other than union shop, in such a manner as to insure fair and equitable treatment of employees of the enterprise or enterprises so operated.

I understand there is a modification already accepted. I should like to ask the Senator with reference to a modification at the end of section 415. I would add the following language:

Provided, That price increases within policies of the Office of Price Stabilization shall be allowed.

Mr. HUMPHREY. Yes; I will accept that modification.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Would the Senator be willing to accept a further modification? The Senator from New York used the word "shall" rather than "may."

Mr. HUMPHREY. I thought the Senator said "may."

Mr. IVES. I said "shall," but I will not quibble. I understand it means "shall."

Mr. HUMPHREY. I will accept the word "may."

Mr. KEFAUVER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Tennessee.

Mr. KEFAUVER. The language is not clear that the increases allowed shall not exceed the recommendations of the Wage Stabilization Board. I wonder if we could not make the language provide that the recommendations of the Wage Stabilization Board shall not be exceeded.

Mr. HUMPHREY. "Providing, That such adjustments are consistent with the wage-stabilization policies and do not exceed the adjustments recommended by the Wage Stabilization Board."

Mr. KEFAUVER. That would make it amply clear.

Mr. HUMPHREY. I accept that modification, Mr. President, and I ask that it be incorporated in the language of my amendment.

The VICE PRESIDENT. The Senator has a right to modify his amendment. The Senator has one more minute.

Mr. HUMPHREY. I had better quit modifying.

Mr. MAYBANK. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MAYBANK. Mr. President, I am opposed to the amendment, and I will yield 5 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the Senator from South Carolina is one of the finest opponents any man could have. He always gives one the benefit of the doubt.

Mr. MAYBANK. Yes; but I never quit.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I commend the Senator from Minnesota for submitting and for his able presentation in advocating a proposal which would give to the President powers in the emergency which confronts the Nation. The Senator has recognized that, from the standpoint of the national security, no further delay can be tolerated in the handling of the Steel case. He would give to the President the direction he needs for the immediate handling of the Steel case, so that we can get production flowing. His amendment provides Congress with the time I think is needed to consider permanent legislation.

Mr. HUMPHREY. In his remarks earlier today, the Senator from Oregon, said he preferred that we should legislate on the subject of seizure as a separate item. I have heard similar sentiments expressed by other Members of the Senate in the corridors. I feel that we can take care of the immediate situation now, and then get the seizure phase, in terms of over-all legislation, back into committee and out of committee, as a distinct, separate legislative proposal. In so doing we could do a better and more honest job of legislating.

I feel that that is what motivated many Members of the Senate today to vote against the seizure amendments. I am convinced that many Senators are just as deeply concerned about having an effective law as are some of us who supported the seizure amendments, but they do not wish to rush headlong into it. I respect their judgment. All I ask is that they give the President their strongest backing now in the present critical dispute.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. I wonder if the Senator would object to striking the words "hours and working conditions other than the union shop"? The amendment proposes to settle the one controversy now existing, and if there is left in the amendment language empowering the President to negotiate concerning adjustments in hours and working conditions other than the union shop, he might have a fairly wide discretionary authority. For example, as I understand, it would leave the matter wide open for the President to negotiate from time to time on conditions covered by the words I have read, not confining him to presently existing conditions.

Mr. HUMPHREY. I should like to comply with the Senator's request, but I am afraid it is all covered by the term "wages." I should have put in "wages, salaries, and other compensation." I shall modify it to that point, and make it read, "may adjust wages, salaries, and other compensation."

Mr. LONG. Will the Senator strike out the word "hours"?

Mr. HUMPHREY. The words "other compensation," which we have used all the way through the amendment, includes so-called fringe benefits. I believe that is what the Senator is driving at.

Mr. LONG. Will the Senator then strike the words "hours and working conditions"?

Mr. HUMPHREY. Yes, and I will insert "wages, salaries, and other compensation."

Mr. LONG. The Senator would then strike out the words "hours and working conditions"?

Mr. HUMPHREY. That is correct.

The VICE PRESIDENT. Is the Senator modifying his amendment?

Mr. HUMPHREY. I wish to modify the amendment, in section 414, after the word "President", in the fourth line of the paragraph, so as to read, "may adjust wages, salaries, and other compensation, other than the union shop," and to strike out the words, "hours and working conditions."

Mr. President, I wish I could feel certain in my own heart that I have convinced my colleagues. I keep looking over, with pleading eyes, to the distinguished junior Senator from Illinois, because I know he is going to have something to say. Then I look back and see the distinguished and able Senator from Ohio. If I could get those two men to stand up in support of my amendment, I would say this was a great day for the Republic—and I do not mean Republic Steel. I mean it would be a great day for the American people. I have frequently cast fleeting glances to see if I cannot catch a ray of hope. Now and then I do feel that there is a chance that possibly we are going to get the support we need, because it is inconceivable to my mind that men who have given such distinguished leadership to this body and to the House of Representatives, men who aspire to give distinguished leadership, should at this hour deny to the Government of the United States the power to deal with this dispute, and deal with it capably.

The VICE PRESIDENT. The time of the Senator from Minnesota has expired.

The Senator from South Carolina is recognized for 25 minutes.

Mr. MAYBANK. Mr. President, I voted against the amendment of the Senator from Oklahoma because it would apply to the selective-service law, which would have made it permanent legislation. My amendment was an amendment of the National Production Act, which will expire March 1, 1953. The amendment of the Senator from Oklahoma [Mr. MONROE], if it had been adopted, would have been permanent. I never would have voted for permanent legislation on a temporary national production bill. I merely wish to make myself perfectly clear.

I desire also to suggest that I understand that when the amendment of the Senator from Virginia is adopted, if the Senate decides to adopt it, it can be amended again, because I know Congress is going to provide for some sort of seizure, pass some kind of law to remedy the maladjustment, I might say, of the steelworkers, who have received no increase in wages. I know they are entitled to a cost-of-living wage, and I have always said so. I think the steel industry itself is entitled to certain price increases, but that is not for the Congress to decide; that is for the Board appointed by Congress to determine.

I shall vote against the amendment of the Senator from Minnesota, because I do not think we should have such an amendment agreed to until the Byrd amendment is voted upon.

I have nothing further to say. I do not expect the Senator to get the votes he got before. Perhaps he will get more tomorrow.

I yield the remainder of my time to the Senator from Illinois.

Mr. DIRKSEN obtained the floor.

Mr. FULBRIGHT. Mr. President, will the Senator yield briefly?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. Mr. President, I send to the desk an amendment, and ask to have it printed.

The VICE PRESIDENT. Without objection, the amendment will be printed and lie on the table.

Mr. DIRKSEN. Mr. President, I am always enamored of the soothing and dulcet tones of my esteemed friend the Senator from Minnesota. On occasion, I have been moved by the passionate persuasion the Senator brings to any subjects he discusses, but I think I am even more enamored of and intrigued by the delightful informality in which he modifies his own handiwork. If my memory serves me correctly, his amendment has been informally and very delightfully modified at least 5 times. I am confident that my esteemed friend from the great North Star State of Minnesota, where I once lived, probably knows what is in this amendment. As a matter of fact, after all the modifications, I do not believe any other Member of the Senate knows. I have been most diligent in trying to follow his argument, but I have found it difficult indeed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield with the utmost pleasure.

Mr. HUMPHREY. I was going to suggest, since the Senator is somewhat confused about what is in my amendment, that it would be well to have the clerk read sections 414 and 415, because I believe that in that way the amendment will be more quickly clarified for him, with his receptive mind. I know he will quickly understand it, and then with his ability of expression, he will persuade others of its desirability.

Mr. DIRKSEN. That would be agreeable, except that the mustard plasters which are suggested would not of themselves cure the modified proposal which is now before the Senate.

In brief, Mr. President, this is simply a matter of the President seizing the steel plants. It is very useful for the current dispute. Should the men who work in defense plants go on strike before the dispute is settled, they, too, would come within the purview of the amendment, because it authorizes the seizure of all plants which produce steel products.

The President not only can seize, but he can continue to possess until two things happen. The first is that a plant might not be essential to the beautiful purposes that are recited in the bill. Or, secondly, the dispute might be settled. But the interesting thing is that even where a strike is settled, no operating agency that the President may determine upon, such as Mr. Tobin or Mr. Sawyer, would have any power to modify the union-shop provisions.

Even while the facilities are in the possession of the Government anything can be modified except the union-shop provision. As I understand, the parties have settled every substantive issue except the union-shop clause. So there is no great likelihood that the dispute will be settled so long as that feature remains in issue.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FERGUSON. The Senator referred to the union-shop provision. Does not the amendment provide that if a union shop is in existence, it may not be changed?

Mr. DIRKSEN. We are talking about a new amendment. This is the language:

That department or agency—

That is, the operating agency—
with the approval of the President, may adjust wages, hours, and working conditions—

Then there are penciled in the words—
other than union shop.

Mr. FERGUSON. "Other than union shop." Does not that indicate that if there is a union shop, that situation cannot be changed?

Mr. DIRKSEN. That is right. There could be no bargaining with respect to the union shop. No modification of it could be made, one way or the other.

Mr. FERGUSON. Would not this language permit the institution of a new union-shop provision?

Mr. DIRKSEN. It might.

Mr. FERGUSON. Does it? The language provides that if there is a union shop, it may not be changed.

Mr. DIRKSEN. That is correct.

Mr. FERGUSON. How would it operate in the other direction? If there were no union shop, could the President's board put a union shop into effect?

Mr. DIRKSEN. I do not know. I know that the amendment offered a while ago by the Senator from Oklahoma [Mr. MONRONEY] turned out to be a one-way street.

Mr. FERGUSON. Yes. That is covered by the language on page 7, lines 7 to 10, inclusive, of the Monroney amendment, which reads as follows:

And provided further, That such recommendations shall not include any proposal for a change in the existing union shop, maintenance of membership, or similar arrangements between employers and employees.

That means that if such arrangements were in effect they could not be changed. But how would it operate in the other direction?

Mr. DIRKSEN. That is the question. This is one of those "multum in parvo" proposals, in which we find much in little. I am always just a little alarmed by such proposals. However, in essence it is a seizure provision, with power to operate.

Finally, it sets up a board designated by the President to determine compensation, with authority to go to the Court of Claims if the award is renounced within 30 days.

I do not think it is necessary. It is all of the same kidney with most of the things we have been discussing today and on other days. I still believe that the most expeditious thing for us to do is to go back to the basic provisions of the Taft-Hartley Act. This proposal is weak in the respect that it must pass the Senate, it must pass the House, and it must go to conference; and there is no assurance that the conference will complete its labors by the 1st of July. So the situation will be held in abeyance all that time, whereas in the case of the Taft-Hartley Act, it is the law. The President can use it this afternoon if he so desires; but he has not seen fit to use it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. IVES. The Senator from New York would like to ask his distinguished colleague from Illinois if he does not feel that under the terms of section 414, as written, management and labor would be empowered to reach any kind of agreement which the two might desire on the subject of the union shop?

Mr. DIRKSEN. If they can.

Mr. IVES. If they can. There is nothing which would prevent them from doing so.

Mr. DIRKSEN. The Senator is correct.

Mr. IVES. The intention of this provision is to keep the Government out of it.

Mr. DIRKSEN. Of course. That is one element in the present controversy which seems to be unsolved. The question is, Do we put the moral weight of Government on one side or the other?

That was the trouble in the Wage Stabilization problem. I never like to reproach anyone by saying that he is biased. However, I know something about Mr. Feinsinger's record. He was Chairman of the Board. I am not unmindful of the fact that when the Taft-Hartley Act was under consideration in the Senate, before I became a Member of this august deliberative body, he was the signer of a telegram in opposition to the Taft-Hartley proposal. He wrote an article for the Labor Monthly in 1950, attacking the Taft-Hartley Act. Do Senators suppose that a man like that would not be slightly biased or prejudiced?

The same is true of some of the other members of the Wage Stabilization Board, who are characterized as public members. That situation has been covered in the press from time to time, and the facts are known. So we are back here as a result of the failure of the Wage Stabilization Board and the skirting of the Taft-Hartley Act.

It was said the other day by my distinguished friend from New York [Mr. LEHMAN]—and I do not want to do my friend any injustice—that the Byrd proposal was merely a gesture. If it is a gesture and nothing more, then why the resistance and hostility toward adopting it? If it is innocuous, if it is merely a gesture, if it is only a flourish, why not make it unanimous?

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LEHMAN. Mr. President—

Mr. DIRKSEN. It has been resisted in season and out. All these various proposals are offered as substitutes for that which is already on the books as the solemn law of the land.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. DIRKSEN. I yield first to my friend from New York [Mr. LEHMAN].

Mr. LEHMAN. I did say that in my opinion it would be merely a gesture to invoke the Taft-Hartley Act. I repeat that I think it would be completely ineffectual. I think it would work a great hardship on the men who have voluntarily waived their claim to an increase in wages for a period of 150 days, and who would now, under the terms of the Taft-Hartley Act, be required to waive their claim for another 80 days. I said that to invoke the Taft-Hartley Act would be only a gesture, too, because I believed that it would make the people of this country feel that something was about to be accomplished. I know that it could not be accomplished. The Taft-Hartley law would not produce steel. It could not force men to work in the steel mills. Of course it is a gesture; and it is a gesture which I believe would deceive people into believing that something had been accomplished. I want to see something effective, which would do justice to management and to labor,

and result in the production of steel, which is so greatly needed in our defense effort.

Mr. DIRKSEN. If my friend from New York thinks it is only a gesture, he ought to embrace it with vigorous enthusiasm, on the ground that it cannot do any harm. However, I believe that the psychological factor would be momentous for the country. I believe that it would come as a great refreshing and cleansing wave in the thinking of people, in the light of the concern and anxiety which is evident in the country today.

I come back to my original premise. There is still provision for a secret ballot on the last offer, as provided in the Taft-Hartley Act. I reaffirm what I said earlier this afternoon, that the President could with good grace have said to us in joint session, "Suppose you give me just enough authority to ignore the time provisions in the Taft-Hartley Act, and allow the men who have a substantive interest to ballot on the question." That would be the easy way, the effective way, and the certain way out. However, any of the proposals which have been offered would have to go through the Senate, through the House, through conference, and finally to the White House. In the light of the fortuities with which we are fully familiar, and the unpredictability and fallibility of the human mind, even at 1600 Pennsylvania Avenue, who can tell whether or not the President would approve it?

Mr. IVES. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. IVES. Is not the same thing true with respect to the Byrd amendment?

Mr. DIRKSEN. Yes, except that the Byrd amendment is nothing more than a request to the President. This has teeth in it.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FERGUSON. I should like to ask the Senator whether or not it is a fact that one of the purposes of the Taft-Hartley law, during the 80-day period, is to avoid finality.

Mr. DIRKSEN. That is correct.

Mr. FERGUSON. Is it not the purpose to avoid invoking such a procedure as seizure, and to allow both industry and labor to continue their negotiations during that period?

Mr. DIRKSEN. The Senator is correct.

Mr. FERGUSON. Is it not also a fact that, as a rule, if such negotiations lead to a settlement, the settlement is dated back to the time when the contract expired, so that the men do not actually lose the increased wages during the so-called waiting period of 80 days or 150 days, or whatever time may be represented by the period of negotiations?

Mr. DIRKSEN. Not only is that true in the current case, but I am not familiar with a single bit of bargaining—and I have had a little to do with it—with respect to which there has not been a retroactive feature, so that there was no loss. There may be a momentary

suspension of the rights of men, but always the settlement is dated back to a given day, so that there is no injustice so far as the money aspect of the bargaining is concerned.

Mr. CASE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. CASE. Does not one of the problems lie in the fact that the situation is tied up with the stabilization picture, and the difficulty with making a retroactive wage decision is that there is no way in the present situation by which a retroactive award as to prices could be made to management?

Mr. DIRKSEN. That is quite correct. There has been discussion about a possible increase of \$4.50 a ton or \$6 a ton. Management made the offer in this case prior to the first of the year. The situation goes back to the 21st or 22d of December. There was a target date established then. We not only assume but we know that it will be dated back to that time.

Notwithstanding that fact, management might come out at the little end of the horn in that they may not get what they believe they are entitled to get.

Mr. President, there is no need to labor the point any further. I say: Let us vote down the Humphrey amendment and let us vote it down with an overwhelming majority. Then let us return to the Byrd amendment and vote on it at an early hour.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. There was some reference made to the proviso in the amendment with respect to "other than union shop." When the Senator from Louisiana [Mr. Long] was engaged in colloquy with me we altered "wages, hours, and working conditions," in section 414, to read "wages, salaries, and other compensation." We eliminated "hours and working conditions." Therefore, "other than union shop" no longer would serve its original purpose and constitutes surplus language. It should not now be contained in the amendment.

With reference to the Byrd amendment, I believe the Senator from Illinois will agree with me that the most it does is make a request of the President of the United States.

Mr. DIRKSEN. That is correct.

Mr. HUMPHREY. I am not bleeding and dying about the Byrd amendment. I have my own opinion about it. I shall cast my vote as I wish, just as the Senator from Illinois will cast his vote. But what I am saying is that regardless of what the Byrd amendment may offer in terms of advice and suggestion it still does not meet the entire situation. The President should still have the option of being able to use the Taft-Hartley law or seizure. What the Senator from Minnesota has proposed is seizure in this case, limited in duration of the effectiveness of the Defense Production Act and limited to the current dispute. It is a reasonable, fair, and middle-ground proposal. I had hoped that its reasonableness would receive not only the eloquent but the persuasive and the fervent sup-

port of the junior Senator from Illinois, as a patriot, in doing good work to get the dispute settled and steel production resumed in full gear.

Mr. President, the door is still open. The prodigal son can still return. There is warmth in my heart for the Senator from Illinois. I welcome him back into the fold. I know he will make the right decision when the hour comes. In the hour of decision I know the junior Senator from Illinois will be found in support, in his heart if not in his voice, of the amendment offered by the Senator from Minnesota.

Mr. DIRKSEN. Mr. President, never have I heard the Gospel of St. Paul so richly exemplified as by my friend from Minnesota when he speaks of faith, hope, and charity. I shall embrace that charitable spirit and rush on to a vote on the Byrd amendment. I think that is a great contribution to make. I yield the remainder of my time.

The VICE PRESIDENT. Does the Senator from Minnesota wish to use any more of his time?

Mr. DIRKSEN. Mr. President, I request the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the further call of the roll be dispensed with, that the order for the call of the roll be rescinded, and that we now proceed to vote on the amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

The question now is on agreeing to the modified amendment in the nature of a substitute, offered by the Senator from Minnesota to the amendment of the Senator from Virginia [Mr. BYRD].

On this question the yeas and nays have been ordered.

For the information of the Senate, the Chair will direct the clerk to read the amendment of the Senator from Minnesota, as that amendment to the amendment of the Senator from Virginia has been modified.

The CHIEF CLERK. The amendment in the nature of a substitute, as modified, proposed by Mr. HUMPHREY to the amendment of Mr. BYRD, reads as follows:

SEC. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof, the following new sections:

"SEC. 412. Findings:

"The United States of America has undertaken and is exercising leadership in a global struggle for the preservation of democratic institutions;

"This Nation has made and is making great sacrifices to arm against and repel totalitarian aggression;

"The Armed Forces of the United States are deployed throughout the world to discourage aggression by totalitarian forces;

"The continued production of arms and material is vital to the security of the United

States and the free nations associated with it; and

"The continuous production steel and steel products is essential to the adequate production of arms and material required by the Armed Forces of the United States and the democratic nations dedicated to the preservation of freedom.

"SEC. 413. (a) The President of the United States is empowered to take possession of and operate all enterprises which produce steel and steel products and whose operations are interrupted by the current labor dispute.

"(b) The President shall continue to possess and operate any such enterprise or part thereof until

"(1) he finds that any such enterprise or part thereof is not essential to the production found necessary in section 412 or

"(2) the labor dispute which disrupted production is settled.

"SEC. 414. The President is empowered to designate an appropriate department or independent agency to operate any enterprise or enterprises of which possession is taken under sections 412 and 413. That department or agency with the approval of the President, may adjust wages, salaries and other compensation in such a manner as to insure fair and equitable treatment of employees of the enterprise or enterprises so operated. Provided that such adjustments are consistent with policies as set forth by the Wage Stabilization Board and do not exceed the recommendations made by said Board.

"SEC. 415. The President is empowered to appoint a Compensation Board by and with the advice and consent of the Senate, which shall determine just compensation to be paid the owners of the enterprises of which possession is taken pursuant to sections 412 and 413: Provided, That price increases within policies of the Office of Price Stabilization may be allowed. The award of the Compensation Board shall be final and binding, unless within 30 days after the issuance of said award, a party moves to have the said award set aside or modified in the United States Court of Claims in accordance with the rules of said Court."

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute, as modified, proposed by the Senator from Minnesota [Mr. HUMPHREY] to the amendment of the Senator from Virginia [Mr. BYRD].

On this question the yeas and nays have been ordered, and the clerk will call the roll. The Senators who favor the amendment, as modified, in the nature of a substitute will vote "yea"; Senators who oppose that amendment will vote "nay."

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Iowa [Mr. GILLETTE] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that the Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from Maine [Mr. BREWSTER]. If present and voting,

the Senator from Connecticut would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Montana [Mr. MURRAY] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

If present and voting, the Senator from Ohio [Mr. BRICKER] and the Senator from Indiana [Mr. CAPEHART] would each vote "nay."

On this vote the Senator from Maine [Mr. BREWSTER] is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting the Senator from Maine would vote "nay" and the Senator from Connecticut would vote "yea."

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting the Senator from Massachusetts would vote "nay" and the Senator from Montana would vote "yea."

On this vote the Senator from Vermont [Mr. AIKEN] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Washington would vote "nay."

The result was announced—yeas 32, nays 47, as follows:

YEAS—32

Anderson	Hunt	McKellar
Chavez	Ives	Monroney
Clements	Johnson, Colo.	Moody
Connally	Johnston, S. C.	Morse
Douglas	Kefauver	Neely
Fulbright	Kerr	O'Mahoney
Green	Kilgore	Pastore
Hayden	Lehman	Sparkman
Hennings	Long	Tobey
Hill	Magnuson	Underwood
Humphrey	McFarland	

NAYS—47

Bennett	Hickenlooper	Robertson
Bridges	Hoey	Saltonstall
Butler, Md.	Holland	Schoeppel
Butler, Nebr.	Jenner	Seaton
Byrd	Johnson, Tex.	Smathers
Case	Kem	Smith, Maine
Cordon	Knowland	Smith, N. J.
Dirksen	Martin	Smith, N. C.
Dworshak	Maybank	Stennis
Eastland	McCarran	Taft
Ellender	McCarthy	Thye
Ferguson	McClellan	Watkins
Flanders	Millikin	Welker
Frear	Mundt	Wiley
George	Nixon	Williams
Hendrickson	O'Connor	

NOT VOTING—17

Aiken	Carlson	Malone
Benton	Duff	McMahon
Brewster	Eaton	Murray
Bricker	Gillette	Russell
Cain	Langer	Young
Capehart	Lodge	

So Mr. HUMPHREY's amendment, as modified, in the nature of a substitute for Mr. BYRD's amendment, was rejected.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Virginia [Mr. BYRD]. For the information of the Senate, the clerk will state the amendment.

The CHIEF CLERK. On page 9, after line 16, it is proposed to insert the following:

Title V of the Defense Production Act of 1950, as amended, is hereby amended by adding a new section, as follows:

"Sec. 504. Resolved, That, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress requests the President to immediately invoke the national emergency provisions (secs. 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage."

Mr. BYRD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. MAYBANK. Am I correct in my understanding that if the amendment of the Senator from Virginia is agreed to, it can still be amended?

The VICE PRESIDENT. If agreed to, it cannot be amended. The bill, itself, may be amended in other respects, but the Byrd amendment cannot be amended after it is once adopted. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] and the Senator from Iowa [Mr. GILLETTE] are absent on official business.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

The Senator from Georgia [Mr. RUSSELL] is absent by leave of the Senate.

I announce further that the Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from Maine [Mr. BREWSTER]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Maine would vote "yea."

The Senator from Montana [Mr. MURRAY] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Massachusetts would vote "yea."

I announce further that if present and voting, the Senator from Connecticut [Mr. McMAHON] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Washington [Mr. CAIN], and the Senator from Indiana [Mr. CAPEHART] would each vote "yea."

On this vote, the Senator from Maine [Mr. BREWSTER] is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting the Senator from Maine would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Montana would vote "nay."

The result was announced—yeas 49, nays 30, as follows:

YEAS—49

Bennett	Hickenlooper	Saltonstall
Bridges	Hoey	Schoeppel
Butler, Md.	Holland	Seaton
Butler, Nebr.	Jenner	Smathers
Byrd	Johnson, Tex.	Smith, Maine
Case	Kem	Smith, N. J.
Cordon	Knowland	Smith, N. C.
Dirksen	Martin	Stennis
Dworshak	Maybank	Taft
Eastland	McCarran	Thye
Ellender	McCarthy	Underwood
Ferguson	McClellan	Watkins
Flanders	Millikin	Welker
Frear	Mundt	Wiley
Fulbright	Nixon	Williams
George	O'Connor	
Hendrickson	Robertson	

NAYS—30

Anderson	Hunt	McFarland
Chavez	Ives	McKellar
Clements	Johnson, Colo.	Monroney
Connally	Johnston, S. C.	Moody
Douglas	Kefauver	Morse
Green	Kerr	Neely
Hayden	Kilgore	O'Mahoney
Hennings	Lehman	Pastore
Hill	Long	Sparkman
Humphrey	Magnuson	Tobey

NOT VOTING—17

Aiken	Carlson	Malone
Benton	Duff	McMahon
Brewster	Eaton	Murray
Bricker	Gillette	Russell
Cain	Langer	Young
Capehart	Lodge	

So the amendment of Mr. BYRD was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Oregon.

The LEGISLATIVE CLERK. On page 9, after line 16, it is proposed to insert the following new section:

Sec. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding, at the end thereof, the following new section:

"SEC. 412 (a) That title II of the Labor Management Relations Act, 1947, is amended by renumbering present sections 211 and 212 as sections 216 and 217, respectively, and inserting the following after section 210:

"SEC. 211. Whenever the head of an appropriate department or independent agency reports to the President and the President finds, that a national emergency is threatened or exists because a stoppage of work or operations has resulted or threatens to result from a labor dispute (including the expiration of a collective-bargaining agreement) in a vital industry or plant which seriously affects the security of the United States, and the Director of the Federal Mediation and Conciliation Service advises the President that all attempts at mediation and conciliation have been exhausted without success, the President shall issue a proclamation to that effect and call upon the parties to the dispute to refrain from a stoppage of work or operations, or, if such stoppage has occurred, to resume work and operations in the public interest.

"PROCEDURE FOLLOWING PROCLAMATION

"SEC. 212. (a) Immediately after issuing a proclamation pursuant to section 211, the President shall submit to the Congress for consideration and appropriate action a full statement of the case based upon such information as has been made available to him through the appropriate agencies of Government, together with such recommendations as he may see fit to make as to procedures for effecting final settlement of the dispute and, pending settlement, for maintaining operation of the enterprise or enterprises involved.

"(b) The President may include a recommendation that the United States take possession of and operate the business enterprise or enterprises involved in the dispute. The President may make such additional reports and recommendations as he deems advisable. If the President recommends that the United States shall take possession of and operate such enterprise or enterprises, the President shall have authority to take such action forthwith. If the Congress by concurrent resolution within 10 days after the submission of such recommendation to it determines that such action should not have been or should not be taken, any property seized shall be returned to its owners and no future seizure shall take place during that dispute without congressional authorization by concurrent resolution: *Provided*, That during the period in which the United States shall have taken possession, the Federal Mediation and Conciliation Service shall continue to encourage the settlement of the dispute by the parties concerned, and the agency or department of the United States designated to operate such enterprise or enterprises shall have no authority to enter into negotiations with the employer or with the labor organization for a collective-bargaining contract or to alter the wages, hours, or the conditions of employment existing in such industry or plant prior to the dispute, except in conformity (in whole or in part) with the recommendations of the emergency board or an agreement of the parties: *Provided further*, That in case an emergency board assumes jurisdiction

over any form of union security which requires an employee to join a union as a condition of continued employment the putting into effect of its union security recommendations during a period of Government possession shall require the acceptance of the labor organization and the employer concerned in the dispute. If the Congress or either House thereof shall have adjourned sine die or for a period longer than 3 days, the President shall convene the Congress, or such House forthwith for the purpose of consideration of an appropriate action pursuant to such statement and recommendations.

"(c) After the issuance of a seizure order, it shall be the duty of any labor organization of which any employees who have been employed in the operation of such enterprise are members, and of the officers of such labor organization, to seek in good faith to induce such employees to refrain from a stoppage of work and not to engage in any strike, slow-down, or other concerted refusal to work, or stoppage of work, and if such stoppage of work has occurred, to seek in good faith to induce such employees to return to work and not to engage in any strike, slow-down, or other concerted refusal to work or stoppage of work until the dispute is settled or until possession of such enterprise is relinquished by the United States, whichever occurs sooner.

"(d) After the issuance of a seizure order or any time thereafter, the President may direct the Attorney General to petition any district court, having jurisdiction of the parties, to enjoin such stoppage of work or operations, and if the court finds that the President has reasonable cause to believe that a national emergency is threatened or exists because a threatened or actual stoppage of work or operations may result or has resulted from a labor dispute (including the expiration of a collective agreement) in a vital industry or plant which seriously affects the security of the Nation, it shall have jurisdiction to enjoin such stoppage of work or operations, or the continuing thereof, and to make such other orders as may be appropriate. In granting such injunction or relief, the jurisdiction of courts sitting in equity shall not be limited by the act entitled "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, approved March 23, 1932" (U. S. C., Supp. VII, title 29, secs. 101-115). Such injunction or order shall be dissolved when the dispute is settled or possession of an enterprise seized pursuant to this section is relinquished by the United States, whichever occurs sooner.

"EMERGENCY BOARDS

"SEC. 213. (a) After issuing such a proclamation, the President may appoint a board to be known as an "emergency board."

"(b) Any emergency board appointed under this section shall promptly investigate the dispute, shall seek to induce the parties to reach a settlement of the dispute, and in any event shall, within a period of time to be determined by the President but not more than 30 days after the appointment of the board, make a written report to the President, unless the time is extended by agreement of the parties, with the approval of the board. Such report shall include the findings and recommendations of the board and shall be transmitted to the parties and be made public. The recommendations shall be consistent with all laws and regulations otherwise applicable to compensation, hours, and other terms and conditions and incidents of employment. The Director of the Federal Mediation and Conciliation Service shall provide for the board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions.

"(c) An emergency board shall be composed of a chairman and such other members as the President shall determine, and shall have power to sit and act in any place within the United States and to conduct such hearings either in public or in private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute.

"(d) Members of an emergency board shall receive compensation at the rate of \$75 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses.

"(e) For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 5 (f), 9, and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., title 15, secs. 45 (f), 49, and 50, as amended), are hereby made applicable to the powers and duties of such board.

"(f) When a board appointed under this section has been dissolved, its records shall be transferred to the Director of the Federal Mediation and Conciliation Service.

"(g) No member of an emergency board shall be an officer or employee of the organization of employees or any employer involved in the dispute.

"SEC. 214. (a) In the event that the Government shall take possession of and operate any business enterprise or enterprises involved in a given dispute, the President shall designate the agency or department of Government which shall take possession of any business enterprise or enterprises including the properties thereof involved in the dispute and all other assets of the enterprise or enterprises necessary to such continued operation thereof as will protect the national security.

"(b) Any enterprise or properties of which possession has been taken under this title shall be returned to the owners thereof as soon as (1) such owners have reached an agreement with the representatives of the employees in such enterprise settling the issues in dispute between them, or (2) the President finds that the continued possession and operation of such enterprise by the United States is no longer necessary under the terms of the proclamation provided for in section 211: *Provided*, That possession by the United States shall be terminated not later than 60 days after the issuance of a seizure order unless the period of possession is extended by concurrent resolution of the Congress.

"(c) Beginning not later than 30 days after issuance of a seizure order, the United States shall impound and hold all income received from the operation thereof in trust for the payment of general operating expenses, just compensation to the owners as hereinafter provided in this subsection, and reimbursement to the United States for expenses incurred by the United States in the operation of the enterprise. Any income remaining shall be covered into the Treasury of the United States as miscellaneous receipts. In determining just compensation to the owners of the enterprise, due consideration shall be given to the fact that if the United States had not initiated the procedures set forth in sections 211 to 215 of the act the owners' production would have been interrupted by a stoppage of work or operations, to the fact that the United States took or continued possession of such enterprise when its operation had been interrupted by a stoppage of work or operations or that stoppage of work or operations was imminent; to the fact that the United States would have returned such enterprise to its owners at any time when an agreement was reached settling the issues involved in such stoppage of work or operations; and to

the value the use of such enterprise would have had to its owners in the light of the labor dispute prevailing, had they remained in possession during the period of Government operation: *Provided*, That any increase in wages or other compensation or any increase resulting from a change in the method of computing wages or other compensation which are agreed to by the parties retroactively for the period of Government operation or any portion of that period shall be deemed costs or expenses for such period.

"(d) During the period in which possession of any enterprise has been taken by the United States under this section, the employer or employers or their duly designated representatives and the representatives of the employees in such enterprise shall be obligated to continue collective bargaining for the purpose of settling the issues in the dispute between them.

"(e) (1) The President may appoint a compensation board to determine the amount to be paid as just compensation under this title to the owner of any enterprise of which possession is taken. For the purpose of any hearing or inquiry conducted by any such board the provisions relating to the conduct of hearings or inquiries by emergency boards as provided in section 213 of this title are hereby made applicable to any such hearing or inquiry. The members of compensation boards shall be appointed and compensated in accordance with the provisions of section 213 of this title.

"(2) Upon appointing such compensation board the President shall make provision as may be necessary for stenographic, clerical, and other assistance and such facilities, services, and supplies as may be necessary to enable the compensation board to perform its functions.

"(3) The award of the compensation board shall be final and binding, unless within 30 days after the issuance of said award, a party moves to have the said award set aside or modified in the United States Court of Claims in accordance with the rules of said court.

"SEC. 215. When a dispute arising under this title has been finally settled, the President shall submit to the Congress a full and comprehensive report of all the proceedings, together with such recommendations as he may see fit to make."

"(b) Section 717 of this act, as amended, shall not apply to this section 412."

Mr. MORSE. Mr. President, I ask unanimous consent that the amendment be printed so that it may be on the desks of Senators tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Hon. Ernest A. Tolin, to be United States district judge for the southern district of California.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of A. Carter Whitehead, to be United States attorney for the eastern district of Virginia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The Chief Clerk proceeded to read sundry nominations for the office of United States marshal.

The VICE PRESIDENT. Without objection, the nominations of United States marshals are confirmed en bloc.

PUBLIC HEALTH SERVICE

The Chief Clerk read the nomination of William D. Sudia, to be assistant sanitarian in the Public Health Service.

The VICE PRESIDENT. Without objection the nomination is confirmed; and, without objection, the President will be notified of all confirmations of today.

Mr. HOLLAND. Mr. President, I note that the adversely reported nomination for the office of Recorder of Deeds for the District of Columbia is still carried on the calendar, whereas an act has been passed giving the power to the Dis-

trict Commissioners to make the appointment. Is it not timely that we indefinitely postpone that particular nomination?

Mr. McFARLAND. It might be well to look into it. I thank the Senator for calling my attention to the matter.

Mr. HOLLAND. It seems to be useless to continue to carry the nomination on the Executive Calendar.

RECESS

Mr. McFARLAND. As in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow Wednesday, June 11, 1952, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 10, 1952:

UNITED STATES DISTRICT JUDGE

Hon. Ernest A. Tolin, to be United States district judge for the southern district of California.

UNITED STATES ATTORNEY

A. Carter Whitehead, to be United States attorney for the eastern district of Virginia.

UNITED STATES MARSHALS

Benjamin F. Ellis, to be United States marshal for the middle district of Alabama.

Raymond E. Thomason, to be United States marshal for the northern district of Alabama.

John E. Hushing, to be United States marshal for the district of the Canal Zone.

Julius J. Wichser, to be United States marshal for the southern district of Indiana.

Rupert Hugo Newcomb, to be United States marshal for the southern district of Mississippi.

Frank Golden, to be United States marshal for the district of Nebraska.

William T. Brady, to be United States marshal for the district of New Jersey.

Gerald K. Nellis, to be United States marshal for the northern district of New York.

PUBLIC HEALTH SERVICE

APPOINTMENT IN THE REGULAR CORPS

William D. Sudia, to be assistant sanitarian, effective date of acceptance.

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 11 (legislative day, JUNE 10), 1952

Ordered to be printed

AMENDMENT

Proposed by Mr. CASE (and pending) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: At the proper place, add a new section as follows:

1 SEC. . LIMITED ARBITRATION FOR EMERGENCY
2 PRODUCTION.—For the period of this Act, the President
3 shall appoint, by and with the advice and consent of the
4 Senate, an Emergency Production Council of fifteen mem-
5 bers, familiar with the problems of production and the rela-
6 tionships of management and labor. If, during the effective
7 period of this Act, the President finds that a labor dispute
8 imperils the national security and that the procedures of the
9 Labor Management Relations Act, 1947, or the National
10 Railway Labor Act, as amended, have been exhausted in

1 any dispute to which they might apply, he shall forthwith
2 create an Emergency Production Board of five members,
3 selected from the Emergency Production Council, none of
4 whom shall have a direct pecuniary or prejudicial interest
5 in the particular dispute at issue. This Board shall have
6 the power of subpoena and may, subject to the approval of
7 the Director of the Bureau of the Budget, call upon other
8 Federal agencies for personnel, services, and facilities. The
9 Board shall promptly investigate the issues involved in the
10 dispute which occasioned its creation and within thirty days
11 shall recommend to the parties an award on issues involv-
12 ing wages, hours, and working conditions. During this
13 thirty-day period, or as much thereof as shall be required
14 for making the award, neither party to the dispute shall
15 order or authorize a lock-out or a strike. The award of
16 such Emergency Board shall be observed by both parties
17 for a period of one hundred and twenty days, during which
18 time the Federal Mediation and Conciliation Service shall
19 endeavor to obtain an agreement of the parties to all issues
20 involved in their dispute. In the event that management
21 fails to observe the award during the one-hundred-and-
22 twenty-day period, the President is authorized to take and
23 operate the industry on the terms of the award for the bal-
24 ance of the one hundred and twenty days through such
25 agency as he may designate. In the event of Government

1 operation it shall be the duty of the representative of the
2 employees not to induce or direct a strike, slowdown, or
3 other concerted action that would interfere with produc-
4 tion; or, in the event that a strike or slowdown is in effect,
5 it shall be the duty of such representative to induce in
6 good faith the cessation of such strike or slowdown. Mem-
7 bers of an Emergency Board shall be entitled to receive
8 a per diem of \$50 and expenses for such time as they may
9 be assigned to a dispute. All powers and authority con-
10 ferred by this section shall expire with the expiration of this
11 Act.

AMENDMENT

Proposed by Mr. CASE (and pending) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 11 (legislative day, JUNE 10), 1952
Ordered to be printed

Calendar No. 1529

82^D CONGRESS
2^D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 11 (legislative day, JUNE 10), 1952

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. NIXON (for himself and Mr. KNOWLAND) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz: On page 12, after line 16, insert the following:

1 SEC. 302. The Public Housing Administration shall not,
2 after the date of approval of this Act, authorize or proceed
3 with the construction of any public housing projects initiated
4 before or after March 1, 1949, in any locality in which such
5 projects have been or may hereafter, at any time prior to
6 such authorization or construction, be rejected or previous
7 approval rescinded by the governing body of the locality
8 through resolution or otherwise or by public vote, nor shall
9 any part of any appropriation be used to pay annual contribu-
10 tions on any housing unit of any project so rejected or with

1 respect to which the governing body of the locality votes
2 by resolution or otherwise, or the locality votes by refer-
3 endum, to rescind its approval at any time prior to actual
4 commencement of construction, unless in either case such
5 projects have been subsequently approved by the same pro-
6 cedure through which such rejection was expressed; pro-
7 vided that in any such case where such public housing
8 projects have been rejected, the local community shall re-
9 fund any amounts contributed by the Federal Government.

82^d CONGRESS
2^d Session

S. 2594

AMENDMENT

Intended to be proposed by Mr. NIXON (for himself and Mr. KNOWLAND) to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 11 (legislative day, JUNE 10), 1952

Ordered to lie on the table and to be printed

Calendar No. 1529

82D CONGRESS
2D SESSION

S. 2594

IN THE SENATE OF THE UNITED STATES

JUNE 11 (legislative day, JUNE 10), 1952

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MAYBANK to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, viz:

1 On page 9, after line 16, insert the following new
2 section:

3 “SEC. 108. Title IV of the Defense Production Act of
4 1950, as amended, is amended by adding at the end thereof
5 the following new section:

6 “‘NATIONAL EMERGENCY PRICE AND WAGE BOARD

7 “‘SEC. 412. (a) Whenever the President finds that a
8 threatened or actual work stoppage or lock-out affecting
9 an entire industry or a substantial part thereof will, if per-
10 mitted to occur or to continue, imperil the national defense
11 or defeat the purposes of this Act, he may refer such dispute

1 to the Board created in subsection (b) to inquire into the
2 issues involved in the dispute and to make a written report
3 to him within one hundred and thirteen days after such
4 dispute has been referred to it. Such report shall include a
5 statement of the facts with respect to the dispute, including
6 each party's statement of its position, and shall contain the
7 Board's recommendation with respect to wage and price sta-
8 bilization as well as other matters involved in such dispute.
9 The President shall make the contents of such report avail-
10 able to the public.

11 “ ‘ (b) There is hereby established the National Emer-
12 gency Price and Wage Board (hereinafter referred to as the
13 “Board”) which shall be composed of a Chairman and six
14 other members to be appointed by the President by and with
15 the advice and consent of the Senate, and shall have power
16 to sit and act at any place within the United States and to
17 conduct such hearings either in public or private, as it may
18 deem necessary or proper, to ascertain the facts with respect
19 to the causes and circumstances of the dispute. Each member
20 of the Board shall receive compensation at the rate of \$50
21 for each day actually spent by him in the work of the Board,
22 together with necessary travel and subsistence expenses.

23 “ ‘ (c) The provisions of section 9 and 10 (relating to
24 the attendance of witnesses and the production of books,
25 papers, and documents) of the Federal Trade Commission

1 Act, as amended (15 U. S. C. 49 and 50), shall be ap-
2 plicable with respect to any hearing or inquiry conducted
3 by the Board under this section.

4 ““(d) The President shall make such provision for
5 stenographic, clerical, and other assistants, and for facilities,
6 services, and supplies, as may be necessary to enable the
7 Board to perform its functions.

8 ““(e) Whenever a dispute is referred to the Board the
9 President shall immediately notify the parties to the dispute
10 that the dispute has been so referred and until the Board
11 makes its report to the President and for seven days there-
12 after it shall be unlawful for the parties to engage in any
13 work stoppage or lock-out. The provisions of section 706
14 of this Act shall apply in the case of any violation of this
15 section.

16 ““(f) Within seven days after the Board has reported
17 its findings and recommendations to the President, the parties
18 to the dispute shall advise the President in writing whether
19 or not they are willing to accept the recommendations of
20 the Board for settlement of the dispute.

21 ““(g) If all parties to the dispute agree to accept the
22 recommendations of the Board for settlement of the dispute,
23 the President shall take such action under this title as may
24 be necessary to effectuate the recommendations of the Board.

25 ““(h) If any party to the dispute refuses within the

1 period specified in subsection (f) to accept the recommenda-
2 tions of the Board and as a result thereof a work stoppage or
3 a lock-out is threatened, the President, upon the written rec-
4 ommendation of the National Security Council, shall take
5 immediate possession of and operate all plants, mines, or
6 facilities involved in the dispute subject to payment of just
7 compensation therefor as required by the Constitution of the
8 United States: *Provided, however,* That, in the case of the
9 existing dispute in the steel industry, the President, upon the
10 written recommendation of the National Security Council,
11 shall take immediate possession of and operate any plants,
12 mines, or facilities or other property involved in the dispute
13 without regard to the foregoing subsections of this section.
14 The Board shall determine (1) the amount to be paid as just
15 compensation to the owner of any plant, mine, or facility
16 possession of which is taken by the President, and (2) fair
17 terms and conditions of employment of the employees of such
18 owner during the period of operation by the Government:
19 *Provided, however,* That any increase in the compensation
20 to the employees shall be not in excess of the ratio of in-
21 crease in the cost of living from December 15, 1950, to the
22 last published "Consumers' Price Index for Moderate Income
23 Families in Large Cities—All Items" published by the
24 Bureau of Labor Statistics, Department of Labor, less any

1 cost of living increase received by such employees subse-
2 quent to December 15, 1950, but may in the discretion of
3 the President be made retroactive to the date upon which
4 he took possession: *And provided further*, That no changes
5 in the existing conditions of employment affecting union
6 shop, maintenance of membership, or similar arrangement
7 between employers and employees shall be made.

8 “(i) After the issuance of a seizure order, it shall be
9 the duty of any labor organization of which any employees
10 who have been employed in the operation of such plant, mine,
11 or facility are members, and of the officers of such labor
12 organization, to seek in good faith to induce such employees
13 to refrain from a stoppage of work and not to engage in any
14 strike, slowdown, or other concerted refusal to work or stop-
15 page of work, and if such stoppage of work has occurred,
16 to seek in good faith to induce such employees to return
17 to work and not to engage in any strike, slowdown, or
18 other concerted refusal to work or stoppage of work until
19 the dispute is settled or until possession of such enterprise
20 is relinquished by the United States, whichever occurs
21 sooner. After the issuance of a seizure order, it shall also
22 be the duty of any employer involved in the dispute to
23 refrain from lock-out, and to induce other employers in-
24 volved in the dispute to refrain from lock-out, until the

1 dispute is settled or until possession of the plant, mine, or
2 facility is relinquished by the United States, whichever
3 occurs sooner.

4 “ ‘(j) At any time after the referral of the dispute to
5 the Board or during the operation by the Government of
6 any plant, mine, or facility, the parties to the dispute may
7 reach an agreement by means of collective bargaining. Such
8 agreement must be within the framework of the stabilization
9 policies then in effect.

10 “ ‘(k) Upon settlement of any dispute so referred to
11 the Board, or when the Congress by concurrent resolution
12 shall so request, the President shall immediately return
13 possession of the plant, mine, or facility involved to the
14 owners thereof in the event possession of such plant, mine,
15 or facility has been taken by the President pursuant to the
16 provisions of this section.

17 “ ‘(l) While this section is in effect the provisions of
18 sections 206 to 210, inclusive, of the Labor Management
19 Relations Act, 1947, shall not apply in the case of any
20 dispute referred to the National Emergency Wage and Price
21 Board. In any such case the provisions of the Act of March
22 23, 1932, entitled “An Act to amend the Judicial Code and
23 to define and limit the jurisdiction of courts sitting in equity,
24 and for other purposes”, shall not be applicable.

25 “ ‘(m) Nothing in this section shall be construed to

1 require an individual employee to render labor or service
2 without his consent, or to deny any person whose property
3 has been taken over by the United States under this Act the
4 right to a judicial determination of just compensation.' ”

5 Renumber succeeding sections.

AMENDMENTS

Intended to be proposed by Mr. MAYBANK to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

JUNE 11 (legislative day, JUNE 10), 1952
Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 12, 1952

For actions of June 11, 1952

82nd-2nd, No. 101

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Both Houses agreed to conference report on road authorization bill. Ready for President. House Banking Committee voted to include in defense production bill a provision for 90% supports on basics. House passed measure continuing various emergency powers 1 year. Senate agreed to conference report on immigration revision bill. Ready for President. Senate debated defense production bill. Senate committee voted to reopen CCC grain-storage hearings and to report Duggan nomination to FCA. Sen. Ellender introduced bill for additional Assistant Secretary and Administrative Assistant Secretary of USDA. Rep. Cooley introduced bill to adjust burley tobacco allotments.

SENATE

- ROAD AUTHORIZATIONS.** Both Houses agreed to the conference report on H. R. 7340, to authorize road appropriations for the fiscal years 1954 and 1955, including forest highways and forest roads and trails (pp. 7127, 7129-32, 7171-2, 7183-91). This bill will now be sent to the President.
- IMMIGRATION.** Agreed to the conference report on H. R. 5678, to revise the immigration and naturalization laws (pp. 7163-6). This bill will now be sent to the President.
- DEFENSE PRODUCTION.** Continued debate on S. 2594, to extend and amend the Defense Production Act (pp. 7155-63, 7166-83, 7191-7). Agreed to a Williams amendment providing that, when price control is imposed on an agricultural commodity at the farm level, OPS must impose margin controls on handlers of the commodity, at not more than their normal margins (pp. 7161-3). Agreed, 46-31, to a Fulbright amendment designed to permit continuation of the allocation of materials through the International Materials Conference (pp. 7166-81). Rejected, 33-37, a Schoepmel amendment requiring that each regulation and order on prices and wages shall be generally fair and equitable and permitting protests on ceilings on agricultural commodities (pp. 7191-5).
- NOMINATION.** The Agriculture and Forestry Committee reported favorably the nomination of Ivy W. Duggan to be FCA Governor (p. 7154).

5. **EMERGENCY POWERS.** The Judiciary Committee reported without amendment S. J. Res. 164, to continue certain emergency powers through June 1952 (S. Rept. 1737)(pp. 7153-4).
6. **LAND TRANSFER.** The Government Operations Committee reported without amendment S. 3052, to authorize certain land and other property transactions, including transfer to the Navy of a tract at Oceanside, San Diego, Calif., which was part of the land used by USDA for an emergency rubber project (S. Rept. 1731)(p. 7153).
7. **TERRITORY.** The Interior and Insular Affairs Committee reported with amendment S. J. Res. 149, to provide for continuance of civil government for the Trust Territory of the Pacific Islands (S. Rept. 1739)(p. 7153).
8. **FOREIGN AID.** Sen. Watkins inserted the report to the President from the International Development Advisory Board, which was asked to study the Point 4 program (pp. 7197-8).
9. **GRAIN-STORAGE INVESTIGATION.** The Agriculture and Forestry Committee voted to reopen the hearings on CCC grain storage, beginning June 18 (p. D570).
10. **FARM PROGRAM.** Sen. Ken inserted his letter to Secretary Brannan asking the Secretary to either prove that the Senator has voted against farm legislation or else withdraw the charge that he has done so (p. 7155).

HOUSE

- 11. **EMERGENCY POWERS.** Passed, 284-69, without amendment H. J. Res. 477, to continue certain statutory provisions for the duration of the national emergency proclaimed Dec. 16, 1950, and 6 months thereafter, but not beyond June 30, 1953. This measure continues 48 of the 60 statutory provisions requested by the President. (pp. 7132-44.)
12. **DEFENSE PRODUCTION; PARITY PROGRAM.** The "Daily Digest" states that the Banking and Currency Committee voted to extend the Defense Production Act for 1 year, until June 30, 1953, approving extension of wage, rent, and price controls, by eliminating credit controls (regulations W and X). It also adopted the Rains amendment providing for price support at 90% of parity for basic commodities while title IV of IPA is in effect. (p. D573.)
13. **RECLAMATION.** The Interior and Insular Affairs Committee reported without amendment S. 2610, providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Colo. (H. Rept. 2145) (p. 7150).
14. **TRANSPORTATION.** The Merchant Marine and Fisheries Committee reported with amendment H. R. 5803, to prevent the shipment in interstate commerce of illegal undersized fish (H. Rept. 2148) (p. 7150).
15. **IRRIGATION.** The Interior and Insular Affairs Committee reported with amendment H. R. 6723, approving contracts with the Gering and Fort Laramie, the Goshen, and the Pathfinder irrigation districts; and to authorize execution of contract with individual water right contractors on the North Platte Federal reclamation project and with the Northport irrigation district. (H. Rept. 2150) (p. 7150).
Concurred in the Senate amendment on H. R. 5633, to approve a contract with the Owyhee Federal project irrigation districts (pp. 7128-9). This bill will now be sent to the President.

16. TRUST TERRITORY. The Interior and Insular Affairs Committee approved with amendment H. J. Res. 421, to continue authority for the Trust Territory of the Pacific Islands (H. Rept. 2153) (p. 7150).
17. CREDIT. Rep. Ford asserted that the recent modifications in regulation X (real estate controls) were unsatisfactory and urged further modifications (p. 7145).

BILLS INTRODUCED

18. GRAZING LANDS. H. R. 8166, by Rep. Angell, to provide for a study and survey as the basis for the establishment of publicly owned natural grassland areas, to assure the preservation of typical areas of each of the major grasslands types; to Agriculture Committee (p. 7150).
19. TOBACCO. H. R. 8170, by Rep. Cooley, "relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended"; to Agriculture Committee (p. 7150).
S. 3318, by Sen. O'Connor, to provide price support for the 1952 crop of Maryland tobacco; to Agriculture and Forestry Committee (p. 7154).
20. PERSONNEL. S. 3316, to establish an additional office of Assistant Secretary of Agriculture and an office of Administrative Assistant Secretary of Agriculture; to Agriculture and Forestry Committee (p. 7154).
21. EMERGENCY POWERS. S. J. Res. 164, continuing the effectiveness of certain statutory provisions until June 30, 1952; ordered placed on the calendar (p. 7154). Remarks of author (pp. 7153-4.)

ITEMS IN APPENDIX

22. RURAL LIBRARY SERVICE. Sen. Lehman inserted a New York Times editorial favoring S. 1452, authorizing appropriation of \$7,500,000 yearly for five years for implementing library demonstration programs in rural and sparsely settled areas (p. A3774).
23. DEFENSE PRODUCTION; COPPER. Extension of remarks of Rep. Sadlak favoring the Ferguson-Sadlak amendment to the Defense Production Act extension bill which would make ineffective the International Materials Conference. Rep. Sadlak claimed the conference is operating without statutory authority and the proposed amendment would make more copper available to this country, and he inserted the report of a special Republican committee assigned to study the IMC (pp. A3761-4.)

COMMITTEE HEARING RELEASED BY GPO

24. PERSONNEL. Recruitment Procedures in the Federal Government, S. 1135. H. Post Office and Civil Service Committee.

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COMMITTEE HEARING ANNOUNCEMENTS for June 12: Price-support levels, H. Agriculture (Brannan to testify). Earmarking forest receipts for recreation, H. Agriculture. Hoover Commission recommendations on water policy, H. Expenditures (McCormick to testify). Defense Production Act extension, H. Banking (ex). Joint budget committee, H. Rules. State, Justice and Commerce and civil functions appropriation bills, S. Appropriations (ex). Amending Civil Service Retirement Act re increase of retirement annuities.

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AWARD OF HONORARY DEGREE OF DOCTOR OF LITERATURE TO DR. FREDERICK BROWN HARRIS

Mr. KEM. Mr. President, the eloquent and much-beloved Chaplain of the Senate, Dr. Frederick Brown Harris, delivered the baccalaureate address at the University of Tampa, Tampa, Fla., on Sunday, June 1, 1952. On this occasion Dr. Harris received the honorary degree of doctor of literature. The citation reads as follows:

CITATION FOR DR. FREDERICK BROWN HARRIS, CHAPLAIN, UNITED STATES SENATE, PASTOR, FOUNDRY METHODIST CHURCH, WASHINGTON, D. C.

Dr. Frederick Brown Harris, poet, prophet, minister, leader, and statesman in religion; writer, author, fraternity man, and Mason; but, above all and most important, a great citizen. The academic family of the University of Tampa, especially the senior class, and the city of Tampa are honored by your visit and we have all been instructed and inspired by your message. It is now my happy privilege and honor, on behalf of the trustees of the University of Tampa, to confer upon you honoris causa, the honorary degree, doctor of letters, with all the rights and privileges appertaining thereto.

Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "The Senate Chaplain Hits Lack of Personal Honor in United States," referring to Dr. Harris' thought-provoking address, published in the Tampa Daily Times of June 2, 1952, and also an editorial entitled "Senate Chaplain Harris Talks Plain to Graduates," also from the Tampa Daily Times.

The VICE PRESIDENT. Is there objection?

There being no objection, the article and editorial were ordered to be printed in the Appendix of the RECORD.

(See Appendix.)

LETTER FROM SENATOR KEM TO THE SECRETARY OF AGRICULTURE

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I addressed to Hon. Charles F. Brannan, Secretary of Agriculture. The letter involves more than a personal controversy between Secretary Brannan and the senior Senator from Missouri. It involves an important question of governmental procedure. The question, briefly, is: "If a Senator who introduces a resolution for an investigation of a department or agency of the Government is subjected to a personal attack by the head of the Department, should the Department head either (A) prove the charge or (B) withdraw it?"

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 11, 1952.

HON. CHARLES F. BRANNAN,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: On May 14, 1952, you issued a public statement in which you said that Senator KEM is against nearly everything that farmers need.

On May 22, 1952, when you appeared as a witness before the Senate Committee on Agriculture you said, regarding this charge,

"I intend to make it again and intend to document it very thoroughly." (Report of proceedings, p. 3781.)

On May 23, 1952, according to the transcript of the proceeding before the Senate Committee, the following took place:

"Senator KEM. Mr. Chairman, the Secretary, Mr. Brannan, and I have had some discussion about the comments that he proposes to make on my voting record. It is understood that he will mail me in the near future a copy of his complaint or charge. I will then have an opportunity to examine that. And the Secretary will then return to the committee, and I will be afforded an opportunity to cross-examine him in regard to the statements that he has made in this memorandum.

"The CHAIRMAN. All right. * * * (Report of proceedings, p. 4049.)"

More than 2 weeks have passed since this agreement was reached. May I invite your attention to the fact that you have not made available to me the promised memorandum containing the documentation of your charge. I should like to have this at once so that a date can be arranged for your further appearance before the committee for cross-examination, as contemplated by our agreement.

In all fairness you should either submit your evidence or withdraw your charge. May I hear from you without further delay?

Sincerely yours,

JAMES P. KEM.

INTERNATIONAL BARBER SHOP QUARTET CONVENTION AND CONTEST IN KANSAS CITY, MO.

Mr. KEM. Mr. President, I ask unanimous consent that I may address the Senate for 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Missouri is recognized for 5 minutes.

Mr. KEM. Mr. President, there will be music in the air from sun-up to sundown in Kansas City this week. More than 2,500 barber shop harmonizers from every State in the Union and every Province in Canada will gather to decide in an international contest which four masculine voices blend together best in close harmony.

It is refreshing that men from every walk of life, from 650 communities where chapters have been organized in the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc., can unite for a common purpose without a single discordant note.

Before the end of last year, every one of the 2,572 seats in the Kansas City Music Hall was assigned for the international barber shop quartet contest this week end. In addition, quartets singing in a carefree way in the hotel lobbies and restaurants and on the street corners will provide free treats for those unable to get into the Music Hall.

The SPEBSQSA was founded in Tulsa in 1938. I salute the Tulsa harmonizers who accepted the invitation of my friend Edgar Shook, of Kansas City, to come over to Kansas City to organize the Kansas City chapter of the society. Kansas City thus became the second city in the Nation to become interested in this unique harmony revival.

Every barber shopper in America knows of the famous Kansas City Bar-

berpole Cats, later renamed the Hy-Power Serenaders, and currently the Hy-Powers, who have been representing Kansas City year after year, including the present contest.

A few years ago the barber shoppers inaugurated a program of collaboration with our armed services to give our servicemen the benefits of recreational singing. This program is now paying off. The Army, Navy, and Air Force will have outstanding quartets at Kansas City.

It is a standing joke to refer to the lack of harmony in Washington, D. C. However, the Nation's Capital has not failed in 6 years to send either one or two quartets to an international contest. This year the District of Columbia entry is the Columbians, making their fourth bid for the barber-shopping crown. The Potomac Clippers have been in four contests, while another District of Columbia quartet, the Diplomats, took part in the 1948 contest, and was invited to open the Republican National Convention at Philadelphia a few weeks later.

The Detroit chapter will be host for the 1953 convention, and Washington, D. C., is the favored city to be host in 1954.

I am advised by SPEBSQSA that no less than six Members of this body have been or are now affiliated with the organization, namely, the Senators from Ohio [Mr. TAFT and Mr. BRICKER], the senior Senator from Oklahoma [Mr. KERR], the junior Senator from Rhode Island [Mr. PASTORE], the junior Senator from Pennsylvania [Mr. DUFF], and the junior Senator from Michigan [Mr. MOONEY].

Harmony is good for the soul.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. TOBEY. Why does not the distinguished Senator from Missouri propose that the Senate send a quartet to participate in the contest, and that the Vice President of the United States be the leader of that quartet?

Mr. KEM. That is an excellent suggestion.

Mr. TOBEY. Will the Chair entertain such a motion?

The VICE PRESIDENT. The Chair did not hear the suggestion.

Mr. TOBEY. The suggestion is that since there is musical talent in the Senate, the Senate send a quartet to the barber shop quartet convention and contest soon to occur in Kansas City, and that the Vice President, a fine baritone, be the leader of the quartet. I further suggest that the opening number be Wagon Wheels.

The VICE PRESIDENT. The Chair accepts the nomination.

Mr. TOBEY. All in favor say "aye." [Laughter.]

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of

1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE], upon which there is 1 hour of debate, 30 minutes to each side.

Mr. MORSE. Mr. President—

The VICE PRESIDENT. The Senator from Oregon is recognized for 30 minutes.

Mr. MORSE. Mr. President, my amendment is on the desks of Senators, and I shall not ask to have it read, because it speaks for itself, but I ask that it be printed in the RECORD at this point. It is the amendment designated "6-10-52-B."

The VICE PRESIDENT. The amendment will be printed in the RECORD.

The amendment offered by the gentleman from Oregon [Mr. MORSE] is as follows:

On page 9, after line 16, insert the following new section:

"SEC. 108. Title IV of the Defense Production Act of 1950, as amended, is amended by adding, at the end thereof, the following new section:

"SEC. 412. (a) That title II of the Labor Management Relations Act, 1947, is amended by renumbering present sections 211 and 212 as sections 216 and 217, respectively, and inserting the following after section 210:

"SEC. 211. Whenever the head of an appropriate department or independent agency reports to the President, and the President finds, that a national emergency is threatened or exists because a stoppage of work or operations has resulted or threatens to result from a labor dispute (including the expiration of a collective-bargaining agreement) in a vital industry or plant which seriously affects the security of the United States, and the Director of the Federal Mediation and Conciliation Service advises the President that all attempts at mediation and conciliation have been exhausted without success, the President shall issue a proclamation to that effect and call upon the parties to the dispute to refrain from a stoppage of work or operations, or, if such stoppage has occurred, to resume work and operations in the public interest.

"PROCEDURE FOLLOWING PROCLAMATION

"SEC. 212. (a) Immediately after issuing a proclamation pursuant to section 211, the President shall submit to the Congress for consideration and appropriate action a full statement of the case based upon such information as has been made available to him through the appropriate agencies of Government, together with such recommendations as he may see fit to make as to procedures for effecting final settlement of the dispute and, pending settlement, for maintaining operation of the enterprise or enterprises involved.

"(b) The President may include a recommendation that the United States take possession of and operate the business enterprise or enterprises involved in the dispute. The President may make such additional reports and recommendations as he deems advisable. If the President recommends that the United States shall take possession of and operate such enterprise or enterprises, the President shall have authority to take such action forthwith. If the Congress by concurrent resolution within 10 days after the submission of such recommendation to it determines that such action should not have been or should not be taken any property seized shall be returned to its owners and no future seizure shall take place during that dispute without congressional author-

ization by concurrent resolution: *Provided*, That during the period in which the United States shall have taken possession, the Federal Mediation and Conciliation Service shall continue to encourage the settlement of the dispute by the parties concerned, and the agency or department of the United States designated to operate such enterprise or enterprises shall have no authority to enter into negotiations with the employer or with the labor organization for a collective-bargaining contract or to alter the wages, hours, or the conditions of employment existing in such industry or plant prior to the dispute, except in conformity (in whole or in part) with the recommendations of the emergency board or an agreement of the parties: *Provided further*, That in case an emergency board assumes jurisdiction over any form of union security which requires an employee to join a union as a condition of continued employment the putting into effect of its union security recommendations during a period of Government possession shall require the acceptance of the labor organization and the employer concerned in the dispute. If the Congress or either House thereof shall have adjourned sine die or for a period longer than 3 days, the President shall convene the Congress or such House forthwith for the purpose of consideration of an appropriate action pursuant to such statement and recommendations.

"(c) After the issuance of a seizure order, it shall be the duty of any labor organization of which any employees who have been employed in the operation of such enterprise are members, and of the officers of such labor organization, to seek in good faith to induce such employees to refrain from a stoppage of work and not to engage in any strike, slow-down, or other concerted refusal to work, or stoppage of work, and if such stoppage of work has occurred, to seek in good faith to induce such employees to return to work and not to engage in any strike, slow-down, or other concerted refusal to work or stoppage of work until the dispute is settled or until possession of such enterprise is relinquished by the United States, whichever occurs sooner.

"(d) After the issuance of a seizure order or any time thereafter, the President may direct the Attorney General to petition any district court, having jurisdiction of the parties, to enjoin such stoppage of work or operations, and if the court finds that the President has reasonable cause to believe that a national emergency is threatened or exists because a threatened or actual stoppage of work or operations may result or has resulted from a labor dispute (including the expiration of a collective agreement) in a vital industry or plant which seriously affects the security of the Nation, it shall have jurisdiction to enjoin such stoppage of work or operations, or the continuing thereof, and to make such other orders as may be appropriate. In granting such injunction or relief, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes, approved March 23, 1932' (U. S. C. Supp. VII, title 29, secs. 101-115). Such injunction or order shall be dissolved when the dispute is settled or possession of an enterprise seized pursuant to this section is relinquished by the United States, whichever occurs sooner.

"EMERGENCY BOARDS

"SEC. 213. (a) After issuing such a proclamation, the President may appoint a board to be known as an 'emergency board'.

"(b) Any emergency board appointed under this section shall promptly investigate the dispute, shall seek to induce the parties to reach a settlement of the dispute,

and in any event shall, within a period of time to be determined by the President but not more than 30 days after the appointment of the board, make a written report to the President, unless the time is extended by agreement of the parties, with the approval of the board. Such report shall include the findings and recommendations of the board and shall be transmitted to the parties and be made public. The recommendations shall be consistent with all laws and regulations otherwise applicable to compensation, hours, and other terms and conditions and incidents of employment. The Director of the Federal Mediation and Conciliation Service shall provide for the board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions.

"(c) An emergency board shall be composed of a chairman and such other members as the President shall determine, and shall have power to sit and act in any place within the United States and to conduct such hearings either in public or in private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute.

"(d) Members of an emergency board shall receive compensation at the rate of \$75 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses.

"(e) For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 5 (f), 9, and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., title 15, secs. 45 (f), 49, and 50, as amended), are hereby made applicable to the powers and duties of such board.

"(f) When a board appointed under this section has been dissolved, its records shall be transferred to the Director of the Federal Mediation and Conciliation Service.

"(g) No member of an emergency board shall be an officer or employee of the organization of employees or any employer involved in the dispute.

"SEC. 214. (a) In the event that the Government shall take possession of and operate any business enterprise or enterprises involved in a given dispute, the President shall designate the agency or department of Government which shall take possession of any business enterprise or enterprises including the properties thereof involved in the dispute and all other assets of the enterprise or enterprises necessary to such continued operation thereof as will protect the national security.

"(b) Any enterprise or properties of which possession has been taken under this title shall be returned to the owners thereof as soon as (1) such owners have reached an agreement with the representatives of the employees in such enterprise settling the issues in dispute between them, or (2) the President finds that the continued possession and operation of such enterprise by the United States is no longer necessary under the terms of the proclamation provided for in section 211: *Provided*, That possession by the United States shall be terminated not later than 60 days after the issuance of a seizure order unless the period of possession is extended by concurrent resolution of the Congress.

"(c) Beginning not later than 30 days after issuance of a seizure order, the United States shall impound and hold all income received from the operation thereof in trust for the payment of general operating expenses, just compensation to the owners as hereinafter provided in this subsection, and reimbursement to the United States for expenses incurred by the United States in the

operation of the enterprise. Any income remaining shall be covered into the Treasury of the United States as miscellaneous receipts. In determining just compensation to the owners of the enterprise, due consideration shall be given to the fact that if the United States had not initiated the procedures set forth in sections 211 to 215 of the act the owners' production would have been interrupted by a stoppage of work or operations, to the fact that the United States took or continued possession of such enterprise when its operation had been interrupted by a stoppage of work or operations or that stoppage of work or operations was imminent; to the fact that the United States would have returned such enterprise to its owners at any time when an agreement was reached settling the issues involved in such stoppage of work or operations; and to the value the use of such enterprise would have had to its owners in the light of the labor dispute prevailing, had they remained in possession during the period of Government operation: *Provided*, That any increase in wages or other compensation or any increase resulting from a change in the method of computing wages or other compensation which are agreed to by the parties retroactively for the period of Government operation or any portion of that period shall be deemed costs or expenses for such period.

"“(d) During the period in which possession of any enterprise has been taken by the United States under this section, the employer or employers or their duly designated representatives and the representatives of the employees in such enterprise shall be obligated to continue collective bargaining for the purpose of settling the issues in the dispute between them.

"“(e) (1) The President may appoint a compensation board to determine the amount to be paid as just compensation under this title to the owner of any enterprise of which possession is taken. For the purpose of any hearing or inquiry conducted by any such board the provisions relating to the conduct of hearings or inquiries by emergency boards as provided in section 213 of this title are hereby made applicable to any such hearing or inquiry. The members of compensation boards shall be appointed and compensated in accordance with the provisions of section 213 of this title.

"“(2) Upon appointing such compensation board the President shall make provision as may be necessary for stenographic, clerical, and other assistance and such facilities, services, and supplies as may be necessary to enable the compensation board to perform its functions.

"“(3) The award of the compensation board shall be final and binding, unless within thirty days after the issuance of said award, a party moves to have the said award set aside or modified in the United States Court of Claims in accordance with the rules of said court.

"“SEC. 215. When a dispute arising under this title has been finally settled, the President shall submit to the Congress a full and comprehensive report of all the proceedings, together with such recommendations as he may see fit to make.”

"“(b) Section 717 of this act, as amended, shall not apply to this section 412.”

Mr. MORSE. Mr. President, by way of explanatory remarks concerning the amendment, before I proceed to an argument on the ineffectiveness of the Taft-Hartley to meet the present emergency in the steel industry, I point out that my amendment is an amendment to the Taft-Hartley Act. This is the first time in this debate the Senate has had an opportunity to amend the basic law which, in my judgment, must be amended

if we are to have an effective piece of legislation for the handling of emergency disputes of the nature of the one growing out of the Steel case.

In spite of what the Senator from Ohio [Mr. TAFT] said yesterday on the floor of the Senate—and I shall refer to some of his arguments later—I repeat what I have said throughout the many days of the historic debate on the steel controversy. There is not a sentence, not a provision, not a line in the Taft-Hartley law which could possibly be effective in preventing the type of stoppage, and the damage ensuing therefrom, with which the President of the United States was confronted at the critical eleventh hour on the night of April 8.

I fully recognize, Mr. President, that the phrase “Taft-Hartley” has become an emotional sanction in the thinking of the American public. They have been deluded into the conclusion that there is something about the Taft-Hartley law which would be effective in keeping steel production going in a case having a set of facts such as those which are involved in the Steel case. I say categorically again today, “It just ain’t so.”

Why is it not so? It is not so because there is not a provision in the Taft-Hartley law which gives to the President the authority which he must have at the hour of crisis to prevent the stoppage in the first instance. The important physical fact in the steel case, as I have said many times in this debate—but apparently it must be driven home over and over again—is that once the steel furnaces are allowed to go cold, even if the men should agree to go back to work the first hour after the furnaces had gone cold, the furnaces could not be placed back into production again in less time than 2 or 3 weeks, on the average.

In my amendment I seek to give the President the authority to call upon his Attorney General at the time he even thinks a strike is threatened, to seek an injunction if in the opinion of the President the case creates such an emergency, so far as the national security is concerned, that the forces of law must be brought to bear upon the dispute in advance of the stoppage of work.

I am perfectly aware of the fact that industry generally, and labor leaders, so far as I know, unanimously oppose this provision of the Morse amendment, because they know that it would give to the Government the teeth which it needs under such circumstances to protect the security of all the people of the United States. I repeat that when the security of the Nation is seriously threatened not a single labor union in the United States and not an employer in the United States has any moral right to resort to economic action at that point, because the right to exercise economic action is a relative right under all circumstances; and under circumstances in which its exercise would jeopardize the security of the Nation there is no right at all. Under those circumstances it is the position of the junior Senator from Oregon, and always has been, and was in 1947, when the Taft-Hartley law was enacted, that the Government should be armed with whatever force is necessary under the cir-

cumstances to prevent economic action on the part of either party or both parties to a labor dispute.

Although labor and employers will do a great deal of squawking about this provision of the Morse amendment, they know that it represents an unanswerable position when the question is put squarely to them, “Do you think your Government should stand by in a case in which the security of the Nation is threatened, and let you engage in the luxury of economic action as a means of trying to settle a domestic quarrel between yourselves?”

I have yet to find the first labor leader or the first employer who is willing to tell me privately that he can justify economic action under such circumstances. I know whereof I speak, because this is no new position for the junior Senator from Oregon. I supported the identical principle in operation all through World War II as a member of the War Labor Board, when I took the position that whenever an employer or a union thought that it was bigger than the Government, and that it had the right to resort to economic action to the detriment of the successful prosecution of the war effort, then whatever force of Government was necessary to compel compliance with an order prohibiting lock-outs or prohibiting strikes would have to be imposed by the Government upon the union and upon the employer.

What was the result? It worked successfully. We had a few strikes and a few lock-outs, but only for a short duration, because we adopted in principle a rule of enforcement similar to that which I propose in the amendment I have offered, namely, that the Government arm itself with the necessary legislation to prevent a stoppage which jeopardizes the security of the country. We reverted on various occasions to seizures and the disputes were quickly settled.

Mr. President, once that principle is enacted into law it will be found that labor and employers, generally agreeing that the Government has spoken, will loyally support the principle of government by law which is encased in the amendment I have offered.

Next my amendment provides that after the President has issued a proclamation declaring the emergency he may seize immediately but his seizure is subject to a veto by Congress within 10 days. The seizure could take place simultaneously with the proclamation of emergency. The amendment keeps faith with another principle of law which I have argued in support of so repeatedly, namely, it is the duty of Congress to take action to check the exercise of power granted by legislation to the President of the United States. If after the President seizes and Congress does not act to nullify the seizure, and the emergency board provided for in my amendment presents the facts on the issues of the case, it is possible under my amendment for the Government, for the duration of the seizure, to grant wages, hours, and conditions of employment, within the stabilization formula, to the workers for the period of Government

seizure, but not beyond that period, and of course not retroactive prior to seizure by the Government.

Next my amendment contains the very clear provision that after 60 days of seizure, the property automatically goes back to its owners unless Congress by concurrent resolution extends the period of seizure. Thus I keep the responsibility clearly where I think it ought to be in emergency cases, so far as the checking principle is concerned, and that is in Congress.

Next my amendment provides that after 30 days of seizure, if the parties have not settled their dispute by way of mediation, conciliation, voluntary arbitration, or collective bargaining within that period of time, then, and not until then, the profits of the industry shall be impounded by the United States Treasury, to be held by it in order to pay for the cost of operation of the industry during the period of Government seizure.

What I have tried to do in the amendment is not to make it desirable for either party to have a seizure, not to make it desirable to either party to have governmental intervention, and to keep the parties in doubt as to what the final effects of Government intervention will be upon them. In other words, as I see it, the legislation must constantly be an inducement to the parties to avoid governmental intervention.

I submit that there are plenty of inducements in the amendment to cause the parties to want to keep Government out of labor disputes. The sooner American labor and American industry recognize the fact that it is not in the interest of either of them to have Government intervention in labor disputes, the better it will be for the country. But it still remains the duty of the Government of a free people to intervene in a serious labor dispute, affecting the national welfare, if the parties to the dispute fail to keep faith with good-faith collective bargaining, and settle their differences on a voluntary basis.

Next, my amendment provides for the appointment of a Compensation Board, empowered to hand down a decision as to what the compensation for the industry shall be during the period of Government seizure, subject, however, to review in the courts of the land.

Let me say again, Mr. President, that Senators will always find the junior Senator from Oregon, so far as his sights are concerned, keeping his eyes on the due process clause of the United States Constitution. To guarantee due process to the property owners the doors of the courts must always be kept open to them for adjudication of their interests and rights in case of governmental intervention in a labor dispute.

In sum and substance, those are the broad outlines of my amendment. I respectfully submit that they will work and be effective. I respectfully submit they will reduce to a bare minimum the necessity for governmental intervention in so-called national emergency cases. They will give to the Taft-Hartley law the teeth it does not now have in dealing with emergency disputes.

I desire to make a few remarks in regard to some representations which were made yesterday by the distinguished Senator from Ohio [Mr. TAFT] in connection with the operation of the Taft-Hartley law. On page 7072 of the CONGRESSIONAL RECORD of yesterday, June 10, 1952, the distinguished Senator is quoted as saying:

The Taft-Hartley Act provides, finally, for the taking of a vote by the men on the last and most favorable offer of the employers, at the end of 80 days. I believe the people of the United States feel that it is right that in a national emergency—and the Taft-Hartley Act applies only to national emergencies—there should be a definite and deliberate vote by the workers on the question of whether they intend to strike and to tie up the entire national economy, and that that action should not be taken by their leaders, but should be taken by the action of the men, in the last analysis. That seems to be a wise provision.

Mr. President, I have no objection to that provision except that it is wasted motion, because judicial notice can be taken of the fact that in these cases the workers are going to follow the leadership of the union. That has been our experience under the operation of the Taft-Hartley law, particularly under another section of that law which required a vote in connection with the union shop. It was found to be a cumbersome procedure and further it was found with such repeated frequency and consistency that the workers voted in accordance with the decision already made by their elected delegates, the union officials, that even the Senator from Ohio not so long ago favored and supported an amendment to dispense with that election requirement of the Taft-Hartley law.

I do not propose to take away this election procedure under the emergency dispute section of the Taft-Hartley law; but as I have said, it is only a wasted motion; it is only a gesture. Judicial notice can be taken of the fact that in the steel case, for example, 99 percent or more of the workers, as they have already made clear at their convention in Philadelphia by way of action taken by their elected delegates, are going to vote for the union's position in the case, and not for the employers' position, particularly in view of the fact that the employers in this case have kicked free labor around so unfairly.

Mr. President, I wish to read now from the CONGRESSIONAL RECORD of yesterday, June 10, 1952, at page 7073, in the middle column. At that point in the proceedings the Senator from Texas [Mr. JOHNSON] asked the following question:

Mr. President, the President indicated in his message to the joint session of Congress today that he would be required to appoint a board of inquiry under the Taft-Hartley Act. I should like to get the opinion of the Senator from Ohio as to whether that is the case.

The Senator from Ohio [Mr. TAFT] replied as follows:

Yes, he is required to appoint a board of inquiry, but the Board's first report is only on the question as to whether a national emergency exists, and whether the dispute has gone beyond the point where it can be settled by any voluntary means. If the

Board reports the President has the right immediately to seek an injunction.

Mr. President, I do not find that in the law, because it is not there. What the law says in regard to a national emergency board is as follows:

NATIONAL EMERGENCIES

SEC. 206. Whenever in the opinion of the President of the United States, a threatened or actual strike or lock-out affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce, will, if permitted to occur or to continue, imperil the national health or safety, he may appoint a board of inquiry to inquire into the issues involved in the dispute and to make a written report to him within such time as he shall prescribe. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations. The President shall file a copy of such report with the Service and shall make its contents available to the public.

Mr. President, there is nothing in the Taft-Hartley law which says that all the board has to do is simply to report to the President that it believes the case is an emergency case that threatens the health and safety of the Nation. To the contrary, the law is specifically clear that the board of inquiry is to be appointed to look into the facts. That is what has been done by the boards of inquiry that have been appointed. That takes considerable time.

There have been nine emergency cases under the Taft-Hartley law. In six of these cases, an injunction has been issued.

Yesterday the Senator from Ohio pointed out that:

In the Maritime case he got an injunction 4 days after he appointed the board, which is certainly by far the quickest action we could possibly hope for under any of the pending proposals.

In making that presentation, the Senator from Ohio selected the case in which an injunction was secured in the shortest period of time. In the six cases the average time before an injunction was obtained was a little more than 8 days, not 4 days. It would be just as fair to refer to the period of 14 days, and hold it up as an example of how long it takes to obtain an injunction under the Taft-Hartley law, as to select the other extreme, namely, 4 days.

All I say, Mr. President, is that it will take several days to obtain an injunction under the Taft-Hartley law; and in a case such as the Steel case, where the result of permitting the furnaces to grow cold will be a shut-down of the industry, for some 2 or 3 weeks, even 4 days is too long a period of time to wait to obtain an injunction.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, basic data on the national emergency provisions of the Taft-Hartley Act, showing the cases in which an injunction has been sought and the cases in which an

injunction has not been sought, and the time which has been required to obtain an injunction and to settle the dispute.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Basic data on national emergency provisions of the Taft-Hartley Act

Description of labor dispute	Date board of inquiry appointed	Date board of inquiry reported to the President	Date injunction issued	Total elapsed time
				Days
1. Atomic energy dispute: Atomic Trades and Labor Council (AFL) and Carbide & Carbon Chemicals Corp.	Mar. 5, 1948	Mar. 15, 1948	Mar. 19, 1948	14
2. Meat-packing dispute: United Packing House Workers (CIO) versus 5 major meat-packing firms.	Mar. 15, 1948	Apr. 8, 1948	None issued.	
3. Bituminous coal mines pension dispute: United Mine Workers of America versus bituminous coal-mine operators.	Mar. 23, 1948	Mar. 31, 1948	Apr. 3, 1948	11
4. Maritime industry dispute: Atlantic, Pacific and Gulf coast and Great Lakes versus International Longshoremen and Warehousemen Union (CIO) and other maritime unions.	June 3, 1948 May 18, 1948	June 11, 1948 (1)	June 14, 1948 (2)	11
5. Telephone dispute: American Union of Telephone Workers (CIO) versus American Telephone & Telegraph Co.	June 19, 1948	June 26, 1948 ³	(4)	
6. Bituminous-coal-miner contract dispute: United Mine Workers of America versus bituminous-coal-mine operators.	Aug. 17, 1948	Aug. 18, 1948 ⁵	Aug. 21, 1948	4
7. Longshoremen's dispute on Atlantic coast: International Longshoremen's Association (AFL) versus certain steamship companies and associations of employers.	Feb. 6, 1950	Feb. 11, 1950	Feb. 11, 1950 ⁶	5
8. Bituminous coal dispute: United Mine Workers of America (CIO) versus bituminous coal mine operators.	Aug. 30, 1951	Sept. 4, 1951	Sept. 5, 1951	6
9. Nonferrous metals dispute: International Union of Mine, Mill and Smelter Workers and other unions versus nonferrous metals industry.				

¹ Formal hearings scheduled for May 25, postponed until June 8.

² None issued (agreement made June 4.)

³ Agreement reached June 24 after Judge Goldsborough's decision on pension fund.

⁴ None issued.

⁵ Board reported that parties caught in legal predicament as result of Supreme Court decision in the *Bay Ridge Operating Co. v. Aaron*, 324 U. S. 446, 1948.

⁶ Men didn't return to work and on Feb. 20, the Attorney General began contempt proceedings. On Mar. 2, 19 days after issuance of injunction, the court found the union not in contempt.

COMMENT

On 9 occasions the President has resorted to the use of the national emergency provision of the Taft-Hartley Act. In 6 of the 9 disputes the President directed that an injunction be sought. As shown above, the minimum elapsed time between appointment of a board of inquiry was 4 days (east coast longshore dispute, 1948). The maximum elapsed time was 14 days (atomic energy dispute, 1948). The average elapsed time was 8 days.

The Steel Industry Board, which heard the steel dispute in 1949, was appointed July 15, 1949, and made its report Sept. 10, 1949—almost 2 months later. Of 10 fact-finding boards in operation between July 1945 and July 1949, the average elapsed time between the appointment of the board and the submission of its report was a month and a half. (See Chester Wright's Labor Letter, Aug. 13, 1949.) Emergency fact-finding boards under the Railway Labor Act ordinarily take from 5 to 6 weeks to hear a dispute, although they may take longer if the case is especially complicated.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an analysis of the facts in the nine Taft-Hartley Act national emergency cases. I make this request because the Senate Committee on Labor and Public Welfare has gone thoroughly into those cases through a careful study made by its staff.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE FACTS ON THE NINE TAFT-HARTLEY NATIONAL EMERGENCY CASES

1. Atomic-energy dispute, 1948: The dispute was not settled during the 80-day period. Every step of the Taft-Hartley Act, including a vote on the last offer (rejected overwhelmingly), was taken and the dispute was still not resolved. Immediately upon discharge of the injunction the parties were called into continuous bargaining sessions extending over 50 hours. The dispute was settled by the parties, with the assistance of the FMCS, after the injunction had expired. As the FMCS reported (FMCS Annual Report, 1948, p. 41), "Apparently the imminence of the discharge of the injunction did not have the effect of producing a settlement."

2. Meat packing, 1948: No injunction was requested; hence, obviously, the dispute could not have been settled during the 80-day injunction. It is likely that the President did not invoke the injunction because the short-

age of meat was not nearly as great as had been anticipated.

It should be noted that the board of inquiry was appointed March 15, 1948, and the strike began the next day. The report of the board was not completed until April 8, 3 weeks later. The strike was in effect during this time and the board of inquiry was obviously helpless to avert the strike, to get it postponed, or to settle it.

3. First bituminous coal, March 1948: It is true that this dispute was settled during the period of the injunction, but it was settled in spite of the injunction and not because of it. The labor dispute arose out of differing interpretations of the pension-fund agreement, and it was not settled until the district court made its ruling upholding the plan of distribution agreed upon by Mr. Lewis and the Honorable STYLES BRIDGES. The legal problem was the main barrier to settlement, and once this issue was decided by the courts the dispute was settled within a matter of hours.

4. Telephone dispute, 1948: No injunction was sought in this case. The FMCS reported that, "The mere appointment of the Board of Inquiry had the effect of reestablishing the bargaining relationship that had been ended by the failure of one party to give unqualified assurances that during a period of continued negotiations and until a new contract could be agreed upon, the status quo of wages, and terms and conditions of employment would be maintained." (1948 Annual Report, FMCS, p. 46.)

Collective bargaining settled this dispute. As in the meat-packing case, the Board of Inquiry was helpless in the face of the strike. It could not make recommendations and it could not even mediate.

5. Maritime dispute, 1948: On the Atlantic and Gulf coasts the disputes were settled just prior to expiration of the injunction. They were settled because with the end of the injunction the parties were faced with the pressures of collective bargaining.

On the west coast, however, the dispute was not settled during the injunction period. The vote on the "last offer" was boycotted by the union, the injunction was discharged, and a long strike—over 3 months—took place.

6. Second bituminous coal, June 1948: Since no injunction was issued, it cannot be said this dispute was not settled during the period of the injunction. Once again, legal issues stood as the main barrier to settlement. Once Judge Goldsborough of the United States District Court handed down his decision on the pension fund dispute, bargaining was resumed and a settlement was reached—without an injunction.

7. East coast longshore, 1949: This dispute also was not settled during the period of the injunction. The workers rejected the last offers of the companies and when the injunction ended the strike became effective. As the FMCS reported, "This case furnishes another instance of a national emergency dispute in which (1) a strike was, in fact, forestalled by the injunction; (2) there was no substantial progress made toward a settlement during the injunction period; (3) all of the procedures of the act (including the ballot on the last offer of the employers) were resorted to without success; (4) a strike occurred after the discharge of the injunction; and (5) the dispute was settled at long last after many meetings between the parties, aided by mediators, but not before great injury was caused to the public and the Nation." (FMCS Annual Report, 1948, pp. 53-54.)

8. Third bituminous coal, 1950: The Taft-Hartley Act was totally ineffective in this dispute. The injunction was not effective in getting the men back to work and the court ruled that the union was not in contempt. The President then sent a message to the Congress requesting authority to seize the mines. Fear of seizure undoubtedly encouraged both parties to settle the dispute.

9. Copper, 1951: Some of the copper disputes were settled before the issuance of the injunction and some were settled during the period of the injunction.

SUMMARY

The record is quite clear. Settlements were rarely made during the period of the injunction. Some of the disputes in the maritime case and some of the disputes in the copper case were settled during the period of the injunction. In those cases it is a question whether settlements were achieved because of the injunction or in spite of it. In the first coal case it is quite plain that it was not the injunction but a long-awaited decision from the court that paved the way for settlement. In the majority of cases the injunction made settlement more difficult. The report of the board of inquiry in the maritime dispute indicated that employers and unions regarded the injunction as a "warming up" rather than a "cooling off" period.

As early as 1948 the FMCS, in its annual report, observed that, "provision for an 80-day period of continued operations, under injunctive order of a court, tends to delay rather than facilitate settlement of a dispute. Parties unable to resolve the issues facing them before a deadline date, when subject to an injunction order, tend to lose a sense of

urgency and to relax their efforts. In most instances efforts of the service to encourage the parties to bargain during the injunction period, with a view to early settlement, fall on deaf ears."

It was apparent from the beginning that the national emergency provisions were a snare and a delusion. At best they merely delay a strike; they contribute nothing toward settlement.

The Taft-Hartley boards of inquiry are forbidden to make recommendations and hence they serve no constructive purpose. They are simply roadstops on the way to an injunction.

The last offer elections, as the FMCS reports, "do nothing to promote settlement of a dispute * * * and are a disrupting influence."

The injunctions are more likely to inflame than "cool off" the situation. The record of the nine cases in which the emergency provisions were used does not show that the Taft-Hartley Act settles strikes. It shows exactly the reverse.

Mr. MORSE. Mr. President, I wish to read a few portions of the conclusions of the findings the committee reached:

The record is quite clear. Settlements were rarely made during the period of the injunction. Some of the disputes in the maritime case and some of the disputes in the copper case were settled during the period of the injunction. In those cases it is a question of whether settlements were achieved because of the injunction or in spite of it.

In the first coal case, it is quite plain that it was not the injunction, but a long-awaited decision from the court that paved the way for settlement. In the majority of cases, the injunction made settlement more difficult. The report of the board of inquiry in the maritime dispute indicated that employers and unions regarded the injunction as a "warming up" rather than a "cooling off" period.

Why was that, Mr. President? It was because they could sit and look out the window during the collective-bargaining hearings and figure out whether it would be to their benefit or to their detriment to have the Taft-Hartley law applied. The Taft-Hartley law works to the advantage of one party or the other in an emergency dispute and therefore the party that will gain from its operation usually fails to bargain in good faith. Under my amendment they could not be so sure. Under my amendment, the parties would be kept constantly in doubt as to what might happen to them. It is the uncertainty provided by my amendment as to its effect on the parties that I believe could make it one of the great inducements for the settlement of labor disputes short of Government intervention.

I read further from the committee's report:

As early as 1948 the FMCS—

The Federal Mediation and Conciliation Service—

in its annual report, observed that "provision for an 80-day period of continued operations, under injunctive order of a court, tends to delay rather than facilitate settlement of a dispute. Parties unable to resolve the issues facing them before a deadline date, when subject to an injunction order, tend to lose a sense of urgency and to relax their efforts. In most instances efforts of the Service to encourage the parties to

bargain during the injunction period, with a view to early settlement, fall on deaf ears."

However, the injunction provided in my amendment will not have that effect because during the time of Government seizure wages, hours, and conditions of employment can be changed in accordance with the Emergency Board's recommendation. No such provision exists in the Taft-Hartley Act and that is one reason why it is an unfair law.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield at this point?

Mr. MORSE. I ask the Senator from Minnesota to permit me to complete my argument first, and then I shall be glad to yield if I have time in which to do so. I doubt if I have time to complete my argument.

Mr. President, yesterday the Senator from Ohio had considerable to say about the railroad case. I could not quite determine from what he said whether he thought there should have been a strike or should not have been a strike in that case. However, one cannot have it both ways; Mr. President. Either there must be in the law a provision which will prevent a strike or a strike must be permitted to occur and to do the irreparable damage to the Nation a railroad strike would cause in an emergency defense period.

I do not believe anyone can obtain the votes of the railroad workers in the next election on the argument that because the White House bungled the railroad case, therefore we should not have on the statute books a law with teeth in it, one which would prevent the kind of strike which was threatened in the railroad industry. If the President had not seized the railroads there would have been a strike and the Senator from Ohio knows it. The trouble was that there was not a good seizure law on the books. That is the fault of Congress.

Incidentally, Mr. President, one of the paradoxes of the railroad case is that the railroad brotherhoods asked for the seizure; they were the ones who urged that the provision of the old 1916 law which permitted a seizure in the railroad case be brought into operation. The difficulty in the railroad case was not that there was a seizure, but that after the seizure the White House bungled the case. The difficulty was that after the seizure occurred there was no provision which gave the Government—at least, not by way of a statutory direction, although I always have insisted that the Government had the discretionary power to do so if it wished to, but the Government would not—the power to grant reasonable changes in hours, wages, and conditions of employment.

Mr. President, the type of seizure in the railroad case was what was wrong in that case. It was the type of seizure that placed the Government on the side of the carriers, whereas the Government should have stayed at the head of the table. It should not have adopted a procedure for trying to settle the case which seemed to favor the carriers.

During the railroad seizure the Government should have come to grips with

the economic facts involved in that dispute, and should have made very clear to the carriers that it would apply what it believed to be reasonable changes in hours, wages, and conditions of employment if a voluntary agreement was not entered into. The Government should have made clear to the railroad brotherhoods that their insistence upon the maintenance of some of the archaic rules in the railroad industry could not be accepted by the Government, and that for the period of Government seizure those rules would be modified.

If at any time, Mr. President, the Government had taken that position in the railroad case, the seizure of the railroads would not have continued for the many months it did. It was necessary, in my judgment, to have a Government intervention in that case in some form in order to prevent irreparable damage, not only to the national economy but also to the very security of the country.

So I want to say in reply to the Senator from Ohio that, in my judgment, he does not protect the best interests of American labor or of American employers, or of the public generally, in taking the position we should not have on the books a seizure law, subject to the check and the control of the Congress, to meet emergency disputes and in order to protect the security of the United States.

The VICE PRESIDENT. The time of the Senator from Oregon has expired.

Mr. MAYBANK rose.

The VICE PRESIDENT. The Senator from South Carolina is recognized for 30 minutes.

Mr. MAYBANK. I rise to speak against this amendment. I understand I have 15 minutes.

The VICE PRESIDENT. The Senator from South Carolina has 30 minutes.

Mr. MAYBANK. I first yield 5 minutes to the Senator from Oregon.

Mr. MORSE. I think I can finish in 5 minutes.

The VICE PRESIDENT. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I desire to answer another argument which has arisen in this debate. It goes to the question of whether the steel emergency can be adequately met by having military steel produced in only a few plants. The Committee on Labor and Public Welfare went into that issue when Secretary of Defense, Mr. Lovett, appeared before it, and I wish to read a portion of the testimony he gave in response to a question asked him by the Senator from New York [Mr. Ives]. I read:

Secretary LOVETT. That is a very technical question which lies outside my field. I think I can be reasonably responsive from the point of view of the Department's interest in this by saying that in anticipation of the problem of a steel strike—which, of course, we have been apprehensive about for 90 days—we tried to find out if there was some way in which we could concentrate into a certain number of plants all of the military requirements. I do not recall the figures in detail, but in the order of magnitude I suppose that 20 to 30 of the big plants would supply the military and suppose there are a total of 300 in the country; that would mean that 270 approximately would be left for civilian uses. However, the number of different alloys—

the number of different kinds of steel which are required—run across the whole spectrum of the steel industry, so that it is virtually impossible, except after the most careful work, which would take months and months, to take out of these hundreds of mills the various percentages that are procured by our contractors because the Department of Defense does not buy the steel. It goes to an engine company and says it wants so many jets—we will say 2,000 jets. The contractor with the Department of Defense then goes to the steel man and his metallurgists agree on the quantity and type of steel, and he himself puts his order in on that basis.

Mr. President, I believe I can dispose of the argument that a few steel plants should be set aside for producing military steel by simply saying that the Defense Establishment has gone into the question of whether an adequate supply of military steel can be produced by selecting and keeping open only a few plants and that the very composition and organization of the steel industry is such that it cannot be done effectively. This emergency cannot be met in that way. As the President of the United States pointed out yesterday in his speech, we now have a problem of proceeding without delay to get the total amount of steel needed for the national defense; and we are not going to get it on any piecemeal basis such as has been proposed by some, using a part of a large mill or, in isolated instances, an entire small mill.

Thus, Mr. President, in closing let me say that I think we come right back to the question of responsibility for our present stalemate over how to handle the steel crisis. Whose responsibility is it?

In my judgment, in view of the Supreme Court decision, it is now the responsibility of the Congress of the United States to enact legislation which will be effective for the handling of the Steel case. We cannot now pass the buck to the President of the United States. The Supreme Court has placed the burden on our shoulders.

Mr. President, we cannot answer the problem, either, by saying, as the Senator from Ohio did yesterday, that if we merely let the Taft-Hartley law run its course of action the workers will not suffer because whatever wages may be finally agreed upon would be retroactive. Retroactivity does not act automatically. There is no guaranty in the Taft-Hartley law that any of the wages will be retroactive. Retroactivity is one of the issues in dispute, and regarding it the parties are going to have to bargain. So far as labor is concerned, in my judgment, it will have to reduce some of its demands in order to get from the steel industry retroactive provisions applying to wages. The operation of the 80-day period of the Taft-Hartley law will make it more difficult for them to get a fair settlement on retroactivity. The Taft-Hartley law with its 80-day period places them at a bargaining disadvantage on all issues. It plays into the hands of the employers.

I close by saying that there is, in my judgment, no answer to the statement that if the Taft-Hartley law is invoked we are in effect, for an 80-day period, fining the steel workers whatever they

will lose as compared to what they otherwise would get by being required under the mandate of a court injunction to work for private employers for their private profit, for the wages and the hours and under the conditions of employment the private employers wish to impose. Under my amendment during the period of Government seizure they would get the fair wage recommended by the emergency board. The problem of retroactivity to that extent is then settled. Under the Taft-Hartley law the Government forces supposedly freemen to work for 80 days for such wages as private employers wish to pay or go to jail for contempt of court. There is no fairness or justice in such a provision of the Taft-Hartley law and the Senator from Ohio [Mr. TAFT] should know it.

The Taft-Hartley law, applied to this case as to other emergency cases, puts the Government on the side of the employers, and I emphasize the fact that the employees of America will take note of that kind of action by the Congress of the United States, as they should.

The VICE PRESIDENT. The time of the Senator from Oregon has again expired.

The Senator from South Carolina.

Mr. DIRKSEN. Mr. President, I think the time has been assigned to me.

The VICE PRESIDENT. The Chair assumes that that is the situation.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DIRKSEN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I understood that the Senator from Oregon desired to have a yea and nay vote on his amendment, and if it is agreeable, I ask unanimous consent that the suggestion of the absence of a quorum be withdrawn.

Mr. DIRKSEN. Mr. President, may I ask why the Senator makes his request?

Mr. MAYBANK. Some time will be consumed in getting a quorum, and we desire to move along. There are still 23 minutes left before the vote will be taken. If it is agreeable to the Senator from Illinois, he might withdraw his suggestion of the absence of a quorum.

Mr. DIRKSEN. Very well.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the suggestion is withdrawn.

The Senator from South Carolina has 23 minutes.

Mr. MAYBANK. I yielded my 23 minutes to the Senator from Illinois, but I asked that he yield to me on this amendment.

Mr. MORSE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MAYBANK. I yield my time to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, how much time is left?

The VICE PRESIDENT. Twenty-three minutes.

Mr. DIRKSEN. Mr. President, of course, I am sorry that many Members of the Senate missed the very instructive statement made by the author of the amendment, the Senator from Oregon [Mr. MORSE]. Far be it for me, within the limits of my feeble talents, to contest with him on a subject like the one now under consideration, about which he knows so much. However, I thought it might be well merely to take away what I regard as surplus language, and then to place in a small package what I understand is contained in the amendment.

First of all, the amendment requires the usual exploration where there is a controversy or dispute that involves the national interest. In that respect, I doubt very much whether the amendment departs substantially from the spirit and intent of the Taft-Hartley Act.

What appeals to me is that the adoption of an amendment of this kind would put Congress in a very anomalous position. Last night, at 6 o'clock, we voted on a particular paragraph providing, in effect, "recognizing the existence of a dispute, it is the sense of the Senate, and they so request the President, to use the provisions of the Taft-Hartley Act for the purpose of terminating the dispute."

If we adopted the amendment now offered would we not in effect be saying we did not mean what we said last night? Have we changed our viewpoint between Tuesday night and Wednesday noon? Are we now to say to the country and to the President that it was hasty action we took, after laboring the matter yesterday and the day before, and that now we reverse ourselves on the implied ground, certainly, that the Taft-Hartley Act is inadequate to the problem presently before us? If we were to do that, I think we would be within the spirit of the old ditty I learned long ago—

The King of France went up the hill

With twenty thousand men;

The King of France came down the hill,
And ne'er went up again.

We marched up the hill last night; and are we marching down a few hours later on the following day? I doubt it very much, unless there is a substantial reason for so doing.

Mr. MOODY. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. MOODY. I recognize the logic of the Senator's argument, but I wonder whether he would not concede that if the Taft-Hartley Act should be applied by the President, as was yesterday requested by a majority vote of the Senate, it would be true that after the 80-day period had expired, which would be in September, Congress in all probability would not be in session, and thus the President and the Government would be without power to handle the situation which it is contended the Taft-Hartley Act can control.

Mr. DIRKSEN. I may say to the Senator from Michigan that in my study of the Constitution I have learned that

the President can convene Congress in extraordinary session at any time.

Mr. MOODY. I am sure we are all aware of that.

Mr. DIRKSEN. Presidents have done so many times, and I am sure it could be done again, notwithstanding the fact that we may be within the intensities of a political campaign at the time to which the Senator referred. But such a circumstance certainly has not deterred Presidents in other days from calling the legislative body into session, if there was a challenging matter on the doorstep of the country.

Mr. FERGUSON. A few years ago the President called Congress back into session for less cause.

Mr. DIRKSEN. The Senator is correct. As a matter of fact, I was then a Member of the other House, and there was less cause for calling Congress into session at that time. So there is no force in the argument made by the junior Senator from Michigan. I do not for a moment concern myself with the matter of 80 days. Let us invoke existing law and see what it will do. We can cross the other bridges as we come to them.

To revert to the amendment of the Senator from Oregon before time runs out, there is one variation to which I would allude. Of course, the Taft-Hartley Act applies, in theory at least, to industry-wide strikes. The amendment now before the Senate uses the phrase "industry or plant," so it might be a strike in a single plant which, in the judgment of a Government agency or the President, might jeopardize the security of the country. If a report to that effect were made, then, of course, the provisions of the Morse amendment, if enacted into law, would be enforced.

The amendment provides also that efforts toward mediation and conciliation must first be exhausted. I think those words are included in nearly all labor legislation over a period of time. When finally that point is reached, the President can issue a proclamation and can urge those who are parties to a dispute to refrain from continuing the dispute. If there is a strike he can urge the strikers to resume work. Meanwhile, the President must report to Congress and make recommendations.

The Senator from Oregon referred to the boards of inquiry provided for in the Taft-Hartley Act which are empowered to make statements of fact. It seems to me that the language there is broad enough to include something besides a statement of fact. Certainly, as I see it, there is nothing affirmative in the act to prevent the President from expressing his opinion and making a recommendation. In that recommendation the President can include a request to seize.

The essential language in the amendment—the crux of the matter—is found on page 3, beginning with line 2:

If the President recommends that the United States shall take possession of and operate such enterprise or enterprises, the President shall have authority to take such action forthwith.

The President recommends that, in his judgment, he ought to seize the mills or enterprises, or whatever they may be.

Then the Morse amendment provides that if the President makes a recommendation "that the United States shall take possession of and operate such enterprise or enterprises, the President shall have authority to take such action forthwith." That is the crux of the matter.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. The Senator was very kind not to interrupt me during my remarks. I do not wish to interrupt him if he desires to complete his argument. My only purpose in interrupting was to read the language following what he read.

Mr. DIRKSEN. I was coming to that in a moment. It is the language with reference to a concurrent resolution.

Mr. MORSE. No; I refer to the argument made by the Senator just before his last statement. In section 206 of the Taft-Hartley Act there occurs the following sentence:

Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations.

Mr. DIRKSEN. There may not be affirmative recommendations, yet I cannot conceive of going into a controversy of that kind resolving all the facts and presenting them to the country and the Congress, without also including some statement of opinion, even though it is not an affirmative recommendation.

Mr. MORSE. The law specifically prohibits it.

Mr. DIRKSEN. It prohibits making an affirmative recommendation, but certainly the report can be dressed up so that the entire situation is clearly before the legislative branch.

Mr. MORSE. If that is desirable, it ought to be provided for.

Mr. IVES. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. IVES. The Senator from New York would like to point out to his distinguished colleague from Illinois that the language in the law as it now stands was placed there deliberately. The Senator from New York had something to do with that language, and he assures his friend from Illinois that the intent of the language was to prohibit any recommendation of any kind.

Mr. DIRKSEN. The Senator from Illinois is aware of that, and he knows the distinction, namely, that in this instance there is certainly authority to make an affirmative recommendation, and then follow up the recommendation with the power of seizure. I am speaking now of the Morse amendment.

Mr. IVES. I was speaking about the Taft-Hartley provision.

Mr. DIRKSEN. I recognize the difference in language, and I recognize also the emphasis which is placed upon the power to recommend, and to pursue the recommendation with the language which I have just read. Within the compass of a dozen words, there is the power to seize forthwith.

There is a provision in the Morse amendment relative to a concurrent resolution, so that if within 10 days the Congress has other ideas, the seizure shall cease, and the property shall be returned. Ultimately it becomes the responsibility of the Congress to decide whether or not there shall be subsequent seizure.

There is provision in the Morse amendment for an injunction, but it will be noticed from the language of the amendment that the power to enjoin comes after seizure. I think I am correct in that.

On page 4 of the Morse amendment, paragraph (d) reads as follows:

(d) After the issuance of a seizure order or any time thereafter, the President may direct the Attorney General to petition any district court, having jurisdiction of the parties, to enjoin such stoppage of work or operations, and if the court finds that the President has reasonable cause to believe that a national emergency is threatened or exists because a threatened or actual stoppage of work or operations may result or has resulted from a labor dispute, including the expiration of a collective agreement) in a vital industry or plant which seriously affects the security of the Nation, it shall have jurisdiction to enjoin such stoppage of work or operations, or the continuing thereof, and to make such other orders as may be appropriate.

Mr. MORSE. Of course, the seizure can come immediately upon the declaration of the emergency.

Mr. DIRKSEN. That is correct.

The only reason I allude to that subject is that, if my recollection serves me correctly—and I was not in the Senate at the time the amendments to the Taft-Hartley Act were considered in 1950—the Senate belabored at great length the question as to whether seizure should come before or at the time, or whether injunction should come before or at the time, or whether the injunctive process should come afterward. So we are dealing here with a matter which has been roundly belabored by the Senate in other days, and I am sure that Senators who were present at that time are fully familiar with the history.

The remainder of the amendment deals with the emergency board, the report, the impounding of income, and the establishment of compensation boards.

However, it seems to me that essentially the entire question was presented to the Senate in connection with the amendments which were discussed yesterday and the day before. I see nothing in this amendment which would warrant me in supporting it. In view of the action taken last evening by this body, I, for one, do not want to be in the unhappy position of having marched up the hill and then marched down again, before the request made upon the Chief Executive is at least translated into some kind of action.

I hope, therefore, that the pending amendment, offered by the Senator from Oregon [Mr. MORSE] will be defeated. I yield back whatever portion of the time I have not used, unless there are other Senators who wish to request time.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Oregon [Mr. MORSE].

Mr. BYRD and other Senators asked for the yeas and nays.

Mr. IVES. Mr. President, I believe the yeas and nays have already been ordered.

The PRESIDING OFFICER. On this question the yeas and nays have already been ordered. The clerk will call the roll.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Anderson	Hickenlooper	Moody
Bennett	Hill	Morse
Bridges	Hoey	Mundt
Butler, Nebr.	Holland	Neely
Byrd	Humphrey	Nixon
Capehart	Hunt	O'Connor
Case	Ives	O'Mahoney
Chavez	Jenner	Pastore
Clements	Johnson, Colo.	Robertson
Connally	Johnson, Tex.	Saltonstall
Cordon	Johnston, S. C.	Schoeppel
Dirksen	Kem	Seaton
Douglas	Kerr	Smathers
Duff	Kilgore	Smith, Maine
Dworshak	Knowland	Smith, N. J.
Eastland	Lehman	Smith, N. C.
Ellender	Long	Sparkman
Ferguson	Magnuson	Stennis
Flanders	Martin	Taft
Frear	Maybank	Thye
Fulbright	McCarran	Tobey
George	McCarthy	Underwood
Gillette	McClellan	Watkins
Green	McFarland	Welker
Hayden	McKellar	Wiley
Hendrickson	Millikin	Williams
Hennings	Monroney	

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] is absent on official business.

The Senator from Tennessee [Mr. KEFAUVER], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE]. The yeas and

nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON] is absent on official business.

The Senator from Tennessee [Mr. KEFAUVER], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

The Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from Maine [Mr. BREWSTER]. If present and voting the Senator from Connecticut would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Tennessee [Mr. KEFAUVER] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Washington would vote "nay."

The Senator from Montana [Mr. MURRAY] is paired on this vote with the Senator from Massachusetts [Mr. LODGE]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Nevada [Mr. MALONE] are absent on official business.

If present voting the Senator from Ohio [Mr. BRICKER], and the Senator from Maryland [Mr. BUTLER] would each vote "nay."

On this vote the Senator from Maine [Mr. BREWSTER] is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting the Senator from Maine would vote "nay," and the Senator from Connecticut would vote "yea."

On this vote the Senator from Washington [Mr. CAIN] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting the Senator from Washington would vote "nay," and the Senator from Tennessee would vote "yea."

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Massachusetts would vote "nay," and

the Senator from Montana would vote "yea."

The result was announced—yeas 26, nays 54, as follows:

YEAS—26

Anderson	Humphrey	McKellar
Chavez	Hunt	Monroney
Clements	Johnson, Colo.	Moody
Connally	Kerr	Morse
Douglas	Kilgore	O'Mahoney
Green	Lehman	Pastore
Hayden	Long	Sparkman
Hennings	Magnuson	Tobey
Hill	McFarland	

NAYS—54

Bennett	Hendrickson	Nixon
Bridges	Hickenlooper	O'Connor
Butler, Nebr.	Hoey	Robertson
Byrd	Holland	Saltonstall
Capehart	Ives	Schoeppel
Case	Jenner	Seaton
Cordon	Johnson, Tex.	Smathers
Dirksen	Johnston, S. C.	Smith, Maine
Duff	Kem	Smith, N. J.
Dworshak	Knowland	Smith, N. C.
Eastland	Martin	Stennis
Ellender	Maybank	Taft
Ferguson	McCarran	Thye
Flanders	McCarthy	Underwood
Frear	McClellan	Watkins
Fulbright	Millikin	Welker
George	Mundt	Wiley
Gillette	Neely	Williams

NOT VOTING—16

Aiken	Carlson	McMahon
Benton	Ecton	Murray
Brewster	Kefauver	Russell
Bricker	Langer	Young
Butler, Md.	Lodge	
Cain	Malone	

So Mr. MORSE's amendment was rejected.

REVISION OF LAWS RELATING TO IMMIGRATION, NATURALIZATION, AND NATIONALITY—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5678) to revise the laws relating to immigration, naturalization, and nationality; and for other purposes.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, the motion is agreed to.

Mr. McCARRAN. It will not be my purpose, Mr. President, to go into lengthy detail with respect to the many provisions of this very comprehensive and highly technical measure. However, with respect to some of the more important phases of the bill, I believe I should make some comment in regard to the action taken by the conferees in composing the differences between the Senate and House versions of the bill. It is the considered opinion of the conferees that much of the criticism of this proposed legislation has stemmed from a misconstruction of its language by its opponents by referring to certain provisions out of context and without reference to the intricate interplay of the various sections of the bill. In composing the differences between the Senate and House versions of the bill, the conferees have exerted every effort to perfect and refine the language so as to preclude any strained construction which

would distort the purpose in the provisions of this measure. In view of the fact that the Senate and House versions of the bill followed the same basic pattern, the task of the conferees was principally one of reconciling certain minor differences.

In addition to perfecting and conforming changes, the measure, as recommended by the conferees, contains provisions which vary in the following respects from the provisions in either the Senate or the House version of the bill:

As passed by the Senate, the bill contained a provision which set minimum standards of good moral character to be applied where that expression is used in the bill. These standards were not included in the House version of the bill, and the conferees agreed to accept the provision as it appeared in the Senate version of the bill.

The Senate version of the bill, pursuant to an amendment adopted on the floor of the Senate, removed the 10-percent limitation which exists under the present law on the issuance of quota visas during the last 2 months of any fiscal year. The bill as passed by the House did not contain a similar provision, and the conferees agreed to accept the Senate provision.

Another instance where the conferees were able to reconcile a difference between the Senate and House versions of the bill is in connection with the special provisions relating to the quotas for Asiatics. The House version of the bill contained a provision whereby persons of oriental stock who are the spouses or children of certain aliens may have their quota charged in such a manner as to preclude the separation of families. The Senate version of the bill did not contain this provision. The conferees agreed to accept a modified version of the House provision whereby, in the case of interracial marriages, children may be charged to the quota of either parent in order to keep the family intact.

Mr. President, another example of the effective work of the conference committee is the rewriting of the provisions of the bill relating to the deportation of aliens who are convicted, in the United States, of certain criminal offenses. Both versions of the bill provided for the deportation of such aliens; but, unfortunately, the language of the Senate version of the bill in particular has been subjected to a misconstruction, distorting the true purpose of these provisions. In composing the differences between the Senate and House versions, the conferees have refined the language, so as to make it emphatically clear that the Attorney General may not—as has been erroneously charged—capriciously deport an alien solely on the basis of an inconsequential, unwitting infraction of the law.

The conference committee accepted the Senate amendment which exempts certain relatives of citizens and lawfully admitted alien residents from the literacy requirements for admission into the United States.

Another area, Mr. President, in which the conferees were able to resolve satis-

factorily the differences between the Senate and House versions of the bill involves the adjustment of status of aliens in this country temporarily as bona fide nonimmigrants. Under the House version, the practice of preexamination would have been continued, under which certain aliens in the United States are authorized to proceed to Canada for the purpose of adjusting their immigration status. This procedure would have been precluded under the Senate version, on the theory that such a practice is cumbersome and obsolete and, as practiced, contains certain loopholes which permit the adjustment of status of undesirable aliens. The conferees adopted the position of the Senate that the practice of preexamination should be continued, but other provisions of the bill were modified to permit the adjustment of the status of certain classes of aliens temporarily in the United States to that of permanent residence, without requiring the aliens to leave the United States.

With regard to the grounds for deportation of aliens, the conferees, in conforming the language of the Senate and House versions of the bill, provided a statute of limitations in accord with humanitarian principles, particularly in cases where the ground for deportation is based on mental disease or on economic distress. In this connection, the conferees applied very broad standards of humanitarianism in composing the differences between both versions of the bill relating to the granting of suspension of deportation.

Mr. President, the conferees agreed to certain conforming changes to carry out the objective of both bills relating to the elimination of certain obsolete and inequitable penalties imposed upon transportation companies under existing law. In the course of conforming other differences between the two bills in this respect, the conferees agreed to the elimination of that provision of the proposed legislation which would unduly penalize transportation companies for merely having on board a stowaway, even though the stowaway is discovered and presented to immigration authorities upon the arrival of a vessel or aircraft at a port of entry. In the opinion of the conferees, the bill as reported contains adequate safeguards for the control of the stowaway problem.

Mr. President, the foregoing changes in this proposed legislation which were made by the conferees relate to the reconciliation of the points of difference between the Senate and House versions of the legislation relating to immigration matters. The conferees were also successful in composing the differences between the Senate and House versions relating to matters of nationality and naturalization.

The House version of the bill contained a provision restoring citizenship to a limited number of persons who had lost citizenship by voting in elections in Italy. A similar provision was not contained in the Senate version, and the conferees agreed to accept the House provision in an attempt to solve this troublesome problem.

The conferees were also successful in composing the difference between the Senate and the House versions of the bill with regard to the question of whether the provision in existing law, which prohibits the naturalization of an alien against whom deportation proceedings are pending, should be continued. The prohibition was not contained in the House bill, but the conferees agreed to retain the prohibition as provided in the Senate bill with an exemption therefrom in the case of aliens who have served honorably in the Armed Forces of the United States and who are seeking naturalization on that basis either while so serving or following their honorable discharge.

Mr. President, the conferees also agreed to compose any differences between the Senate and House versions of the bill relating to the oath of allegiance in such manner as to provide for a naturalization oath which would not violate bona fide religious convictions, if such convictions are properly proved to the naturalization court in accordance with standards set up in the Selective Service Act of 1948.

The conferees, Mr. President, were also successful in composing the differences as they appeared in various sections of the bill relating to the retention of United States citizenship by citizens who reside abroad. In the case of naturalized citizens who reside abroad in excess of 5 years in a foreign country other than that in which their place of birth is located, the conferees have provided for the retention of citizenship in the case of such a citizen who has resided in the United States for 25 years subsequent to his naturalization.

With respect to the termination of dual nationality, the conferees accepted the language of the Senate provision relating to age and residence requirements for a dual national who lives in the foreign country of which he is also a national, but modified the language so as to remove any doubt that the loss of United States citizenship by a native-born, dual national could occur except by an affirmative act taken by him.

The conferees have also agreed to accept the provisions of the House version of the bill with respect to the establishment of a joint congressional committee to maintain surveillance over the administration and operation of the act and to carry on a continuing study of matters affecting the immigration and nationality policy of the United States. This provision was not contained in the Senate bill, but the conferees agreed to accept the House provision.

Mr. President, the bill, as reported by the conferees, is a strong bill which will not only provide a complete codification of all our immigration and nationality laws, but will provide this country with a sound immigration and nationality system. It is not an antialien bill as has been alleged by many, and, in most instances, merely reenacts into one law provisions which have been a part of our law for many years.

Mr. President, I feel that this is a good bill and that it does not, in any way, violate any rights guaranteed un-

der the Constitution to persons in this country. This revision and codification of our immigration and nationality laws is long overdue, and this bill will help the United States maintain its preeminence among the other nations of the world, preserve its fundamental institutions, and provide fair treatment to those aliens who are accorded the privilege of coming to our shores.

I hope, Mr. President, that the Senate will speedily and by an overwhelming vote adopt this conference report. Let me say in conclusion that the conference report was adopted by the House of Representatives yesterday by a vote of 203 to 53.

Mr. LEHMAN. Mr. President, it is perfectly evident, of course, that there are sufficient votes to adopt the conference report, so that my associates and I do not intend unnecessarily to take up the time of the Senate with a detailed discussion of the provisions contained in the bill that has now been submitted to both Houses of Congress, or to point out what we believe to be serious difficulties. I say point them out in a broad sense.

We prefer to make our fight, as we intend to do, in support of a possible veto of the bill by the President. As I have stated, we have no commitment from the President in any way, even though my associates and I have talked to him. But we are very hopeful that he will veto the bill and we are very confident that in that event the Senate will sustain the veto.

Mr. President, I shall not take up the time of the Senate in a detailed discussion of the conference report or of the bill as it now goes to the President, but I desire to speak briefly on the subject.

Mr. President, the conferees have reported an omnibus immigration and naturalization bill which fails by far to meet the basic and deep-seated objections of those of us who fought and shall continue to fight the enactment of regressive provisions into our immigration and naturalization laws.

This is an anti-immigration bill. It is an antialien bill. It still fixes into law the dangerous and un-American concept of second-class citizenship, drawing deeper the distinction between native-born and naturalized citizens, and transforming the grant of citizenship into a temporary license.

The McCarran-Walter bill is still replete with unwieldy administrative features. It still vests extreme and arbitrary powers for admission and deportation in the hands of administrative officials, without creating adequate review or appeals machinery.

The amendments accepted on the floor and included in the conference version and the efforts made by the conferees to ameliorate some of the more outlandish provisions of the McCarran bill do not, in any significant degree, cure the basic defects of this legislation.

That is shown very clearly in the report of the distinguished chairman of the Judiciary Committee, who pointed out that the main purpose of the conference was to reconcile certain differences which existed in the two bills.

Those defects are deeply buried and entrenched in the McCarran bill which is, by its nature and motivation, an anti-immigration bill, a bill specifically designed to create a second-class group of citizens by holding the fear of denaturalization over the heads of hundreds of thousands of naturalized citizens, a bill designed to give consuls and immigration officers virtually unlimited authority to exclude, and maximum authority to deport, with as little interference from impartial reviewing authorities as possible.

These defects cannot be cured by a few technical changes and by amendments specifically labeled by the conferees as "clarifying" in nature. The defects in the McCarran bill go to the very heart of the measure. They spring from the very nature of the bill, and are manifested by scores of provisions which outrage the very meaning of America, the very concept of America, as the melting pot, the home of justice and freedom.

Consuls are still given the authority to exclude persons on the basis of guess and prediction as to what the aliens might do after they come to America, "at any time in the future."

A score of new grounds for exclusion are added to present law, most of which are unnecessary, vague, and without legally reviewable or interpretable standards.

The same is true of deportation.

Naturalized citizens who within 5 years of naturalization join an organization which might become listed by the Attorney General as Communistic-front are still penalized by denaturalization, although native-born citizens suffer no legal penalty for the same act or association. No showing of subversive intent or activity is required for the invocation of this terrible penalty.

Naturalized citizens who, within 10 years of denaturalization, refuse to testify before a congressional committee investigating subversive activities are likewise subjected to the penalty of denaturalization, regardless of the circumstances surrounding such refusal.

Subordinate branches of the executive department dealing with immigration matters are still required to report directly to a joint congressional committee, and to submit their rules, regulations, and practices to the jurisdiction of that committee, thus violating all principles of sound government practice and trespassing on the constitutional principle of the separation of powers.

There is a virtually endless number of such provisions in the bill worked out by the conference committee. This bill cannot possibly rise above its source. It is an anti-immigration measure. It is an antialien measure. The conference committee could not, whatever its desire, do more than remove some of the superficial blemishes. This bill requires not face-lifting but deep surgery and amputation.

We hope and expect that the President will veto this impossible measure. We are confident that Congress will sustain that veto.

Mr. HUMPHREY. Mr. President, I merely want to associate myself, as I have formally, with the prepared statement, and with the remarks of the Senator from New York. The statement represents the views of some of us who were in vigorous opposition to the McCarran immigration bill. Of course, Mr. President, we are grateful to the conferees that there were some adjustments made in conference; but I may say, with equal candor, that some of those adjustments were pointed out and debated on the floor of the Senate for days, and we were told that there were no concessions to be made. I am happy that some concessions were finally made. I think it simply validates the point that the bill needed considerable improvement, fundamental improvement, if it were to be made palatable.

The unfortunate feature of the conference report is that the conferees have apparently done some refinishing of the interior, and some exterior decoration, but the architectural structure of the bill is identical with what it was before. It is still a bill which incorporates in it the provisions of the old law. It is still a bill which incorporates within it the standards of the 1920's, while we are living in the year 1952. It looks to the past and not to the future. It fails to take into consideration what has transpired in the world in the past decade, in terms of the tremendous number of refugees and expellees who are looking for a place which they may call home.

When the record of the debate is fully understood I am sure the substitute measure which was submitted by the Senator from New York [Mr. LEHMAN], myself, and other Senators, will represent what the American people really want, because it offers an opportunity to utilize unused quotas, a question which was argued so ably by the Senator from Rhode Island [Mr. PASTORE] and other Senators. It offers an opportunity to eliminate any racial discrimination, particularly in the oriental areas of the world. It offers an opportunity to bring to America, on a priority basis, a preference basis, persons who would be a great contribution to our national well being, such as scientists, and others who could be of great help to us. It is a desirable measure for compassionate reasons, because it offers an opportunity to reunite families, to take into consideration the parents of presently naturalized American citizens.

I shall not labor the point, Mr. President, except to say that on Monday of this week the Senator from New York [Mr. LEHMAN], the Senator from Michigan [Mr. MOODY], the Senator from Washington [Mr. MAGNUSON], and I went to see the President of the United States. We received no commitment from him, but we at least had an opportunity to state our case again and to urge him to veto the McCarran bill. It is my hope that he will veto the bill. If he does not, we shall have to recognize the fact that later we must take up again measures which are needed in terms of rectifying some of the inadequacies and injustices

contained in this proposed immigration law.

Mr. President, I wish to repeat that, as the chairman of the Committee on the Judiciary has said, it is difficult and it takes a long time to write an immigration bill. It takes a longer time to rewrite one. Congress was 20 years or so in getting to this task. What we are asked to do now, by adopting the conference report, is literally to put into granite, in immovable, inflexible terms, a new body of immigration law. The tragedy of the whole situation is that history has been ignored. The facts of the last decade have been ignored. The tragedy that has overcome the world has been ignored.

As the chairman said, the proposal is to recodify the old law. But instead of relaxing some of it in terms of human need and human suffering, in terms of replenishing the physical and spiritual strength of America, a replenishment we could well stand, we would by this bill constrict and contract. We would shut the door; we should rather open it.

I would recall to the attention of the Senate a cartoon which I saw recently in the Washington Post by the illustrious political cartoonist, Mr. Herblock. It showed the Statue of Liberty in a most unorthodox position. The Statue of Liberty, the Goddess of Liberty, ordinarily has her arms reached out to the people across the sea, beckoning and welcoming them to the shores of the United States, saying to them, in the words of Emma Lazarus:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost, to me,
I lift my lamp beside the golden door.

But Herblock took the Statue of Liberty, in the light of the immigration bill, and had the Goddess of Liberty literally standing on her head, kicking out one leg, and saying, in that posture, "Stay back. Stay back." In other words, the welcome mat had been turned upside down.

Mr. President, I think that is what has happened as a result of the conference agreement, and I regret it. In all sincerity, I say I am afraid we have made a great mistake. If the President should veto the bill, it is our intention to fight vigorously to sustain the veto.

Immigration policy is a matter of fundamental principle. It is a matter of our foreign relations. It is a matter of our own domestic relations.

As I conclude I wish to say that as America prepares for the leadership it is to give the world, every action we take in the world, in terms of human beings, colors or in some way or other affects our great foreign policy. The United States Senate is the custodian, so to speak, of the foreign policy. It helps to create foreign policy. Let us not for one moment forget that the immigration bill fundamentally affects the foreign policy of the United States. No amount of armament, no amount of dollars, can save America. What America needs today is what she has always needed—good

neighbors, good friends, and a reservoir of good will. What America must set is an example of respect for human dignity, the dignity of the person.

I fear that in the bill and the conference report we have failed, unfortunately, to give due deference and due consideration to the intangible, spiritual, and political values so vital to our foreign relations and to the respect for us on the part of other peoples of the world.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5633) to approve a contract negotiated with the irrigation districts on the Owyhee Federal project, to authorize its execution, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6336) to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 7345) to exclude from gross income the proceeds of certain sports programs conducted for the benefit of the American National Red Cross; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON, Mr. COOPER, Mr. DINGELL, Mr. MILLS, Mr. REED of New York, Mr. WOODRUFF, and Mr. JENKINS had been appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7340) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 221) authorizing changes in the enrollment of the bill, H. R. 7340, in which it requested the concurrence of the Senate.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business which is Senate bill 2594.

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

Mr. McCARRAN. Mr. President, before the Senator suggests the absence of a quorum, will he yield to me?

Mr. FULBRIGHT. I yield to the Senator from Nevada.

Mr. McCARRAN. There is pending on the calendar, by reason of action of the Committee on the Judiciary just a few days ago, a resolution to extend the time of the War Powers Act to the 15th day of June.

The PRESIDING OFFICER. The Chair wishes to call to the attention of the Senator from Nevada that the unfinished business is S. 2594, on which there is a time limitation.

Mr. McCARRAN. That is correct, but if I might get unanimous consent, the resolution to which I call attention may be taken up out of order and be adopted by the Senate.

Mr. CAPEHART. Mr. President, did the Senator say the resolution would extend the time until June 15?

Mr. McCARRAN. Until July 1. I beg the Senator's pardon.

Mr. CAPEHART. Is the resolution now on the calendar?

Mr. McCARRAN. As I understood, it was on the calendar, but after looking at the calendar it appears that it may not have been placed on the calendar.

The PRESIDING OFFICER. The Chair is informed that the resolution is on the calendar.

Mr. McCARRAN. I thought it was.

The PRESIDING OFFICER. The Chair asks the Senator to state the number of the resolution.

Mr. McCARRAN. We have tried to find it, but have not been able to do so. Until it is found, I do not wish to take up the time of the Senate. I will ask to be recognized later.

Mr. CAPEHART. I do not think there will be any objection to the proposal. However, I think we might well have the number of the resolution.

Mr. McCARRAN. I wish to make certain it is on the calendar, but I shall not take up the time of the Senate now.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. SMATHERS in the chair). Without objection, it is so ordered.

Mr. FULBRIGHT. I asked for the quorum call because we are about to deal with a very controversial matter, which was considered the other day. I hoped that Senators who were interested might be able to hear the explanation.

Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas will be stated.

The CHIEF CLERK. On page 3, after line 5, it is proposed to insert the following new section 102:

SEC. 102. Title I of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 105 (a) In carrying out the policy of the United States as set forth in section 2 of this act, the President, by and with the advice and consent of the Senate, may appoint representatives to confer with other friendly nations in an effort to ascertain the existing and potential supply of materials useful in the economic mobilization of this and such other nations, as well as the most effective distribution of such materials in executing that policy. Upon a finding by the President, reached after a hearing at which interested parties may express their views, that pattern of international distribution recommended after such consultation is necessary or appropriate to promote the national defense and compatible with the best interests of the United States, he may, any other provision of law to the contrary notwithstanding, use the authority vested in him by this act to make it possible for this Nation to carry out the recommendations made by any such conference.

"(b) Subject to the provisions of subsection (a) of this section, nothing contained in this act shall impair the authority of the President under this act to exercise allocation and priorities control over materials both domestically produced and imported and facilities through the controlled materials plan or other methods of allocation."

Mr. FULBRIGHT. Mr. President, after conferring with certain Senators, I wish to modify my amendment in a way which I think reaches more specifically the object I had in mind. On page 1, line 8, after the word "nations", I wish to insert the words "through the mechanism of the International Materials Conference"; and on page 2, line 8, I wish to strike out the word "law" and insert the words "this title."

The PRESIDING OFFICER. The amendment is modified accordingly.

Mr. FULBRIGHT. I should like to say a word about the parliamentary situation. Last Wednesday the Senate passed upon the amendment offered by the Senator from Michigan [Mr. FERGUSON]. It is my opinion that the Senate did not thoroughly understand the full implication of that amendment. My amendment is designed to be, and I think is, inconsistent with the amendment of the Senator from Michigan. After the adoption of the Senator from Michigan's amendment, a motion was made to reconsider the vote by which the amendment was agreed to, and a motion was made to lay that motion on the table, and the motion to reconsider was laid on the table. Therefore, there is no practical way I know of to modify it or limit it directly.

Therefore, I have offered this amendment with that objective in mind. If this amendment is adopted by the Senate, it will compel the reconciliation of the two amendments by the conferees.

I believe that if this amendment is adopted by the Senate, the conference, having before it the full record of the

discussion on the two amendments, will reach a solution acceptable to the Senate. I wish to emphasize the seriousness of the effects of the amendment of the Senator from Michigan if it remains in the bill without change and without the adoption of the amendment which I have offered.

Before proceeding with the further discussion of my amendment, in order, I hope, to direct the attention of Members of the Senate to the seriousness of this situation, I should like to cite one or two statements with respect to the Ferguson amendment by those who have the responsibility for the defense program, and who, I believe, have no ulterior motives, and no motive other than the service of their country.

The first is a letter dated June 10, from the Secretary of Defense, Mr. Robert A. Lovett. It is addressed to the chairman of the committee, and reads as follows:

THE SECRETARY OF DEFENSE,
Washington, June 10, 1952.

Hon. BURNET R. MAYBANK,
Chairman, Committee on Banking and
Currency, United States Senate.

DEAR MR. CHAIRMAN: I understand that the Senate is expected to resume today its consideration of the extension of the Defense Production Act and that efforts will be made to reconsider or modify the amendment offered by Senator FERGUSON and approved by the Senate last Wednesday.

As the head of the Department of Defense, I should like to emphasize to you and Members of the Senate the damage which, I believe, the Ferguson amendment would do to the defense-production program. I am of the opinion, based upon the best available advice, that it would make impossible the effective operation of the controlled-materials plan, which as you know, is an indispensable part of our whole mobilization effort.

Very sincerely yours,

ROBERT A. LOVETT.

Under the circumstances, I do not think the Senate ought to ignore the opinion of the principal officer of the Government responsible for the defense program.

I wish also to emphasize that the Committee on Banking and Currency considered this amendment and did not accept it. There was not sufficient support in the committee to require a roll-call vote. As I recall, on a voice vote there was only one vote for the Ferguson amendment. In other words, the Committee on Banking and Currency gave very serious consideration to the amendment, and voted it down. I think it is a great responsibility for the Senate to undertake to pass upon a very complicated subject and to adopt an amendment which upsets the committee's judgment, and which some of the chief officers of the Government say is very dangerous to the defense effort.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FULBRIGHT. The Senator knows that my time is very limited.

Mr. CAPEHART. I am very happy to allow the Senator to yield on my time.

Mr. FULBRIGHT. I am glad to yield on the Senator's time.

Mr. CAPEHART. Mr. Lovett says the Ferguson amendment will do what?

Mr. FULBRIGHT. Let me read the entire paragraph:

As head of the Department of Defense, I should like to emphasize to you and Members of the Senate the damage which, I believe, the Ferguson amendment would do to the defense production program. I am of the opinion, based upon the best available advice, that it would make impossible the effective operation of the controlled materials plan, which as you know, is an indispensable part of our whole mobilization effort.

Mr. CAPEHART. Mr. President, does the Secretary of Defense give any facts or reasons why he believes it would do so?

Mr. FULBRIGHT. That is practically the whole letter.

Mr. CAPEHART. I should like some facts and information.

Mr. FULBRIGHT. I shall attempt to give the Senator some facts.

Mr. CAPEHART. I do not like to have Mr. Lovett, or anyone else, come to the Senate and say that a provision adopted by the Senate will not work. Period. I want some facts and information. He may well be right, but for anyone to say a provision will not work, and not support his statement by facts, does not go very far with me. He may be right, as I say, but I want some facts.

Mr. FULBRIGHT. I will give the Senator some facts.

Mr. CAPEHART. Let us have the facts which show that the Ferguson amendment will not work.

Mr. FULBRIGHT. The Senator from Indiana says in effect that the Senate should not have any regard for what the Secretary of Defense says.

Mr. CAPEHART. Not at all; but I think we ought to have the facts. Conversation is cheap, but facts are a little harder sometimes to come by. Let us have the facts.

Mr. FULBRIGHT. In other words, the Senator is saying that the conversation of the Secretary of Defense on a matter of vital importance is cheap and of no significance.

Mr. CAPEHART. Not at all. He says the Ferguson amendment will not work. At least he should point out why.

Mr. FULBRIGHT. I shall point it out very clearly. As a preliminary to my argument it seems to me that the opinion of some of the most responsible and most respected members of the Government—and I would say that if any of our Government officials are nonpolitical, those I have in mind are—should be respected.

Along the same line, Mr. President, I wish to put into the RECORD a letter from the Deputy Administrator of the Petroleum Administration for Defense. The letter is written by Mr. Edward Warren, who is the Deputy Administrator. The organization is primarily made up of men from the petroleum industry. They are not regular Government employees. While I have confidence in most Government employees I know that there are Members of the Senate who feel that regular employees of the Government are

influenced by the administration's policy.

It is a very long letter, containing facts. If the Senator would care to have it, I shall be glad to let him read it. I cannot in 15 minutes of debate take time to read the letter. I shall put it in the RECORD and then hand it to the Senator from Indiana, so that he may read it.

Mr. CAPEHART. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I shall be glad to yield in the Senator's own time. I cannot yield further on my own time.

Mr. CAPEHART. I am perfectly willing to yield some time to the Senator from Arkansas. I think the matter is so important that I ask unanimous consent that 30 minutes be allowed to a side for debate on this important amendment.

Mr. FULBRIGHT. I am very glad to support the Senator in his request.

Mr. CAPEHART. I am trying to get the facts. The Secretary of Defense may be right, but we should have the facts before us.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and 30 minutes of debate is allotted to each side on the pending amendment.

Mr. FULBRIGHT. I appreciate the Senator's making the request. This is a letter from the Petroleum Administration for Defense. I do not think it is necessary to read all of it, but I shall read excerpts from it and make all the letter available to the Senator from Indiana and then put it into the RECORD.

I wish to read one or two paragraphs:

The first sentence of the amendment affirmatively stated seems to me to mean that if any commodity is in sufficient supply to meet needs for direct defense, stockpiling and military assistance to foreign nations, then no control may be exercised with respect to the purchase of that commodity from a foreign country and its importation or use in the United States. Most petroleum products are in adequate supply for direct defense, stockpiling, and foreign military needs. The strike situation has already posed, however, a perplexed problem as to the adequacy of the supply of residual fuel to the east coast during the ensuing winter season.

Mr. President, I wish to call this point particularly to the attention of the Senators from New York and to any other Senator who represents a State on the east coast. The situation has arisen before with respect to the power to direct fuel oil to the east coast when it was most critically needed there. So the Administrator thinks a very grave question exists whether the Ferguson amendment would destroy the power of the Petroleum Administration for Defense to direct oil into a critical area.

He continues:

The second sentence of the proposed amendment seems to me to mean that no restriction of any kind may be imposed under the allocation powers if the domestic production of a commodity is sufficient to meet domestic civilian requirements and the direct defense, stockpiling, and foreign military requirements. Examining the situation—

I call this particularly to the Senator's attention—

Examining the situation of aviation gasoline, I have some question as to whether, if needed, we would under this amendment be able to propose adequate over-all distribution control; and I further have question as to whether our existing orders requiring maximization of aviation gasoline production could be continued in effect.

This is the considered opinion of the Administrator of the Petroleum Administration for Defense. He feels that the second sentence of the Ferguson amendment would nullify the orders in effect on the control of aviation gasoline and the orders requiring refineries to maximize their production of that particular type of gasoline. The letter continues:

It is, I believe, quite conceivable that existing aviation gasoline production can be considered adequate to meet our present military demands and present domestic civilian demands even though it is in tight position insofar as the total world supply is concerned. Using the standard set up in the proposed amendment, it would probably be necessary to eliminate our existing controls with respect to aviation gasoline insofar as lead content is concerned and the command to maximize use of components in making aviation gasoline. The result would be a diminution in supply of the product without any effective means of assuring the channeling of the lessened supply to the places where it was most needed. You will recall in the case of aviation gasoline that the United States produces approximately 90 percent of the total supply of this commodity that is used throughout the world.

I may say that this situation is somewhat similar to the situation with respect to sulfur.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. Yes; but only for a question. The Senator will be able to speak in his own time.

Mr. FERGUSON. How can the reason stated by the Administrator possibly apply to the second sentence of the amendment? That sentence does not apply when the supply is not sufficient for stockpiling, war production, and civilian production. There would have to be a sufficient supply on hand for every need in America. How could there be a shortage under such conditions? If there were a shortage of any kind in civilian, military, or foreign-aid requirements, or in any other respect under that section, the Ferguson amendment could not apply.

Mr. FULBRIGHT. It does apply to sulfur. I am sure the Senator from Michigan intended it to apply to sulfur.

Mr. FERGUSON. Yes; I did.

Mr. FULBRIGHT. The sulfur supply situation is almost identical with that of aviation gasoline. We make more than enough aviation gasoline to supply our defense needs. But there are other uses for sulfur and aviation gasoline. For example, there is the domestic use of aviation gasoline, or a nonessential use so far as the war effort is concerned.

Mr. FERGUSON. The amendment does not say "ordinary civilian uses." It says "civilian uses." Does the Senator from Arkansas contend that we should shut down American air lines and allow other air lines in competition with them to fly and use the gasoline?

Mr. FULBRIGHT. No; I do not contend that at all. We are confronted with a situation, as the Administrator says, in which the refineries are required to maximize their production of aviation gasoline. Since there is an adequate supply for the purposes the Senator has mentioned, this provision is interpreted—and properly so, I believe—as requiring that all restrictions must be removed.

I would say that exactly the same point is made by the writer of the letter and I need not read all of it, in view of the time limitation—in the case of oil country tubular goods. In other words, the supply of tubular goods has been rationed. I would not say there is a shortage which prevents the meeting of the really essential needs in the United States, but many of those who wish to drill oil wells are restricted at this time. There is great activity—virtually a boom—in the oil business, and there has been serious difficulty in properly allocating those materials, particularly in the allocation of tubular goods to the wildcat operators, the small operators, the ones who really bring about an increase in the oil resources of the Nation. Mr. Warren makes the point that the amendment of the Senator from Michigan would prevent the allocation of tubular goods, and would have very severe effects upon the smaller operators in that business.

Mr. President, I ask unanimous consent to have Mr. Warren's entire letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
PETROLEUM ADMINISTRATION FOR DEFENSE,
Washington, D. C., June 9, 1952.
Memorandum To: Secretary of the Interior
and Petroleum Administrator,
From: Deputy Administrator.
Subject: Amendment to priorities and allocations powers of the Defense Production Act of 1950 as amended (Ferguson amendment)

On June 4, 1952, the Senate, by a vote of 43 to 40, agreed to an amendment of section 101 of the Defense Production Act of 1950, as amended. As I understand it, the purpose of this amendment was to relieve the United States from obligations with respect to the International Materials Conference that had previously been undertaken pursuant to the Defense Production Act. Regardless of the merits of this particular matter, the prospective amendment has far reaching consequences if incorporated in the final version of the legislation.

The ramifications are too difficult to handle intelligently in a short memorandum. A few illustrations, however, will suffice to show the administrative problems which the amendment poses and the possible consequences in terms of equity and fair play in situations where materials remain over-all in short supply. Contrary to the impressions conveyed in the legislative debate, which was limited almost exclusively to the right of an American company to purchase a single commodity—copper—abroad, the amendment goes to the heart of the allocation powers as related to all commodities.

The first sentence of the amendment affirmatively stated seems to me to mean that if any commodity is in sufficient supply to meet needs for direct defense, stockpiling and military assistance to foreign nations,

then no control may be exercised with respect to the purchase of that commodity from a foreign country and its importation or use in the United States. Most petroleum products are in adequate supply for direct defense, stockpiling and foreign military needs. The strike situation has already posed, however, a perplexed problem as to the adequacy of the supply of residual fuel to the East Coast during the ensuing winter season.

Under this amendment presumably residual obtained from foreign sources (Curaçao and Aruba) cannot be allocated on any equitable basis to consumers, nor can companies be directed to perform distribution of foreign material in accordance with an equitable allocation scheme, even though with respect to the commodity over-all, including portions derived the East Coast or Gulf Coast production, allocations would be necessary in order to assure equitable distribution and prevent dislocations in essential shipping and industrial activities. It is perfectly obvious that this would permit the larger consumer to accumulate stocks to use at his will and would place the small user in an impossible position with respect to obtaining adequate minimum supplies if allocations should be necessary. Such a discrimination based upon the source of material does not seem to be in keeping with the spirit of fair play or any general spirit of sound allocation common to the American system, under which all users of a common commodity are treated relatively alike according to their needs and relationships.

The second sentence of the proposed amendment seems to me to mean that no restriction of any kind may be imposed under the allocation powers if the domestic production of a commodity is sufficient to meet domestic civilian requirements and the direct defense, stockpiling, and foreign military requirements. Examining the situation of aviation gasoline, I have some question as to whether, if needed, we would under this amendment be able to propose adequate over-all distribution controls; and I further have question as to whether our existing orders requiring maximization of aviation gasoline production could be continued in effect.

It is, I believe, quite conceivable that existing aviation gasoline production can be considered adequate to meet our present military demands and present domestic civilian demands even though it is in tight position insofar as the total world supply is concerned. Using the standard set up in the proposed amendment, it would probably be necessary to eliminate our existing controls with respect to aviation gasoline insofar as lead content is concerned and the command to maximize use of components in making aviation gasoline. The result would be a diminution in supply of the product without any effective means of assuring the channeling of the lessened supply to the places where it was most needed. You will recall in the case of aviation gasoline that the United States produces approximately 90 percent of the total supply of this commodity that is used throughout the world.

One of our major difficulties at the present time insofar as increasing aviation gasoline supply and production of petroleum products in general is concerned, is that our refining program is not measuring up to schedule. This has largely been due to the fact that there have been delays in obtaining materials. Some of these materials are in the raw forms of basic metals such as copper, steel, and aluminum and the like, also using critically short supplies of copper, steel, and aluminum. Under the proposed amendment, there is grave difficulty as to the future effective operation of the CMP plan insofar as commodities essential to the creation of new facilities are obtained from abroad.

Thus, for example, copper, as to which at least one-third is obtained from abroad, would as to that portion no longer be subject under this amendment to allocation control in the United States. The direct effect upon our construction program in the use of raw copper would be substantial. The indirect effect upon critical products, such as heat exchangers, necessary to the program, would be even greater. To distinguish between products containing foreign copper and identical ones containing domestic presents an insurmountable administrative burden. The result could only be that the finished products would go to the persons having greater purchasing power and manufacturing relationships, which, of course, is neither necessarily consonant with defense needs nor in accord with equitable and appropriate distribution among classes of industry, large and small, as otherwise commanded in the Defense Production Act.

Oil country tubular goods is an example of how this situation could work to the detriment especially of the smaller producers as well as of the program as a whole. As you know, the smaller producers, so-called independents, drill the larger proportion of wild-cat wells. It is they who basically make the greater proportion of new discoveries of new oil fields in this country upon which our reserve capacity, already lagging behind program objectives, so greatly depends. It is quite conceivable that in the near future the production of oil country tubular goods would be sufficient to satisfy in full domestic civilian requirements, assuming no exports, in which case the entire allocation scheme with respect to oil country tubular goods would have to go by the board. Of course the entire foreign program and its relationship to the domestic program would also necessarily go by the board.

The result would be similar to the uncontrolled result prior to the defense program when oil country tubular goods were in short supply and when the large companies accumulate sizable inventories of the commodity in anticipation of shortage, based upon their superior purchasing arrangements with the mills. The smaller segments of the industry would, if the amendment were adopted, not receive the same proportion of new production that they are now receiving, and ultimately they would have to obtain their additional quantities of oil country tubular goods from the higher cost conversion production or from foreign imports also at high cost.

There are, of course, additional implications but all of them are patterned after the illustrations that have been given above. The significant thing is that this amendment can make it administratively impossible to do an equitable distribution job and, with respect to particular commodities, can have such an effect that the result is directly opposed to the best interests of this Nation in carrying through its defense program. Because these implications are so broad in character, it seems appropriate that Congress take some action to narrow, if not completely to remove, the scope of the present adjustment.

I understand that the Defense Production Administration and the National Production Authority, which are even more concerned with this matter than PAD since they have many more orders which would be adversely affected, have worked out language which, while not wholly satisfactory, at least will, in a measure, preserve the necessary allocation powers. I have not considered the full import of that language, but I think in view of the time, that I am prepared to stand behind the language as proposed by DPA and NPA.

I would consider it highly desirable, if possible, to have the entire matter re-review-

ed by the Congress so that the import of the present amendment could be considered and the necessary powers be retained in a form which will provide for their equitable use and which will minimize the adverse effects upon our existing defense production program.

J. ED WARREN,
Deputy Administrator.

Mr. FULBRIGHT. Mr. President, some question has been raised about what the Senator from Michigan said the other day regarding a statement by Mr. Manly Fleischmann, who formerly was Administrator of the Defense Production Administration. Therefore I wish to read at this time from a letter under date of June 10, addressed by Mr. Fleischmann to the chairman of the Banking and Currency Committee. I shall not read the introductory part of the letter, which throws no light on the matter now before us; I merely point out that in the first paragraph Mr. Fleischmann says that his attention was called to the remarks made by the Senator from Michigan.

I now read from the letter:

Senator FERGUSON is reported to have said that I had stated that the mobilization effort would not collapse if we "got rid" of the International Materials Conference, and that, accordingly, the statement of Mr. Henry H. Fowler, Administrator of the Defense Production Administration, as reported in the press—that the Ferguson amendment would cripple the mobilization effort—was not a fact. This indicates a sharp misunderstanding as to the effect of this amendment. It was described by its sponsor in the debate in the Senate prior to its adoption, and in statements since made by Senator FERGUSON, as being directed at the participation of this country in the International Materials Conference. I would like to call your attention, however, to the fact that the International Materials Conference is not mentioned anywhere in the amendment, and particularly to the fact that this amendment will not prevent American participation in the International Materials Conference. Its actual effect will be to destroy the operation of the controlled materials plan without which the Nation's mobilization effort in the current supply situation becomes impossible. In addition, the second sentence of the amendment will effectively tie this Nation's hands in the international competition for strategic materials, without which no nation can survive in the modern armaments race. One of the basic objectives of the Defense Production Act is to avoid the wild scramble for scarce materials that would inevitably ensue in the absence of an allocation system such as the controlled materials plan, which will insure a fair and equitable distribution of these materials not only for defense but also for the civilian economy. This is not only my judgment but represents also that of the Defense Production Administration, NPA, the Department of Defense, and other Government defense agencies.

I reiterate what I said as to the International Materials Conference—that its elimination insofar as this country is concerned, although in my opinion most unfortunate, would not result in a collapse of our mobilization effort. At the same time, I concur fully with Mr. Fowler's statement that the effect of this amendment would be to make the operation of the controlled materials plan impossible, and that I believe would have disastrous effects on our mobilization program.

Mr. CAPEHART. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. CAPEHART. The amendment of the Senator from Michigan provides in substance that when there are not sufficient materials for specific purposes, the businessmen of the Nation may then go into the world market and may buy whatever materials they can purchase there, at whatever price they have to pay. Is that the understanding of the Senator from Arkansas of the amendment?

Mr. FULBRIGHT. I think that is correct, for those particular purposes. In other words, we are talking about the first part of the amendment.

Mr. CAPEHART. Is not that what the amendment provides? I assume that the amendment will interfere with the controlled materials plan, in that if American businessmen make purchases of materials abroad, they will bring them into the United States, and under those circumstances the American businessmen would have available to them more materials than would be available to their competitors or other businessmen in the United States, who were given allocations. Is that the big argument against the amendment, from the standpoint of the controlled materials plan?

Mr. FULBRIGHT. I have before me a statement which I can submit in connection with this matter. For instance, let us consider copper. We know that if the amendment had any purpose at all, its purpose was to make copper available to American businessmen who wished to obtain it. I think the statement which I now have before me will clarify my position, at least.

I may say that copper is one of our principal needs in connection with our defense program; and in connection with the program for the manufacture of ammunition, copper is one of the commodities in the shortest supply. Copper is the most critical defense item.

I now read from the statement or memorandum:

The first sentence of the Ferguson-Sadlak amendment prohibits Government allocation of any material coming from foreign sources when domestic production of that material is sufficient to meet defense needs, foreign military, and stockpiling requirements. Our domestic production of copper is in fact sufficient to meet those three specific requirements, if we disregard essential industry and civilian requirements, which are not mentioned in the first sentence. Accordingly, it is clear that foreign copper could not be allocated under the amendment.

I assume that we are agreed up to that point. We are, are we not?

Mr. CAPEHART. That is what I was asking.

Mr. FULBRIGHT. Yes.

I read further from the memorandum:

What does this mean? Foreign copper amounts to approximately one-third of our total supply.

I think that is undisputed. In round numbers, we produce two-thirds of our domestic requirements, and we import one-third of our domestic requirements.

Then the memorandum states:

The essential feature of the controlled materials plan is the allocation of total supply among all competing demands. It is clearly impossible to allocate two-thirds of the supply, which is what would have to be attempted under the Ferguson-Sadlak amendment, without abandoning the controlled materials plan, as it has been operated according to the Defense Production Act.

Mr. CAPEHART. Mr. President, will the Senator yield to me for a moment?

Mr. FULBRIGHT. First, I should like to finish reading from this memorandum.

Mr. CAPEHART. I think this point is clear to me.

Mr. FULBRIGHT. I read further from the memorandum:

If we allocate that portion only, it would have to go to military and other highly essential defense-supported needs. We could not allocate any domestic copper to the ordinary civilian economy, including such important needs as schools, hospitals, commercial construction, housing, and manufacturers of civilian products requiring copper; such users, many thousands in numbers, including the great bulk of small manufacturing concerns using copper, would have to be confined to using such foreign copper as they could purchase in the foreign market against the competition of large users, particularly automobile manufacturers and purchasing agents of other governments. It is quite clear that the controlled materials plan could not operate under such conditions and would have to be abandoned immediately in favor of the complicated and unsuccessful priority system which had to be jettisoned during the early part of World War II.

I think that summarizes the situation.

Mr. CAPEHART. How does the amendment of the Senator from Arkansas correct that situation?

Mr. FULBRIGHT. In all fairness, I think the Senator from Indiana should speak in his own time, because several Senators on this side have asked me for time.

Mr. FERGUSON. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I do not wish to cut off the discussion; but I believe that in all fairness we should divide the time required for a discussion of this kind, because there are other points which I wish to make.

Mr. FERGUSON. When the Senator read the so-called Ferguson amendment he interpreted it—particularly the first sentence—as relating to military needs. The allocations for defense are made on a much broader basis; they are not confined to military needs, but are made in order to fill whatever are determined to be the defense needs.

Mr. FULBRIGHT. Would the Senator consider his amendment to include schools, hospitals, commercial construction, housing and so on?

Mr. FERGUSON. Some of them certainly would be included.

Mr. FULBRIGHT. If the word "defense," implies nothing specific, that would nullify the whole provision. If the Senator were to interpret it in that way, then I think his amendment would mean nothing and would not accomplish the purpose he is seeking. But I do not believe any reasonable court could interpret the word "defense" so broadly as

to include all schools, commercial buildings, hospitals, housing and so on.

The PRESIDING OFFICER. The Chair advises the Senator from Arkansas that he has 5 minutes remaining.

Mr. FULBRIGHT. I think the Chair must be in error. Under the unanimous-consent agreement, the time is extended to 30 minutes. Have I taken 25 minutes? I also call the attention to the Chair to that fact that in the first exchange with the Senator from Indiana he asked that it be in his time.

Mr. CAPEHART. Mr. President, as acting minority leader, I have 30 minutes, so I will yield another 5 minutes of our time to the Senator from Arkansas. I am very generous today.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes more.

Mr. FULBRIGHT. Mr. President, may I ask the Chair whether the time-keeper took out of my time the first exchange with the Senator from Indiana? The Senator from Indiana asked that it be taken out of his time. He has given me 5 minutes, but, I think his request that the time referred to be charged to him certainly ought to be allowed.

The PRESIDING OFFICER. The Senator from Arkansas has 10 minutes remaining.

Mr. FULBRIGHT. Mr. President, I had made, I think, the point that there are many other angles to the copper situation, but there is a similar situation in regard to aluminum, although not one-third of our aluminum is foreign aluminum, but only about 10 percent.

The second part of the Senator's amendment would eliminate the present distribution of sulfur supplies. Sulfur is a critical commodity, but of it we produce an exportable surplus. If, under the Ferguson amendment, we should have to withdraw from any allocation of sulfur to other countries which provide us with rare metals, such as cobalt, nickel, and tungsten, which are very important items in our defense program, then, of course, we would be the greatest sufferer. We could keep all our sulfur, to be used in many nonessential ways, but we would give up any claim or any right to acquire the metals I have mentioned.

Mr. President, I have before me a typical telegram, or message. It is addressed to the Senator from Virginia [Mr. ROBERTSON], and I should like to emphasize the aspect of the question to which it relates. The telegram reads as follows:

LYNCHBURG, VA., June 9, 1952.

Senator WILLIS A. ROBERTSON,
Senate Office Building:

Respectfully urge you help protect small business by supporting effort to revise Senator FERGUSON's amendment to section 101 of Defense Production Act. This amendment, if allowed to stand, would in effect result in abandoning allocation of copper and thus kill printing and publishing industry's present assurance of minimum adequate supply of copper. If military takes all domestic supply and large industries able to pay any price buy up entire foreign supply then small businesses like printing and publishing would be in danger of getting no

copper at all, thus jeopardizing thousands of small businesses and the jobs of tens of thousands of their employees.

LYNCHBURG ENGRAVING CO.,
ARTHUR MEIDLING, President.

Mr. President, I should like to conclude. Of course, there will be other Senators on this side of the aisle who will want to speak on my amendment.

Mr. MOODY. Mr. President, if the Senator will yield, I think the question presentation by the Senator from Arkansas is one of the most important that has been before the Senate this year. I realize that we have had one quorum call, but I should like to have more Senators present to hear the conclusion of the statement of the Senator from Arkansas. Would the Senator from Arkansas yield for that purpose?

Mr. FULBRIGHT. No. I appreciate the remarks of the Senator from Michigan; but we tried that once, and the Members will not respond to a quorum call. I think it would only waste the time of the Senate. I appreciate the Senator's suggestion.

I merely want to emphasize again that I do not believe the Senate understood the full implication of the amendment offered by the Senator from Michigan. I engaged in that debate, and I followed it quite carefully. Our attention was focused upon the International Materials Conference, and it was thought that the principal effect of the amendment offered by the Senator from Michigan would be in regard to the International Materials Conference. I did not realize in the course of that debate that it would have the effect of destroying the controlled materials plan. I do not believe the Senate and the Congress really desire to destroy the controlled materials plan. I leave only this thought, that if the Senate should adopt my amendment, it would not automatically nullify the Ferguson amendment. The only effect would be that there would be in the bill two inconsistent amendments which would have to be reconciled, and an acceptable result obtained. That will have to be done. It could be done by the House, or, more likely, in conference.

I notice that Representative SADLAK has proposed in the House an amendment which is identical with the amendment proposed by the Senator from Michigan. If through oversight or because of the rush at the end of the session that amendment should be adopted, then there would be no possibility, unless my amendment were adopted, of doing anything with respect to the Ferguson amendment. We would be bound by it, and either the President would have to accept it with all the consequences, or he would have to veto the bill.

So I think there is but one sensible thing to do, and that is to adopt my amendment. Even though some Senators may have doubts about the opinion of the Secretary of Defense and the Administrator of the Petroleum Administration for Defense, and the Secretary of the Interior—there is another letter here, I may say, which has reference to the electric power program in which he is also particularly interested—at least we should give them the benefit of the

doubt and adopt my amendment, so that the matter will be in conference, and then, after further deliberation and additional consideration by the members, the problem could be resolved and a solution reached.

If, after such a process of deliberation I should be proved to be wrong, and the matter could not otherwise be straightened out, my amendment could be eliminated, because it would be in conflict with the amendment of the Senator from Michigan. But I think we at least own that much deference to the leading and responsible members of this administration, who are trying to administer the defense production program. So I submit that even for those who think that I may not be entirely correct, they still are justified in voting for my amendment, in order that the question involved may be given further study.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Assuming the correctness of everything the Senator from Arkansas says about the allocation and the acquisition of scarce commodities, and so on, the amendment proposes that the Senate give its consent to the appointment by the President of representatives to a group, which I understand is an informal group, not authorized in any way by law, or set up under any treaty we have ratified. I say this as a member of the Appropriations Committee, because in checking up on how the money was appropriated to this activity, I find there is no way by which money can be appropriated, except by using the emergency fund. In other words, for the first time, I believe, although I do not know positively, the consent and advice of the Senate is being asked to authorize the appointment of representatives to an organization which does not exist legally.

Mr. FULBRIGHT. I may explain the reason for the provision referred to by the Senator from Massachusetts. It was the only way I could think of by which to give the Senate what I call a veto power on the appointment of representatives to the International Materials Conference. I may say the Senator is quite right, it is an informal group, it has no statutory authorization, and it carries no legal obligation. What happened was that in the early part of last year certain persons, such as Mr. Fleischmann, Administrator of the National Production Authority, or Mr. Charles E. Wilson and others, representing other nations concerned with mutual defense, got together informally and said, there is a terrible situation. Since Korea, there has been a mad scramble for all strategic materials, and prices have gone up out of sight on such items as cobalt, tin, copper, rubber, and so on. Let us see if we cannot agree on a plan which will bring about an equitable distribution. My amendment would give the Senate more authority than it has had, a more effective check upon these matters.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield for one more question?

Mr. FULBRIGHT. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. It seems to me, even though I may agree with what the Senator has said with respect to other aspects of the subject, that to vote to put the Senate in such a position would be highly questionable, because it would appear to me to be stretching the Constitution, or stretching the law, if the question is not a constitutional one. That is emphasized by the fact that the State Department cannot ask for a direct appropriation for the body which has been referred to, because it does not legally exist.

Mr. FULBRIGHT. I do not see why the Senator's committee has to make any appropriation. If the committee is opposed to it, I would assume that it would vote against it.

There is no compulsion upon the Senate to agree to the appointment of representatives under my amendment. The Senator well knows that the purpose of the amendment is to throw the matter into conference so that some solution can be worked out. I would be the last person to state that every word of the amendment is a final solution.

I was amazed that the Senate was so confused that it adopted the Ferguson amendment. Something had to be done about it. A motion to reconsider it was laid on the table that night. The amendment was adopted by a margin of only 3 votes. So all Senators were not confused. But, in any case, something must be done about it. I am trying to reach it in a parliamentary manner.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. FERGUSON. Mr. President, I yield 10 minutes to the Senator from Delaware [Mr. FREAR].

Mr. MAYBANK. Mr. President, I send an amendment to the desk which I ask to have stated.

The PRESIDING OFFICER. Under the previous ruling, the amendment of the Senator from South Carolina is not in order.

The Senator from Delaware is recognized for 10 minutes.

Mr. CHAVEZ. Mr. President, will the Senator from Delaware yield so that the Senate may dispose of a conference report? I do not think it will take more than 5 minutes.

Mr. FREAR. I yield for that purpose.

CONTINUANCE OF CONSTRUCTION OF HIGHWAYS—AMENDMENT OF FEDERAL-AID ROAD ACT, 1916—CONFERENCE REPORT

Mr. CHAVEZ. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7340) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing

the construction of highways, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of June 10, 1952, pp. 7090-7092.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CHAVEZ. Mr. President, the agreement reached by the Senate and House conferees on the highway bill, H. R. 7340, is a compromise under which the conferees adopted on some items a figure falling part way between the respective figures approved in the Senate and House versions of the bill. On other items, the Senate conferees were unable to persuade the House conferees to recede from their position, and the House version was accepted in order to reach agreement on the bill as a whole. On some items, the situation was reversed and the House conferees accepted the Senate version. In my opinion, the conference agreement represents a reasonable compromise and it gives us a sound bill for continuing the Federal-aid highway program for another 2-year period.

There are 12 principal authorization items in the bill. Three of these were not in conference. As to the nine items in conference we were able to hold to the Senate's position on three of them. On three others, we agreed upon a compromise figure, and on the remaining three items, we had to recede to the House figures. So the net result was about a 50-50 split between the positions of the Senate and House.

I think we now have a good bill the best bill we can get under the present circumstances. I ask for the Senate's approval of the conference report.

Mr. FERGUSON. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. FERGUSON. Is the Rama Road included in the report?

Mr. CHAVEZ. The House version is included, but not the proposal recommended by the Senate committee.

Mr. FERGUSON. Will the Senator explain to the Senate what the provision is with reference to the Rama Road?

Mr. CHAVEZ. The Senator will recall that the Senate committee recommended an outright authorization of \$8,000,000. The House provision was \$2,000,000 for two consecutive years. We compromised on the House version.

Mr. FERGUSON. Mr. President, I shall want to speak on this matter for some time, and I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FERGUSON. Mr. President, I ask unanimous consent that I may make an inquiry of the distinguished Senator from New Mexico, who is in charge of the conference report.

The PRESIDING OFFICER. The Senator from Michigan will suspend. A quorum call is in progress.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded and that further proceedings in connection with the order be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FERGUSON. Mr. President, my question is, will the Senator from New Mexico withdraw his report until we finish with the amendment now pending?

Mr. CHAVEZ. I understand that the pending amendment will be under consideration for only a short time, so I withdraw the report for the present.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware.

Mr. FREAR. Mr. President, the change or modification made by the Senator from Arkansas in his amendment certainly improves the amendment. I believe, however, that basically there is much in the amendment that should be discussed, and I seriously doubt that the Senate can vote intelligently upon an amendment such as the one the Senator from Arkansas has proposed after a debate of only 30 minutes to each side. Therefore, if we discuss the amendment, we had better do so in very plain language. Then it could be rejected or it could be referred to committee, or some other disposition made of it, rather than have it become law.

Mr. President, it is necessary for me to disagree to the amendment which the Senator from Arkansas has just ably discussed.

First of all, the effect of his proposal is to repeal the Ferguson amendment, which was approved by the Senate on Friday of last week. However, as I interpret the new amendment, it does much more than to allow continuation of the International Materials Conference, and I hope that the Senate will note its implications quite carefully.

In the first place, the amendment speaks of economic mobilization and what may be done to insure its accomplishment under the provisions of this proposal. Why does the amendment speak initially of economic mobilization but not mention military mobilization? Does the amendment intend to give the President sufficient authority to direct economic mobilization, whether for defense or nondefense purposes, in any nation of the world?

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. FREAR. If the Senator will permit me to do so, I should like to finish my statement.

Mr. FULBRIGHT. Will the Senator yield in order to permit me to suggest a correction in his statement?

Mr. FREAR. Yes; I yield.

Mr. FULBRIGHT. Does the Senator seriously mean to say that my amendment would repeal the Ferguson amendment? That is not quite correct, is it?

Mr. FREAR. In substance, that is about what it would do.

Mr. FULBRIGHT. It is simply inconsistent with it. I think some adjustment would have to be worked out.

Mr. FREAR. There may be some provisions that are alike, but there are still many differences.

Mr. FULBRIGHT. I agree that there are differences, but my amendment would not repeal the Ferguson amendment.

Mr. FREAR. I still submit to the Senator from Arkansas that that would be the effect of his amendment.

Mr. FULBRIGHT. That is the intended effect, but, unfortunately, I cannot repeal the Ferguson amendment.

Mr. FREAR. I am sorry if the Senator thinks it is unfortunate.

Mr. President, does the United States intend to assume responsibility for the economic destiny of every other country on the face of the earth? As I understand the amendment, it would allow representatives of this country, together with those of other nations, to discuss the utilization of any type of material which they desire. This certainly takes in all agricultural and mineral products, and may also include manufactured goods. We have been speaking of copper, but cotton and wool are already under the IMC.

I am also deeply concerned because the provisions of the amendment allow committees of international representatives to discuss the effective distribution of any materials. In other words, those representatives would have the authority to say what is best for the whole world. I ask the Senate whether we are ready to abandon free competitive world markets, which historically have set the prices and determined the distribution of available materials. I remind the Senate that on Monday of this week we reaffirmed our faith in free competitive enterprise when we approved the MSA bill, which specifically urged European countries to abandon cartel practices which they have followed for many years. By any stretch of the imagination does the Senate believe that such a group of men, no matter how competent, how endowed, how distinguished, how industrious, can plan the lives of more than 2,000,000,000 people? Mr. President, this amendment is in essence a declaration of belief in world planning or world socialism. It also should be noted that representatives from this country on the committees are designated by the President, with the advice and consent of the Senate. Might I ask who designates and confirms the representatives of other nations, and in what numbers are they to be appointed to the committee of world economic experts? The International Materials Conference today is made up of 28 members. In this group, the United States has one vote—one vote, Mr. President, for the nation of the world which

is performing the lion's share of the defense effort, which is about 90 percent—one vote for the nation which is expending more effort and suffering greater losses to hold back Communist aggression than any other country in the world.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. FULBRIGHT. The votes in the International Materials Conference are not binding. It is an informal arrangement, and the members may agree. No nation is bound.

Mr. FREAR. In reply to the Senator's statement I submit that what I have said is true—that we have one vote, whether it is binding or not. My statement is that we have one vote.

Mr. FULBRIGHT. The implication is that the vote has some significance. The fact is that the Conference does not decide anything by votes. The members simply sit around a table and discuss matters. If at any time a nation wishes to withdraw, it may do so. Is not that correct?

Mr. FREAR. I think the Senator is correct. I do not know but that it might be wise for this Nation to withdraw.

Mr. FULBRIGHT. The fact that we have one vote is of no significance, since the Conference does not decide anything by votes.

Mr. FREAR. I think it is of great significance if a bloc of 27 other countries, conducting perhaps 9 percent of the mobilization effort of the world, have 27 votes, as opposed to a country supplying 90 percent of the mobilization effort, and having 1 vote. I think there is some significance.

Mr. FULBRIGHT. Does not the Senator realize that in order for the United States to be able to furnish 90 percent of the mobilization effort, it is necessary for us to have strategic materials which come from those same 27 countries? How does the Senator propose that we should get those materials?

Mr. FREAR. I do not wish to engage in debate on that matter. My time is limited. I may say that we need 28 strategic materials, and the IMC handles only 8. We have other ways of getting the other materials than through the IMC.

Mr. FULBRIGHT. That is quite correct.

Mr. FREAR. I do not yield further at the moment.

I call attention also to the statement that if the President finds, after a hearing, that such action is deemed necessary to promote the national defense, then the President may use the authority vested in him by the act to make it possible for the United States to observe the recommendations made by the committees. In other words, as I interpret the recommendation, the President will be able to implement recommendations of a group of representatives of foreign powers in which the United States has only a single vote. I grant that such action by the President must be qualified by his finding that the decisions are necessary in the interest of national defense. But if the committees felt it was neces-

sary to divert substantial materials from our own people to other nations, thus lowering the standard of living in the United States, the recommendation could be implemented by the authority granted in this amendment.

Mr. President, I am fearful that the real effect of the amendment may be a step toward a world government. In this connection, I wish also to call the Senate's attention to an interesting sentence which appears in the report on operations of the International Materials Conference. On page 11 of this remarkable booklet there is the following statement:

The committees—

Referring to the IMC committees, made up of representatives of the 28 countries—

were created as autonomous bodies in the interest of expediting action and allowing the countries which were principally concerned with the commodities in question to deal with the problems involved without being subject to review by any other body.

I emphasize again the statement that the work of these committees has not been subject to review by any other body. I believe this to be unauthorized world government. True, we are now proposing to legalize these activities and allow the President to be the reviewing authority for the decisions of the committees. But, what about the rights of Congress? It seems to me that the authority of this proposal has the effect of repealing any law which the Congress has enacted. Virtually, everything is to be vested in the hands of the President and the committees of self-styled world planners.

The PRESIDING OFFICER (Mr. UNDERWOOD in the chair). The time of the Senator from Delaware has expired.

Mr. FERGUSON. Mr. President, I yield five more minutes to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized for five additional minutes.

Mr. FREAR. Mr. President, if we are to have world government—and I, for one, do not hesitate to say that until conditions change I am vigorously opposed to it—I believe that it should require more than 60 minutes of discussion by the United States Senate. In my judgment, the action by the Senate last week in adopting the Ferguson amendment, was completely sound and proper. May I also say that the Ferguson amendment was germane to the consideration of the Defense Production Act because it would stop the unauthorized implementation of the International Material Conference under this statute. Now, however, this proposal of the Senator from Arkansas goes far beyond the limitations of the Defense Production Act. By no stretch of the imagination can it be considered germane to the pending business. This is a recommendation for world government and if this Congress wishes to consider it, then I believe that the matter should be referred to the Foreign Relations Committee for appropriate hearings. This proposal now before us is intended to have the effect of repealing

the Ferguson amendment, and it therefore should be defeated.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FREAR. I yield.

Mr. MALONE. Is there any doubt whatever that under the International Materials Conference, as it is set up by the administration, the production and markets of any nation, including our own, could be absolutely controlled; decreased, or increased through the simple expedient of manipulating the allocation of the needed materials by the International Materials Conference?

Mr. FREAR. I think the statement of the Senator from Nevada is correct, provided, of course, that the part which is designated for or allocated to a certain country by the International Materials Conference is received by that country.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. FREAR. I yield.

Mr. MALONE. I ask the distinguished Senator from Delaware if the International Materials Conference does not take the place of the International Trade Organization originally proposed by the State Department to divide the markets and production of this Nation with the countries of the world.

The ITO was originally proposed by the State Department as the third part of a world distribution-of-wealth plan—a leveling of the standards of living throughout the world which could only result in materially lowering our own standard. The Secretary of State testified over a period of 3 years and continuously propagandized the notion that the free-trade provision—1934 Reciprocal Trade Act—the Marshall plan, or some method of making up the trade-balance deficits of the European nations, and the International Trade Organization were inseparable and each dependent upon the other, and each equally important. When they finally abandoned the third part—the ITO—they stepped in with the International Materials Conference—the brain child of the State Department—which they now bring in the back door for a left-handed sanction by Congress, but nonetheless effective in destroying the workingmen and investors of this Nation.

Mr. FREAR. I will say to the Senator from Nevada that the Congress rejected that part of the Habana Conference agreement relating to the ITO. I believe it was part VI. Is that what the Senator refers to?

Mr. MALONE. It never did actually come before the Congress, but it was part of the original plan for a world cartel, a one-economic world, a leveling of our living standards with the nations of the world, and now completing the plan through the IMC.

There was so much opposition to it that I believe its proponents finally abandoned the idea. However, the International Materials Conference is intended to take the place of the International Trade Organization, which was first proposed to be approved by the Congress. However, this organization

does not have the approval of Congress in any way whatsoever, and it is not subject to review by the Congress. Is not that true?

Mr. FREAR. That is true.

In conclusion, Mr. President, let me place before the Senate certain observations which are worthy of note in connection with the discussion of the value of the Controlled Materials Plan. I hold in my hand House Report No. 2099, Eighty-second Congress, second session, entitled "Problems of Small Business Under the Controlled Materials Plan—a Summary Report." I believe it has just been issued by the Select Committee on Small Business of the House of Representatives. I quote from page 6 of that report:

The subcommittee has never been convinced, either of the necessity for full CMP or of its practicability. As a matter of fact, certain of the recent changes in CMP were suggested by the subcommittee itself. The mere fact that these changes have been necessary might be viewed as evidence of the inherent weakness of the original system.

This is a report by a committee of the House of Representatives which is dedicated to the assistance of small business in the United States. It has been studying this problem. It has been studying the effects of CMP for a considerable time.

I quote from page 7 of the same report:

Nor was the subcommittee convinced of the utility of the quantitative control of steel, copper, and aluminum as a device to regulate the entire industrial process.

I quote from page 9 of the same report:

Increase in productive capacity is the only basic solution to the problem of mounting needs for scarce materials. The subcommittee was quite disturbed, therefore, at the weaknesses in the programs for expanding the productive capacity of the steel, aluminum, and copper industries. In September the expansion programs were clearly behind schedule. Furthermore, responsibility for the expansion programs did not seem to be clearly fixed. The subcommittee has, therefore, given considerable attention in the present hearings to the status of these programs.

The PRESIDING OFFICER. The further time allotted to the Senator from Delaware has expired.

Mr. FREAR. I do not wish to take all the time.

Mr. FERGUSON. Mr. President, how much time has the Senator from Michigan?

The PRESIDING OFFICER. The Senator from Michigan has seven more minutes.

Mr. FERGUSON. I yield one more minute to the Senator from Delaware.

Mr. FREAR. I thank the Senator.

In conclusion, I read from page 10 of the same report. I believe that the following is significant:

The subcommittee was disturbed by the size and growing complexity of the organization that was being established to administer our industrial controls.

That reference is to CMP. I should like to emphasize again that this amendment is a very serious and important

amendment. I do not believe that the allotted time of 1 hour is sufficient in which to discuss such a serious and important amendment. I hope the Senate will reject the pending amendment.

Mr. FERGUSON. Mr. President, we find ourselves today in this position: The Senate has adopted a certain amendment. A motion was made to reconsider the vote by which that amendment was adopted, and the motion to reconsider was laid on the table. Under the normal procedure of the Senate that amendment would become a part of the bill, and it would be impossible to amend the provision inserted in the bill in that manner.

We find an effort being made to circumvent and find a method of defeating that amendment. One good purpose, however, has been accomplished. We have seen an exposure of what the State Department and those who believe in world government desire to do. This is what they intend to accomplish by the pending amendment: They would create an organization consisting of a number of nations. It now has 28 nations in it. It is voluntary. The proponents of this plan want the Congress to say that it is a valid organization. In other words, the organization would become the legislative body for world government. Its decisions would be binding with respect to civilian production and employment in America, if the President were to adopt the recommendations of the world government. That is exactly the purpose of the pending amendment.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. FERGUSON. I have only a few minutes.

The proponents of the pending amendment originally went so far as to say that the amendment should supersede every law. The word "law" was used in the original draft of the amendment. It was provided that any law could be set aside by the President in adopting the recommendation of the world government. The amendment has been changed so that it now applies only to title 1 of the act.

What did the Production Board do, Mr. President? They tried to arouse small business. A member of the Small Business Organization's Council came to me, and said, "We are not opposed to your amendment, but Mr. Fowler goes all over the country, arouses the printing firms, and tries to convince them that the so-called Ferguson amendment"—which is already in this bill—"would deprive printing firms of copper and other materials they use."

There is nothing further from the truth. I again say to the Senate that the amendment, if enacted into law, would have nothing to do with the number of units. If a given concern wanted to make so many units of any particular article, the Government could permit it under my amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. FULBRIGHT. The Senator is in complete error with regard to that statement.

Mr. FERGUSON. I do not think I am in error.

Mr. FULBRIGHT. The only basis for any such determination of units is in connection with a material with respect to which there is authority to allocate.

Mr. FERGUSON. I understand the amendment. I wish to explain it. If, however, the Ferguson amendment should be enacted into law, and the United States Government wanted to allow the manufacture of a certain number of heat regulators which contained copper or some other product, they could say that only a certain number of heat regulators could be manufactured.

Mr. FULBRIGHT. Where is the authority in the Defense Production Act for such action?

Mr. FERGUSON. The number of automobiles which can be made in this country is limited as to units.

Mr. FULBRIGHT. Of course; because there is now power to allocate copper. Take away the power to allocate copper and there is no authority to set a numerical limit.

Mr. FERGUSON. For the present quarter a limit of 1,050,000 cars has been set. Then the Government says, "We will give you only enough copper for 900,000 cars." If they want to keep that regulation in force, the only thing that my amendment would do in case a limit of 1,050,000 cars was fixed, would be if there was copper in the open market, the automobile firms and other firms could go into the world market, in competition with other buyers, and buy enough copper to manufacture the allotted number of units.

The word "use" in the Ferguson amendment means the fabrication or composition of material in conformance with conservation regulations and limitations, the aggregate end production to be in accordance with the provisions of section 101. The word "inventory" in section 102 would still apply.

Mr. President, let me give an example. The Government says that the manufacturers can make only a certain number of units, and if they bring into the country additional material they cannot use it in the manufacture of any more units.

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

Mr. FERGUSON. Mr. President, I ask unanimous consent that I may be given an additional 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Michigan is recognized for 5 minutes.

Mr. FERGUSON. The next question—

Mr. FULBRIGHT. Before the Senator from Michigan gets away from the point he has been discussing, I am sure he does not want to mislead the Senate.

Mr. FERGUSON. Certainly not.

Mr. FULBRIGHT. The Senator certainly knows that if the material is one as to which there is no power to allocate, they have no power to say how

many units can be made of anything. It is only because they can control the allocation of materials that they can set a numerical limit on the production.

Mr. FERGUSON. Copper is not the reason for the control of units. They can do it in the case of inventories. If an inventory of 60 days or 90 days is made—

Mr. FULBRIGHT. They do not make the limitations in a vacuum. It is only where there is a material which is in short supply on which they have authority to allocate that they have the power to limit the number of units. If we take away the power to make any limitation upon the use of scarce materials, such as copper, we will remove the one authority for setting a limit on the number of automobiles.

Mr. FERGUSON. My amendment does not attempt to remove the right to have a unit determination.

Mr. FULBRIGHT. That is the effect of the Senator's amendment. Every legal authority in the Government who has put his mind to it has said that that is exactly what the Senator's amendment does.

Mr. FERGUSON. That is not what the legal authorities are worried about. What the legal authorities are worried about is that the Senate will not create this world power.

Mr. FULBRIGHT. Does the Senator from Michigan believe that Mr. Lovett has only one purpose, and that is to create a world government?

Mr. FERGUSON. He has been advised that my amendment would cut down the number of units, and the man who has advised him to that effect is wrong. The amendment would not take away from the Federal Government the right to determine the number of automobiles that were to be made. It would not stop the Government from limiting inventories to 60 or 90 days. But it would not permit them to interfere with automobile manufacturers if they went into the world market and bought goods.

Mr. FULBRIGHT. In view of the fact that practically every top official in Government disagrees with the Senator from Michigan, and in view of the fact that he is the only one who seems to hold that view, does not the Senator believe that there is sufficient doubt to permit the matter to be subjected to further study and reconciliation in conference? Is that not a fair proposal?

Mr. FERGUSON. It should not be done by the creation of a world government.

Mr. FULBRIGHT. I do not know where the Senator from Michigan gets the idea about a world government.

Mr. FERGUSON. I will tell the Senator.

Mr. FULBRIGHT. It is a figment of his imagination.

Mr. FERGUSON. No; it is not.

Mr. FULBRIGHT. Certainly it is.

Mr. FERGUSON. Let me read from the amendment of the Senator from Arkansas:

In carrying out the policy of the United States as set forth in section 2 of this act

the President, by and with the consent of the Senate, may appoint representatives to confer with other friendly nations—

Mr. FULBRIGHT. Mr. President, the Senator from Michigan is not reading the amendment as I offered it.

Mr. FERGUSON. I thought I had the amendment before me.

Mr. FULBRIGHT. The Senator from Michigan was here when I modified the amendment. It reads as follows:

to confer with other friendly nations through the mechanism of the International Materials Conference in an effort to ascertain—

And so forth.

Mr. FERGUSON. I have the amended copy before me.

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

Mr. LEHMAN. Mr. President, I ask unanimous consent that the Senator from Michigan may be allowed an additional 3 minutes, so that I may ask him a question.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York?

Mr. GILLETTE. Much as I dislike to do so, I object.

The VICE PRESIDENT. The Senator from Iowa objects. All time for debate has expired.

Mr. SPARKMAN. Mr. President, the Senator from South Carolina, the chairman of the committee, has pending at the desk an amendment which I should like to call up at this time.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 17, of the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT], it is proposed to strike out the period and to add the words "or priorities."

Mr. SPARKMAN. Mr. President, in the absence of the Senator from South Carolina [Mr. MAYBANK], I yield 5 minutes to the Senator from New York.

Mr. LEHMAN. Mr. President, I am intrigued by the ridiculous charge that by the Fulbright amendment an attempt is being made to set up a world government. It seems to me that the charge is obviously made for the purpose of misleading people and of seeking to terrify them and to give them the impression that there is something sinister about the Fulbright proposal. As I see the Ferguson amendment, the effort made by the distinguished Senator from Arkansas is an effort to mitigate its evil and dangerous consequences to a certain extent.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from New York yield for that purpose?

Mr. LEHMAN. I have only a few minutes.

Mr. CHAVEZ. I gave my time away on the conference report.

Mr. LEHMAN. I shall be through in a few minutes. The amendment of the Senator from Michigan which was adopted a few days ago makes possible unlimited competition among civilian users of

scarce materials, inevitably resulting in the bidding up of prices for essential commodities used both in our defense effort and in our civilian economy.

In the second place, the amendment would prevent effective allocations of scarce commodities and raw materials here in the United States, and would make almost impossible adequate control of commodities in the free world for the purpose of strengthening our own defenses and the defenses of our allies. And without such controls our defense efforts will be seriously handicapped.

Mr. FERGUSON. Mr. President, will the Senator from New York yield for a question?

Mr. LEHMAN. My time is limited; but after I have completed my statement, I shall be glad to yield if any time then remains.

Mr. President, it seems to me certainly ridiculous and unjust to claim that what is now proposed is an attempt to foist world government upon us. Is there anything sinister in trying to prevent unlimited competition among users of scarce materials, and in trying to keep prices down to a reasonable level, for the small manufacturers and the ultimate consumer?

This amendment would benefit the large manufacturers of automobiles, the great corporations which, under the amendment, could bid up prices without limit and without restraint. They can afford to do so but the small man who needs a small amount of copper could not buy that copper, nor could he obtain an allocation of the copper he needs. Even if he were able to obtain any copper at all he would obtain it under competition much more difficult than before, and at a price level vastly higher than before. The effort to help that small-business man certainly is not an effort to foist world government upon our country.

Mr. President, is there anything to fear from the effort to make it possible for the manufacturers and producers in the United States to obtain scarce commodities on a fair and equitable basis? Is the desire to protect all an attempt to achieve world government? Is there anything sinister in that effort?

The Ferguson amendment which was adopted last week was passed, I believe, through misapprehension and misunderstanding. The amendment is dangerous, and it will inevitably work very greatly against the interest of the people of the United States.

I strongly hope that the Fulbright amendment will be adopted.

The VICE PRESIDENT. The time of the Senator from New York has expired.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an editorial which appeared today in the New York Times.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEGISLATING CHAOS

From the CONGRESSIONAL RECORD:

"Mr. LEHMAN. Is it not a fact that if the amendment should be adopted there would

be absolutely uncontrolled competition for materials in scarce supply, which might drive up prices beyond any limits whatsoever? * * *

"Mr. FULBRIGHT. The Senator from New York has stated the situation. * * * This kind of an amendment would make our efforts at economy absolutely impossible."

These are responsible Senators speaking, and yet some of their colleagues' most ardent in lip service to economy helped push this same amendment through the Senate by a 43-to-40 vote.

The amendment referred to is the one which Senator FERGUSON of Michigan succeeded in attaching to the Defense Production Act on behalf of some large-scale manufacturers of his State and elsewhere, and to the detriment of the national and international interests of the United States. Its net effects would be to permit domestic producers of civilian goods to bid up the prices of scarce metals abroad and to wreck the allocations of certain raw materials here at home as well as to upset the global controls so painfully arrived at by the United States and the other countries of the free world through the International Materials Conference.

The Ferguson amendment could have a serious effect on the cost of the defense program by inducing a sharp rise in price of some of its essential ingredients. As Henry Fowler, Defense Production Administrator, says, it could lead to a chaotic situation in the domestic distribution of scarce metals. Furthermore, by returning to a "no-holds-barred" policy in the world market, it could easily arouse more ill will against the United States abroad than any single piece of special-interest legislation since the infamous "cheese" amendment to last year's Defense Production Act. And if international allocation of strategic raw materials goes by the board, the chief sufferer in the long run will be the principal consumer, the United States. In our own interests—domestic and foreign—the Ferguson amendment should be killed.

Mr. SPARKMAN. Mr. President, at this time I yield 5 minutes to the Senator from Michigan [Mr. MOODY].

The VICE PRESIDENT. Let the Chair state that he understands that the Senator from New Mexico [Mr. CHAVEZ] has been undertaking to have a conference report considered.

Mr. CHAVEZ. That is correct.

The VICE PRESIDENT. That cannot be done during the debate on the pending amendment, because at this time no time can be yielded except by either of the two Senators who have charge of the time.

Mr. MOODY. Mr. President, I trust that the time taken for the remarks just made by the distinguished Vice President will not be charged against the time which has just been yielded to me.

The VICE PRESIDENT. The Chair yielded that time to himself. [Laughter.]

Mr. MOODY. Mr. President, the issue before the Senate this afternoon is whether the controlled materials plan should be destroyed and whether its destruction would be dangerous to the country and ruinous to the business structure of our Nation.

I believe it is very clear that any such action on the part of the Senate would be dangerous in the extreme. That would be the effect of the amendment of the Senator from Michigan [Mr. FERGUSON], which the Senate adopted the other

afternoon. I believe that amendment was adopted under a misapprehension.

Mr. President, when big interests in my State propose something that is compatible with the public interest, I will fight for it with all of the energy at my command.

That is my responsibility as a Senator, and I think I demonstrated that point in organizing the fight which prevented a cut-back in automobile production in the current quarter to 800,000 cars. The success of that fight not alone saved a minimum of 100,000 jobs in the industry and averted disaster for hundreds of small businesses, but made it possible for the automobile companies themselves to earn many millions of dollars in profits in the current quarter that otherwise would have been denied them.

In that instance, Mr. President, the self-interest of the automobile companies was also the public interest.

But when some of the same big interests propose a subtle amendment which under false colors would destroy the stability of the mobilization effort and would strike a crushing blow at small business everywhere—and I say when they propose it, because they did propose it, to me—then it is equally my responsibility to fight such a move with all the energy I have.

I hope all Senators will read the report of the effect of the Ferguson amendment, written by Alfred Friendly in the Sunday edition of the Washington Post, and also the editorial on that subject which appeared on Monday morning in the same newspaper. In his report, Mr. Friendly quoted a high official as saying:

In all my experience with legislation for private-interest groups, for sheer selfish irresponsibility this one tops all.

Mr. President, I do not believe that my distinguished colleague realized fully the implications of this amendment when he submitted it. If he did, I doubt that he would have lent himself to a campaign to destroy the program to allocate scarce and critical materials on an equitable basis.

I know of my own knowledge that this campaign was launched as early as May 1951, because I was asked to launch it as a member of the Banking and Currency Committee.

In making this statement, I wish to emphasize that not all companies in the automobile industry have associated themselves with this campaign. But several of them have.

Just last week I was told by a spokesman for one of the most powerful organizations in the country that this would be a political issue in Michigan this fall, and that people who can be very influential and helpful in the campaign feel very strongly about it.

Frankly, this made no impression on me, Mr. President. I do not believe the people of my State want me to vote at the request of anyone, however influential, against what I conceive to be the good of the country.

I am not impugning the motives of any Senator. This amendment was

drafted in plausible terms which purport merely to be giving American companies the right to buy in world markets copper that is there to be bought.

Unfortunately, much more is involved. Actually, the effect of the amendment would not alone be to bid up the price of scarce materials all over the world. This has been presented as the only penalty the United States would pay for adopting this amendment. It would not alone destroy the international stability and teamwork which is so difficult to achieve in a complex economic situation, and so essential to a vigorous build-up of Allied military strength against communism.

But by making it impossible to direct the export of such materials as sulfur, which are essential to the mobilization of our allies, the amendment would also throw into a chaotic state the agreements under which we import such indispensable alloying metals as cobalt, nickel, columbium, and tungsten, which are provided through the International Materials Conference mechanism. Without those materials we could not make jet engines and other weapons which are equally vital to our strength and security. So the amendment would strike a paralyzing blow at our Air Force.

I do not believe the Senate can ignore the statement made by the Secretary of Defense, as quoted by the Senator from Arkansas.

Not only would the amendment do all those things, Mr. President, but by slashing by one-third the amount of copper that would be available for allocation in the United States, the amendment would deal a mortal blow to thousands of smaller manufacturing concerns. The disruption it would cause would mean the loss of many more jobs, in Michigan and elsewhere in the Nation, than could possibly be created by the manufacture of more cars—cars which under present market conditions most companies would have great difficulty selling anyway.

Mr. President, I have before me a sheaf of telegrams which I do not believe are inspired, because it is clear that the amendment would deal a mortal blow to thousands of the smaller manufacturing concerns. I ask unanimous consent to have the telegrams printed in the Record at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit A.)

Mr. MOODY. Mr. President, I also ask unanimous consent to have printed at the conclusion of my remarks the article by Alfred Friendly, which appeared in the Washington Post on June 8, and the editorial to which I have previously referred, which appeared in the Washington Post on June 9.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit B.)

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

Mr. MOODY. Mr. President, I ask the Senator from Alabama to yield one more minute to me.

Mr. SPARKMAN. I yield one additional minute to the Senator from Michigan.

The VICE PRESIDENT. The Senator from Michigan is recognized for 1 minute more.

Mr. MOODY. Mr. President, this amendment would take materials away from small businesses in all parts of the United States, including Michigan. It would cut down by one-third, for example, the total amount of copper available to be allocated, because the available total is now composed two-thirds of domestic production and one-third of imports. The imports would be swept out of the supply as powerful individual buyers took the copper out of the market at skyrocketing prices. This would, of course, raise prices to the American consumer.

I have been informed that this amendment would make impossible the operation of the entire controlled materials plan. That is precisely what the real sponsors of this amendment started out to do more than a year ago. Such a premature wrecking of stabilization would clearly be inimical not only to the interests of the workers, farmers—for much fertilizer is imported—and the smaller industrial and business companies of my State, but also to the interests of the big companies as well.

The VICE PRESIDENT. The time of the Senator from Michigan has again expired.

Mr. MOODY. I ask the Senator from Alabama to yield an additional 30 seconds to me.

Mr. SPARKMAN. Mr. President, I yield an additional 30 seconds to the Senator from Michigan.

Mr. MOODY. Mr. President, the amendment would be damaging, and could be severely damaging, to the prosperity of our country. The large companies, strong as they are, must live as a part of a prospering system, as all the rest of us must do.

Whenever the immediate business interests of the large manufacturing companies of my State correspond with the national interest, or whenever they subliminate what may seem to them their immediate personal interest to the public good, they will have from me as strong support as they will receive from any other Member of this body, or stronger.

When any of them act irresponsibly, and against the public interest, I shall oppose them.

I hope the amendment of the Senator from Arkansas will be adopted. I thank the Senator from Alabama for yielding this time to me.

EXHIBIT A

GRANDHAVEN, MICH., June 9, 1952.

Senator BLAIR MOODY,
Senate Office Building,
Washington, D. C.:

We wholeheartedly support your stand on Ferguson amendment to the Defense Production Act regarding free market copper. The results of the amendment would be disastrous to our civilian and defense economy.

ELECTRICAL ASSEMBLIES,
GEORGE RABICK.

DETROIT, MICH., June 9, 1952.

Hon. BLAIR MOODY,
Senate Office Building,
Washington, D. C.:

Respectfully suggest you help protect photo engraving business by supporting ef-

fort to revise amendment to section 101 of Defense Production Act. This amendment if allowed to stand would in effect result in abandoning allocation of copper and thus kill printing and publishing industry's present assurance of minimum adequate supply of copper. If military takes all domestic supplies and large industries able to pay any price buy up entire foreign supply then small business like printing and publishing would be in danger of getting no copper at all thus jeopardizing thousands of small businesses and the jobs of tens of thousands of their employees.

DUANE SALISBURY,
President, Michigan State Photo
Engravers Association.

DETROIT, MICH., June 9, 1952.

Hon. BLAIR MOODY,
Senate Office Building,
Washington, D. C.:

Proposed amendment lifting controls on copper would destroy all available copper for national advertisements and direct mail sales promotion. Ouch.

C. C. MEANS,
Manager, Graphic Arts Association
of Michigan, Inc.

SAGINAW, MICH., June 9, 1952.

Senator BLAIR MOODY,
Senate Office Building:

Proposed amendment of Defense Production Act would ruin our business, because our existence depends upon a small allotment of copper which would be completely absorbed by military and large industrial manufacturing. Please do something to exempt small business.

NORTHERN ENGRAVERS, INC.,
I. F. HOFFMAN, Vice President.

JOSEPH, MICH., June 9, 1952.

Senator BLAIR MOODY,
Senate Chambers:

We are in accord with your stand on Ferguson amendment to the Defense Production Act regarding world copper. If adopted, results would be disastrous to our civilian economy and our defense programs.

WHIRLPOOL CORP.,
H. C. GRAU,
Director of Purchases.

GRAND RAPIDS, MICH., June 9, 1952.

Senator BLAIR MOODY,
Senate Chambers:

We are in accordance with your stand on Ferguson amendment to the DPA. If amendment is adopted it will be detrimental to the defense program as well as all small users of copper for essential production.

L. H. FROST & Co.,
JACK BOWEN.

NILES, MICH., June 9, 1952.

Senator BLAIR MOODY,
Senate Chambers:

We are in accord with your stand on Ferguson amendment to the Defense Production Act regarding world copper. If adopted results will be disastrous to our civilian economy and our defense program.

ETC., INC.,
EDWARD A. BOGUE,
President.

MICHES, MICH.

EXHIBIT B

[From the Washington Post of June 8, 1952]
ADMINISTRATION FIGHTS DESPERATELY TO
SAVE ITS CONTROLLED MATERIALS PROGRAM
(By Alfred Friendly)

Administration forces are seeking desperately to block enactment of a measure which, under guise of limiting the operations of the

International Materials Conference, its opponents charge, would destroy that agency and the Controlled Materials Plan as well.

Defense Production Administration officials have said the measure would produce chaos in the domestic economy, seriously damage the defense program, and wreck both civilian and defense production in the North Atlantic Treaty Organization nations.

The legislation inveighed against is Senator HOMER FERGUSON, Republican, Michigan, amendment to the Defense Production Act which last week passed the Senate by a 43-to-40 vote. An identical amendment, introduced by Representative ANTONI N. SADLAK, Republican, Connecticut, has been offered in the House, and its likelihood of enactment is strong.

WOULD FREE COPPER BUYING

The principal direct effect of the amendment would be to restore free buying of copper by private interests in the world market, and uncontrolled use—and price—in this country. As a consequence, it is expected that big industrial buyers, particularly the auto industry, would get all the copper they wanted and would be able to use it freely.

Copper could no longer be allocated here so small users would find themselves without supplies in a matter of a few months, the DPA believes. Meantime, prices would have been bid up sky high.

There is no conclusive proof, but there is a host of strong indications that some big auto companies (not all, for there is a split in the industry) and the copper- and brass-mill interests are instigators of the amendment. Pressure for it arises from Michigan and Connecticut legislators.

CHAMBER OF COMMERCE FIGHTS FOR IT

At the same time, the United States Chamber of Commerce is fighting vigorously for the measure, although the DPA feels it can demonstrate conclusively that its effect will be disastrous to the small businesses which comprise the majority membership in the organization.

When the amendment was debated in the Senate, all the discussion centered on its effect on the International Materials Conference (IMC), the international organization which recommends allocation of scarce materials among free-world nations. Proponents of the measure insisted it was aimed to curtail activities of the IMC.

DPA officials are convinced, however, that its sponsors could not have helped being aware that its effect would be also to destroy the controlled-materials plan (CMP), which allocates steel, aluminum, and copper among domestic American users. Destruction of CMP has been an avowed objective of some auto companies, because it has limited the amount of those three metals—and particularly copper—which they are allowed to use.

MAIN PROVISIONS

The Ferguson-Sadlak amendment has three principal provisions:

1. If the domestic production of any commodity is more than the amount required for defense, stockpiling, and foreign military aid needs, then no restriction may be made on the right of anyone to buy that commodity abroad and import and use it here.

2. If domestic production is sufficient to meet all domestic requirements, military and civilian, then no allocation restriction of any sort may be imposed.

3. No price ceilings shall apply to purchases of materials abroad which are imported here, fabricated, and offered for sale.

The effect of the first provision is concentrated mainly on copper, and to a similar but lesser extent on aluminum.

ENOUGH FOR DEFENSE USES

The United States domestic production of copper—about two-thirds of its total consumption—is enough for the strictly defense

uses. Thus, under the amendment, no IMC allocations could be made for sharing the world supply, and no domestic allocations under CMP could be made for sharing the American supply from foreign services.

But technically it also would be impossible to allocate the two-thirds supply from domestic production. The essential features of CMP is that it must allocate all production, or else it is a useless device.

The American production of copper would only be enough for direct and indirect military needs. So even if allocation were attempted, as a DPA staff memorandum points out, "We could not allocate any domestic copper . . . to such important needs as schools, hospitals, small manufacturing concerns, etc.; such users, many thousands in number, would have to be confined to using such foreign copper as they could purchase in the foreign market against the competition of large users, particularly automobile manufacturers."

The auto companies and other big users have their own purchasing agencies overseas. Freed of any concern over price control by the third section of the amendment, they could and presumably would bid in all the copper they wanted, an inequitably large amount, while others did without.

Since the IMC was established, all member nations have limited their demand to available world supply; this balancing of demand against supply and the absence of "auctioneering" bidding have tended to stabilize world prices.

All this would go by the board. With a much bigger demand than there is supply, prices would skyrocket. Also, sellers would vend their copper for dollars in preference to other currencies. The result would be that America's NATO allies would either go without copper almost entirely, or else have to pay prices for it, for their defense production and essential needs, that would virtually wreck their economies.

These aspects of the Ferguson-Sadlak amendment—freeing the big American users to grab what they want regardless of the consequences on small users and the rest of the world—led one high DPA official to observe:

"In all my experience with legislation for private interest groups, for sheer selfish irresponsibility this one tops them all."

With United States interests free to buy copper without limitation in world markets, the IMC would be crippled.

But the second provision of the amendment would, as a practical matter, kill off the IMC at once. The case of sulfur is an illustration.

America produces enough sulfur to fill all its domestic needs, civilian and military. Therefore, under the amendment, the Government could not control its world distribution.

The DPA memorandum points out:

"We have traditionally exported sulfur to the world, and the economy of many nations allied with us in the mobilization effort depends on the importation of American sulfur. This Nation, in turn, depends on the importation of widely important alloying metals such as cobalt, nickel, columbium, and tungsten (the American supply of which, incidentally, is provided through the IMC mechanism)."

"If this Government is unable to direct the export of materials like sulfur to our allies (as it now does through IMC), we can hardly expect that our own requirements for equally essential materials will be freely met by the nations with whom we are associated."

"The metal resources of this Nation are totally inadequate to fight a war in view of modern technological developments. We must share to survive; the Ferguson-Sadlak amendment takes away the principal bar-

gaining powers that the Nation has in this area."

Four unofficial committees of Republican Representatives were set up to investigate the IMC. One committee, heavily weighted with Michigan members, issued a blast in language and argument almost identical with that used in the United States Chamber of Commerce.

[From the Washington Post of June 9, 1952]

FERGUSON'S HATCHET

The Ferguson amendment to the Defense Production Act, approved by the Senate last week, is one of those curious special interest grabs that utterly ignore the national interest and the interests of nations allied with us in the rearmament program. By crippling or even wrecking the International Materials Conference, it would seriously weaken if not destroy both the international and the domestic programs for allocating scarce materials. It would aid a handful of large manufacturers who need only a relatively small amount of copper and are little concerned about price. But in the process it would adversely affect thousands of small- and medium-sized manufacturers.

Senator FERGUSON has been warring for more than a year against the International Materials Conference, the informal organization of 28 nations that has attempted to make a fair distribution of scarce materials. Some large manufacturers have complained that they have been discriminated against because they have not been allowed to go into the world market and make purchases freely, without regard to the effect on prices. The amendment would end the authority to control any scarce material if the supply reached a certain level. It would take just such an amendment as this, opening the way to free-wheeling price bids in the world market like those in the months immediately after Korea, to cause new inflation throughout the world. The effect on the cost of living in this country would be felt by every American.

The Senate approved the amendment by a 43-to-40 vote over the vigorous protest of its own Banking Currency Committee, which had carefully studied the whole problem. Senator FULBRIGHT warned that it was a dangerous proposal which "would disrupt very seriously the whole defense effort." Defense Production Administrator Fowler said that if the amendment is allowed to stand the controlled materials plan as it now operates "would have to be abandoned."

Another disturbing feature is the lack of concern revealed for other nations cooperating in the defense programs. The amendment means, as Mr. Fowler said, that the United States "should not consult with foreign governments or consider the needs of foreign governments for materials over which it has or might by any means gain control." If the United States were self-sufficient in raw materials, conceivably it might disregard the interest of others with impunity; but since this country is not self-sufficient it behooves us to cooperate. The efforts of IMC have resulted in general satisfaction among the nations concerned, and the United States has benefited greatly in both supply and price. Surely the Senate will repair the damage when it reconsiders the Ferguson amendment this week.

Mr. SPARKMAN. Mr. President, I believe a few minutes of my time are left.

The VICE PRESIDENT. The Senator from Alabama has 5 minutes remaining.

Mr. SPARKMAN. I should like to have the Senator from Michigan use time at this point, then.

Mr. FERGUSON. Mr. President, I shall be glad to use time at this point.

Let me say that the pending amendment simply gives us a little more time to debate this issue.

I realize the scope of the campaign that has been conducted in an effort to defeat the so-called Ferguson amendment. Anyone who speaks on behalf of it or who may have voted for it is subject to the charge that he is voting for large special interests. The Senator from Michigan does not happen to be a candidate at this time, and he is not speaking for any special interest or group. He discovered that last February the Defense Production Board issued to the State of Michigan quotas for all the automobile companies in the total number of 1,050,000. Of course, not being politically minded, it did not want to cut down the number of cars to 900,000 because of the effect it might have politically, so they said, on the side, "You can make 1,050,000 cars, but we will give you only enough copper for the production of 900,000 cars."

Under the amendment proposed by the Senator from Arkansas and under the pending bill, without my amendment, the Defense Production Administration could limit the number of cars as they might desire. However, under my amendment any manufacturer who has a limitation upon his quotas can go into the markets of the world, the same as the citizens of other countries can do, and buy commodities he may need for his product.

Mr. SMITH of North Carolina. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I am glad to yield.

Mr. SMITH of North Carolina. I should like to ask the distinguished Senator from Michigan a question with respect to a statement which I understood he made the other day. I have asked the opponents of his amendment the same question. I have not yet received an answer.

As I understood him, the Senator from Michigan said the other day that, under the present system of allocations and the controlled materials plan, an American manufacturer cannot get copper, even after a sufficient supply has been acquired for our defense purposes, for our stockpiling, and for the defense requirements of our allies; and that, even under those circumstances, an American manufacturer, whether he be a manufacturer of automobiles or a manufacturer of locks in the State of Connecticut, for example, cannot go into the world market and buy the commodities he wants in connection with the manufacture of his products. I also understood the Senator to say that a French manufacturer, or a manufacturer behind the iron curtain, could buy in Chile or anywhere else in the world market all the copper he wanted for his manufacturing purposes, while at the same time our manufacturers and industrialists were denied that right. Is that correct?

Mr. FERGUSON. The Senator from North Carolina understood the Senator from Michigan exactly right; and the purpose of the Ferguson amendment was to remedy that situation. Here are

the facts: Twenty percent of the Chilean copper was known to be on the free market. Anyone in the world, other than an American or an American corporation, could go into that market to buy that copper at any price he was willing to pay. In fact, we gave to France, Britain, and certain other countries dollars, and they went into the world market, and paid as much as 55 or 60 cents a pound for copper. Russia or any other country could buy it.

All that is proposed by the Ferguson amendment is that when such a situation exists, an American may go into the world market and buy on an equal basis with anyone else, and may import the commodities he buys, and, after he brings them in, he may use them, except that, if the unit number of units in which he wants to use it is limited, he could not make any more units than might be allotted to him. He could not use it to build up an inventory for any longer time than the time allowed him for building up an inventory. In other words, the Ferguson amendment would merely place the American on the same basis as the citizen of all other countries.

Mr. SMITH of North Carolina and Mr. FULBRIGHT addressed the Chair.

The VICE PRESIDENT. Does the Senator from Michigan yield; and if so, to whom?

Mr. FERGUSON. I yield first to the distinguished Senator from North Carolina.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me on the same point?

The VICE PRESIDENT. To whom does the Senator from Michigan yield?

Mr. FERGUSON. I yield first to the Senator from North Carolina.

Mr. SMITH of North Carolina. I was anxious to get the facts straight. I have made inquiry of several persons about this matter, and I want to have it cleared up. Would the Senator from Michigan say it is true that a French manufacturer, a Spanish manufacturer, or a manufacturer behind the iron curtain can get copper, while Americans cannot get it? And if that be true, does it have any effect upon employment in the industrial enterprises of this country? Does it affect people working in an automobile factory, a refrigerator factory, or in a lock factory in the Senator's State, and in other States as well?

Mr. FERGUSON. It certainly would cut down the production in America. The only purpose of the Ferguson amendment is to put the American employee on exactly the same basis as any other employee in any other country of the world.

Mr. SMITH of North Carolina. If the Senator will yield further, I have received a handful of telegrams, including one from my next-door neighbor, once removed, in Raleigh, N. C., who, excellent man that he is, I notice put the telegram within quotation marks.

I then sent for the other telegrams received by me, and I found that dozens upon dozens of telegrams contained the same language. The man of whom I spoke placed his message within quota-

tion marks because he apparently was unwilling to subscribe to its contents in his own language. Does the Senator from Michigan know whether there has been a campaign by any particular group to stir up sentiment of this sort against the Ferguson amendment, without giving the facts, and without even knowing the facts?

Mr. FERGUSON. The Senator from Michigan is informed that Mr. Fowler issued certain press releases and certain newspapers were given information for editorial purposes. In one instance the information was used for the purpose of calling FERGUSON the "hatchet man." That was quoted by my distinguished colleague from Michigan, indicating that that was the proper expression to be used, and that the Ferguson amendment was an outstandingly selfish proposal, designed for the benefit of the big special interests alone. I say upon the floor of the Senate that that is an untruth. The Ferguson amendment is for the purpose of aiding every workingman in America and is not for the purpose of aiding any special interest. If the working men of America constitute a special interest, I stand for them, and for all of them.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. FERGUSON. I stand for American industry. I want it to be on the same basis as the industries of all other countries of the world. I do not want a world government in the form of an International Materials Conference, in which, of the 28 votes, America has but 1.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the distinguished Senator from Arkansas.

Mr. FULBRIGHT. I think there ought to be a little clarification of the answer to the Senator from North Carolina.

Mr. FERGUSON. The Senator from Arkansas may explain it as he sees it.

Mr. FULBRIGHT. The Senator from Michigan says he wants Americans to be treated fairly, and on the same basis as the citizens of all other countries. The fact is—and I do not think the Senator from Michigan will deny it—that under the International Materials Conference agreement the United States was allocated 80 percent of the copper produced in Chile, leaving 20 percent for all the rest of the world. Not only was the United States allocated 80 percent of it, but, more important than that, a price of 27½ cents was fixed for it. Since our domestic price was 24 cents and the price for the Chilean copper was 27½ cents there was a differential of 3 cents. So we did not have to bid against all the rest of the world for the Chilean copper, in which event it would have cost us much more, and we obtained 80 percent of such copper which gave us an additional supply for the automobile industry, about which the Senator is talking. As we all know, one-third of our total supply of copper comes from outside the country. So when the Senator says he wants fair treatment for the United States, I would say that when we get 80 percent of the Chilean copper

we are receiving what I would call fair treatment. The only conclusion I can draw is that the Senator from Michigan believes that, until we get 100 percent of the Chilean copper, we are not being treated fairly, and the rest of the world can go hang.

Mr. FERGUSON. Does the Senator know, now, that the 80 percent has become 100 percent, Chile having set the whole thing aside, with the result that the entire copper production of Chile is being offered to America?

Mr. FULBRIGHT. We had hearings on this question, and Mr. Fleischmann came to tell us that, because the pressure had become so great for the other 20 percent and since 80 percent had been allocated to the United States it was thought that the best solution was to let our fabricators purchase the rest of this copper, at a price, as I recall, in the neighborhood of 32 or 35 cents. But at the time of which the Senator speaks, we were allocated 80 percent of the Chilean production.

Mr. SMITH of North Carolina. Mr. President will the Senator yield?

Mr. FERGUSON. I yield to the Senator from North Carolina.

Mr. SMITH of North Carolina. Mr. President, I should like to ask the Senator from Arkansas the same question I asked the Senator from Michigan. Is it a fact that after our defense needs have been taken care of, after our stockpiling has been taken care of, and the needs of our allies have been taken care of militarily, a manufacturer in France, Spain, Germany, or behind the iron curtain can purchase in the world market all the copper he can find, whereas the American manufacturer has his hands tied and cannot buy copper?

Mr. FULBRIGHT. That was true up until the time the arrangement was changed, which was approximately 2 weeks ago, when we agreed not to bid for or purchase beyond 80 percent, in order that the French, the English, and the Belgians would have an opportunity to bid for and obtain 20 percent. Our historic percentage had been 80 percent, and we agreed that we would not bid against other nations for the 20 percent left over.

I do not think there is any evidence that Russia and her satellites bought it. Frankly, I do not know. I do not believe the Chileans are particularly anxious to sell to Russia. In my opinion, what happened was that the competition for a short time drove the price up to 50 cents. They did not find many buyers. General Motors would have been glad to pay 50 cents, because the amount of copper in a Cadillac car, for instance, is small. Two or three weeks ago our own Government representatives agreed with the Chileans that we would give permission to our fabricators to purchase any copper they wanted at a higher price.

Mr. SMITH of North Carolina. If that is so, why would the Ferguson amendment cripple us?

Mr. FULBRIGHT. Because it completely destroys our domestic allocation, so that small operators who do not have representatives in Chile would be com-

pletely without copper, and there would be many more Cadillacs than there are today.

Mr. FERGUSON. Mr. President, the 80 percent allotted to the United States of America was not all that was allotted by the International Materials Conference. Countries such as India receive much more in proportion that we received of our domestic supply. There is nothing in the Ferguson amendment which will interfere with small business. It has been said that small firms cannot go to Chile or the Philippines or Japan where they could find copper. There are always dealers and wholesalers who have copper.

The distinguished Senator from North Carolina [Mr. SMITH] has stated that many telegrams have come to him containing the same language. That indicates that someone is spearheading a drive to get the International Materials Conference made legal.

Mr. MALONE. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. MALONE. Is not this the same principle of world control of markets and production first proposed under the International Trade Organization which the Senate Finance Committee refused to report to the Senate floor in the first place? Then, again, copper being only one of the hundreds of materials involved, why emphasize copper? In other words, it is a method of dividing the markets and production of the world on the basis of each nation's need—to restrict or build up the production and markets of any nation—in other words, a world cartel.

Mr. FERGUSON. That is correct, and that is why there were put into the amendment the words "useful in the economic mobilization of the world."

I come back to the point that when they want to mobilize the economic conditions of the world they want to control all economics and put America where they desire to put it—in an organization in which other nations have 28 votes to our 1 vote, as was said by the distinguished Senator from Delaware [Mr. FREAR].

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

The Senator from Alabama has 5 minutes remaining.

Mr. SPARKMAN. Mr. President, let me say in the beginning that I certainly do not charge the able Senator from Michigan or anyone else, in advocating the Ferguson amendment, with acting for any special interest.

I desire, however, to devote the few minutes I have to speaking for a special group, but it is a very large special group. It is the small business people of America. I hope the Senator from Michigan will listen to what I have to say.

I am not saying that the Senator from Michigan was trying to squeeze out the small business people of America. I know he did not have that intention, but the inevitable result of his amendment, if it should become a part of the law, will be to put the squeeze on the small business people of America.

Mr. President, the first recommendation, so far as I know, for the establishment of the Controlled Materials Plan was made by the Senate Small Business Committee following hearings in the very early part of 1951 with reference to scarce and critical materials at the time the so-called death sentence was pending with reference to aluminum. We saw then the spectacle of 14,000 small businesses engaged in fabricating aluminum products being pushed completely out of the market simply because the National Production Authority had said, "After you have used up the supply of aluminum which you have now on hand, you cannot get any more aluminum."

So we went to the NPA after the hearings and said, "At least, let a small part of the aluminum be allotted to the small-business people of America, enough to keep them alive. We believe you can do it if you will adopt the controlled materials plan and allocate in a fair and equitable manner."

They adopted that plan and avoided the "death sentence," and literally thousands of small-business concerns have been saved.

The Senator from Michigan has said that we simply cannot administer an allocation of materials in this country if we have to cut off one-third of the supply. Everyone admits that is true with reference to copper. We cannot allocate a two-thirds supply and turn all businesses loose in the so-called free market for the other third and bring about fair and equitable treatment under which small businesses can operate.

Mr. FERGUSON. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. For a very brief period. I do not have much time.

Mr. FERGUSON. Tin, which was controlled by the British, was never placed under the plan. Copper could have been treated the same as tin.

Mr. SPARKMAN. I think it has been pointed out before that certainly in the case of copper, when we must depend on one-third being imported, we cannot successfully control the other two-thirds.

The able Senator from Delaware [Mr. FREAR] read some excerpts from the House report. As a matter of fact, he did not read the No. 1 recommendation, which is that we should presently modify CMP, or that some variation of it be kept in existence until our production goal is reached, because they recognized the necessity of making these allocations for small businesses so that they may be kept alive.

Mr. LONG. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. LONG. Mr. President, most of the sulfur in this country is produced in my section of the Nation. There has been some complaint that people in this country could not get sulfur although we were exporting it.

Mr. SPARKMAN. The Senator from Arkansas [Mr. FULBRIGHT] spoke on that subject. If he would like to answer the question, I should be glad to have him do so.

Mr. FULBRIGHT. The plan is one thing we have to offer to other peoples

who have the materials we want. How otherwise can we ask them to give us cobalt and other metals and minerals which are vitally necessary?

Mr. LONG. Am I to understand, then, that our exporting of sulfur is in order that we may be able to import critical materials which are so vitally needed?

Mr. FULBRIGHT. That is correct. It gives us bargaining power in connection with the materials we need.

The VICE PRESIDENT. The time of the Senator from Alabama has expired. All time for debate on the amendment has expired.

Mr. MAYBANK. Mr. President I withdraw my amendment.

The VICE PRESIDENT. The Senator from South Carolina withdraws his amendment. The question recurs on the amendment as modified, offered by the Senator from Arkansas [Mr. FULBRIGHT], which will be stated.

The CHIEF CLERK. On page 3, after line 5, it is proposed to insert the following new section 102:

SEC. 102. Title I of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new section:

"Sec. 105. (a) In carrying out the policy of the United States as set forth in section 2 of this act, the President, by and with the advice and consent of the Senate, may appoint representatives to confer with other friendly nations through the mechanism of the International Materials Conference in an effort to ascertain the existing and potential supply of materials useful in the economic mobilization of this and such other nations, as well as the most effective distribution of such materials in executing that policy. Upon a finding by the President, reached after a hearing at which interested parties may express their views, that a pattern of international distribution recommended after such consultation is necessary or appropriate to promote the national defense and compatible with the best interests of the United States, he may, any other provision of this title to the contrary notwithstanding, use the authority vested in him by this act to make it possible for his Nation to carry out the recommendations made by any such conference.

"(b) Subject to the provisions of subsection (a) of this section, nothing contained in this act shall impair the authority of the President under this act to exercise allocation and priorities controls over materials, both domestically produced and imported, and facilities through the controlled materials plans or other methods of allocation."

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Connecticut [Mr. BENTON] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

The Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from Pennsylvania [Mr. MARTIN]. If present and voting, the Senator from Connecticut would vote "yea," and the Senator from Pennsylvania would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Connecticut [Mr. McMAHON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Pennsylvania [Mr. DUFF] and the Senator from Ohio [Mr. TAFT] are detained on official business.

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Ohio [Mr. TAFT]. If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Ohio would vote "nay."

On this vote the Senator from Pennsylvania [Mr. MARTIN] is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from Connecticut would vote "yea."

The result was announced—yeas 46, nays 31, as follows:

YEAS—46

Chavez	Humphrey	Morse
Clements	Hunt	Neely
Connally	Ives	O'Connor
Douglas	Johnson, Tex.	O'Mahoney
Eastland	Johnston, S. C.	Pastore
Ellender	Kerr	Robertson
Fulbright	Kilgore	Seaton
George	Lehman	Smathers
Gillette	Long	Smith, N. J.
Green	Magnuson	Smith, N. C.
Hayden	Maybank	Sparkman
Hendrickson	McClellan	Stennis
Hennings	McFarland	Tobey
Hill	McKellar	Underwood
Hoey	Monroney	
Holland	Moody	

NAYS—31

Bennett	Frear	Nixon
Bridges	Hickenlooper	Saltonstall
Butler, Nebr.	Jenner	Schoeppel
Byrd	Johnson, Colo.	Smith, Maine
Capehart	Kem	Thye
Case	Knowland	Watkins
Cordon	Malone	Welker
Dirksen	McCarran	Wiley
Dworshak	McCarthy	Williams
Ferguson	Millikin	
Flanders	Mundt	

NOT VOTING—19

Alken	Bricker	Duff
Anderson	Butler, Md.	Ecton
Benton	Cain	Kefauver
Brewster	Carlson	Langer

Lodge	Murray	Young
Martin	Russell	
McMahon	Taft	

So Mr. FULBRIGHT's amendment, as modified, was agreed to.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the Fulbright amendment was agreed to.

Mr. SPARKMAN. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Alabama to lay on the table the motion of the Senator from Arkansas to reconsider the vote by which the Fulbright amendment was agreed to.

The motion to reconsider was laid on the table.

Mr. WILLIAMS. Mr. President, on behalf of the Senator from Delaware [Mr. FREAR], the Senator from Maryland [Mr. BUTLER], the Senator from Maryland [Mr. O'CONNOR], and myself, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

Notwithstanding any other provision of this act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit.

Mr. WILLIAMS. Mr. President, the purpose of this amendment is very simple. It merely provides that if and when price ceilings are declared in effect on any agricultural commodity at the farm level, margin controls on processors, wholesalers, and retailers must, on the same date, be placed in effect.

Everyone claims that the purpose of the provisions of the Defense Production Act is to protect the farmer and at the same time provide adequate safeguards to the consumer. That is all this amendment does. I understand that the chairman of the committee will not oppose the amendment, although perhaps he does not have authority to accept it.

Mr. MAYBANK. Mr. President, will the Senator yield on that point?

Mr. WILLIAMS. I yield.

Mr. MAYBANK. I did not suggest to the Senator that I would vote for his amendment. I stated that I would not make a speech against it. I do not intend to vote for it. As the Senator knows, we took the same amendment to conference last year. I was glad to accept it then. In the conference it was found to conflict with both the Capehart amendment and the Herlong amendment in one way or another. The House had adopted the Herlong amendment and the Senate had adopted the Capehart amendment.

I know what the Senator's motives are. They are most worthy. The Army is purchasing chickens and fowls in Delaware at prices higher than they should

be, and the farmer is receiving no benefit from it. Is not that correct?

Mr. WILLIAMS. The Senator is correct. It applies not only on poultry but farmers throughout the country, producers of all agricultural commodities, are being hurt under existing regulations. Likewise the consumer is not getting the full benefit of the decline in farm prices.

Mr. MAYBANK. What can we do about what the Army does? I think the Armed Services Committee ought to look into the situation to see why the Army goes to Delaware and pays excessive prices for chickens, and the farmers do not get the benefit.

Mr. WILLIAMS. The Senator is speaking on his own time, I hope.

The VICE PRESIDENT. The Chair thought the Senator had yielded to the Senator from South Carolina.

Mr. WILLIAMS. That is all right.

Mr. President, this amendment applies not only to poultry in the Delmarva area, but it applies to all agricultural commodities, cotton, wheat, corn, and all live stock, et cetera, throughout the country.

Mr. MAYBANK. Mr. President, will the Senator yield on my time?

Mr. WILLIAMS. I am glad to yield on the Senator's time.

Mr. MAYBANK. One reason for the Senator's amendment is that in connection with certain military purchases in Delaware there is a situation in which the military pays high prices for chickens and the farmers receive no benefit. The Army buys from processors, and the processors buy the chickens below ceiling prices. Is not that correct?

Mr. WILLIAMS. The Senator is correct, but the Army is not the only one paying prices higher than those reflected at farm levels.

Mr. MAYBANK. I do not see how we could remedy that situation in this bill.

Mr. WILLIAMS. If the Congress can enact a law to control prices of all agricultural commodities at the farm, it can also control the margins of profit for the middle man. Frankly I think you are in dangerous territory when you attempt either except in time of war or an extreme emergency.

I have received a letter from Mr. DiSalle which I shall ask to have placed in the RECORD along with other correspondence. He points out that he is opposed to the amendment. At that time he was Price Stabilization Director. Mr. DiSalle explained in his letter:

It was not, however, deemed desirable to include such a provision within the context of a general freeze regulation despite the fact that this might lead to unreasonable processors' margins in some cases.

He does not deny the fact that under existing law—and the same is true under the bill as it is now written—there can be excessive margins of profit. I disagree completely with Mr. DiSalle's statement that such a regulation cannot be put into practice, and that it will not work in connection with margin controls, because during the last war there were margin controls in connection with grain and many other commodities. There are margin controls in effect today on han-

dlers of agricultural commodities when the markets are advancing or selling at full permissible ceilings. If they can be enforced as prices go higher why can they not be enforced in reverse. I was in the grain business during the last war, and I know that such controls will work, because we worked under them. As a man in the grain business naturally I would much rather not have margin controls. But if we are to have price ceilings in effect at the farm level, and if we are to have price controls so far as consumers are concerned, then we must have margin controls. Otherwise there will be profiteering. As one who was in the grain business—and the same thing is true of poultry or any other agricultural commodity—I point out that without this amendment any dealer can unlock his price controls within 24 hours after the bill is passed; and so far as his margin controls are concerned. Without this amendment there would be no limit to the profiteering which might go on. It was bad enough without controls but for such profiteering to be protected and encouraged by the administration is inexcusable.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ROBERTSON. The Senator from Delaware brought this subject to my attention last year and I cooperated with him and Mr. DiSalle. There can be no question that the producers of poultry in Virginia, Maryland, and Delaware were being unfairly treated. They were not getting their share of the prices which the Army and others were paying for dressed fowl.

We could not get any action on the part of Mr. DiSalle, as the Senator will observe if he reads the letter which he has in his hand. He admitted that there was present a situation which was not to be commended, but he would not do anything about it. Then we took the Senator's amendment to conference, and we could not sustain it because it ran counter to the Herlong amendment. I do not know that the objection was with reference to the Capehart amendment. However, there is no doubt about the fact that the producer is not getting all that is coming to him.

Mr. WILLIAMS. Mr. President, those who appeared in opposition before the conference committee on behalf of the Price Stabilization Director were representatives of the three men who were responsible for the writing of the directive. Those three men are E. E. Norton, Acting Price Director of the OPS, and formerly on loan from the Dairy Branch of the Department of Agriculture, and Assistant Director of PMA; Earl Benjamin, who has been in the poultry business in New York all of his life; and Howard J. Houk, former vice president of the Armour Co. It is the same group that sold the farmers in our area down the river on the same proposition dur-

ing World War II. I have a report which I am putting into the RECORD, which shows that the Army today is actually paying from 1 to 2 cents more for poultry than it paid for poultry when war broke out in Korea, at which time farm prices in our area were 10 cents per pound higher than they are today. This condition has just about bankrupted the great broiler industry in my area.

Mr. MAYBANK. Mr. President, if the Senator will yield on my time, I should like to say that there again I want to condemn the military for paying excessive prices for poultry and poultry products when the farmers do not get the benefit of the higher price. However, I do not see how we can stop the practice.

Mr. WILLIAMS. Although I am not defending the military, in all fairness to the Army, I should say that the Army is not paying any more for poultry than millions of American consumers throughout the country are paying. The Army is not paying any more than anybody else. At the time of the outbreak of the Korean war poultry was bringing on the Delaware farm 35 cents a pound. Now it is selling 10 cents a pound less. That is additional margin of profit that is being made under the Defense Production Act, and the practice is being protected and encouraged under this act. There is nothing that can be done about it unless Congress sees fit to correct the situation. The only way to correct the situation is by adopting my amendment. There is no need for any Senator to go out and say that he wants farmers to get a fair share of the consumer dollar or that he wants the consumer to get the benefit of low prices at the farms when at the same time he votes to reject the amendment, because it cannot be mathematically worked out that way. I am sure that the Senator from South Carolina will agree with me. I ask that the Senate adopt the amendment. Whether we be for or against price controls makes no difference; the question here is that if we are to have price controls then let us give the farmer and consumer a break.

I never want to see in my State a repetition of the situation which existed during the last war under the OPA, where the farmers were being repeatedly charged with profiteering when in reality they were not responsible.

I repeat, regardless of our position on controls, let us pass this amendment, and then if we are to have controls at least the farmers and consumers will get a break. This amendment merely guarantees that the farmer will get his rightful share of the consumer dollar while at the same time the legitimate merchant is still fully protected.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a copy of a letter which I received from Mr. Michael DiSalle dated March 21, 1951, my letter

to him dated March 6, 1951, and the Army's poultry procurement figures for 1950, 1951, and through April 1952.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

MARCH 21, 1951.

HON. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: I have your letter of March 6, 1951, with reference to the impact of section 11 of the General Ceiling Price Regulation on poultry operations in the Delmarva area, in which you state that processors are expanding their margins by temporarily bidding up live poultry prices. You explained that a processor increases his ceiling price for processed poultry by raising the price he pay the producer of the live poultry above the highest price he bid during the base period. After thus increasing his ceiling price, the processor drops the price he pays the producer for the live poultry, without correspondingly lowering his processed poultry ceiling.

Prior to the date of issuance of the General Ceiling Price Regulation, careful consideration was given to the possibility of requiring processors to lower their ceiling price when they paid lower prices for the commodity which they purchased. It was not, however, deemed desirable to include such a provision within the context of a general freeze regulation despite the fact that this might lead to unreasonable processors margins in some cases. Section 11 is a temporary provision that will be eliminated when prices of agricultural commodities reach parity. The prices of most below parity agricultural commodities fluctuate greatly from day to day and even within a single business day. Any attempt to reduce ceiling prices of processors when the cost to them of these commodities is reduced, would lead to rapidly fluctuating ceiling prices and would be largely unenforceable. Moreover, the general trend of prices of most below parity is upward. Therefore, the ceiling price trend of the processor will generally conform to his cost trend. These factors plus the administrative difficulties of using any other technique led us to adopt the provisions now applicable to processors of below parity products.

In view of the intent of the drafters of the regulation, the consideration that was given to the problem you pose, and the explicit language of the regulation, it is impossible to issue an interpretation along the lines you request. However, the Office of Price Stabilization is fully aware of the desirability of preventing, wherever possible, windfall profits such as you describe. Please be assured that the problem you have raised is receiving continuing consideration.

Sincerely yours,

MICHAEL V. DISALLE,
Director of Price Stabilization.

(NOTE.—Both the margins listed for processors, wholesalers, and retailers and the ceiling prices indicated in the following charts are in no way to be interpreted as the legal margins or legal ceilings. They were selected for illustrative purposes only. However, regardless of what the actual margins and ceiling prices were for the base period, December 19, 1950, through January 26, 1951, this principle is operationally correct.)

CHART No. 1

Example of how program operates as prices advance

ASSUMED BASE PERIOD CEILINGS

Farm price	28¢+1¢=29¢	29¢+3¢=32¢	32¢+5¢=37¢	37¢+10¢=47¢	47¢+1¢=48¢
Processors' margin	6	6	6	6	6
Processors' ceiling	34	35	38	43	54
Wholesalers' margin	2	2	2	2	2
Wholesalers' ceiling	36	37	40	45	56
Retailers' margin	11	11	11	11	11
Retailers' ceiling	47	48	51	56	67

CHART No. 2

Example of how program can operate as prices decline

[Margin freeze nonoperative on decline]

Farm price	48¢-1¢=47¢	47¢-10¢=37¢	37¢-5¢=32¢	32¢-3¢=29¢	29¢-1¢=28¢
Processors' margin	6	6½	9	11	12
Processors' ceiling	54	53½	46	43	40
Wholesalers' margin	2	2¼	3	4	5
Wholesalers' ceiling	56	55½	49	47	45
Retailers' margin	11	11¼	17½	19½	20½
Retailers' ceiling	67	66¾	66¾	66¾	66¾

UNITED STATES SENATE,

Washington, D. C., March 6, 1951.

Mr. MICHAEL V. DiSALLE,

Director, Office of Price Stabilization,
Washington, D. C.

DEAR MR. DiSALLE: This refers to the series of conversations which I had with Mr. J. Howard Houk and Mr. Allan Rubin of your office last week relative to the interpretation which has been placed upon section 11 (e) of the price regulation order of January 26, 1951, with particular reference to the ceiling on poultry. I was very much concerned to find that an interpretation had been placed upon this regulation to the effect that, while margins of profit would be sealed as farm prices were in a continuous advance, such margins of profit for the processor, the wholesaler and the retailer of poultry products would not be frozen in a declining market; that is, as it was pointed out to me, as farm prices advanced each 1 cent or fraction thereof, all prices could be advanced automatically up the line with the increased cost being passed on to the consumer; however, once new ceiling prices had been established at some projected level, I found that a decline of even any insignificant fraction would unlock all margin freezes, thereby making it possible for poultry prices at the farm level to decline substantially while at the same time retail prices to the wholesaler and the consumer could be maintained at near ceiling level.

The excuse offered was that it was hard to arrive at a fair or normal margin of profit to an industry and that permanent ceilings on margins during a price freeze would not be administratively feasible. I cannot follow that line of reasoning since, surely, if profit margins can be established and enforced as prices advance, why can they not be in operation in reverse?

The present interpretation is affording a golden opportunity to wartime profiteers to extend their margin far beyond that which is normal to the industry and at the same time cloak their profiteering as legal under the Defense Production Act.

That this opportunity is not being overlooked is evidenced by the market conditions of live poultry on the farms in Delaware and on the Delmarva Peninsula generally as shown by the retail price for the same grade of poultry in the New York market, the daily prices of which are reported and filed by the Marketing and Facilities Research Branch of the United States Department of Agriculture.

I am seriously concerned with this interpretation and the effect which it will

have not only upon the cost of living but also upon the poultry growers on the Delmarva Peninsula. Other Senators who are also seriously concerned have joined me in introducing Senate Resolution No. 93 to correct this interpretation. A copy of this resolution is enclosed herewith.

I express the sincere hope that it will not be necessary for the Senate to be compelled to amend the legislation when the intent of Congress in this matter is clear and that you will accordingly correct this interpretation immediately, thus removing the necessity for action by the Senate. However, in the event such correction is not made, I shall feel compelled in the interest of the consumers and the farmers on the Delmarva Peninsula to insist upon action by the Senate.

An extra cent spread in the margin of handling poultry that moves from the Delmarva Peninsula in 1 week means about \$80,000 to the Delmarva farmers. A 3 to 4 cent extra spread in the margins between the New York wholesale market and the farm price as it now exists means a loss to our farmers and an extra profit to the middleman of about a quarter of a million dollars each week.

If this same interpretation prevails in relation to all other agricultural commodities, I can visualize where the farmers and the consumers could be robbed of millions.

I think in the light of these figures you will agree with me that we must have immediate action.

Will you please advise me promptly your reaction to this request and what steps you intend to take in the matter.

Yours respectfully,

JOHN J. WILLIAMS.

Quartermaster procurement of poultry for
Armed Forces

[In million pounds]

	Excluding turkeys	Average per pound (excluding turkeys)
1949—December	2.9	39.80
1950—January	2.2	36.75
February	1.4	42.42
March	2.1	48.85
April	2.0	49.32
May	2.7	46.88
June	4.8	48.79
July	4.3	53.55
August	10.3	54.73
September	13.5	51.40
October	9.9	51.30
November	7.0	51.72
December	4.3	50.50

Quartermaster procurement of poultry for
Armed Forces—Continued

[In million pounds]

	Excluding turkeys	Average per pound (excluding turkeys)
1951—January	5.3	52.58
February	4.4	54.30
March	3.4	54.86
April	3.6	57.55
May	5.0	55.53
June	8.1	58.52
July	8.6	59.32
August	8.5	58.03
September	14.5	58.25
October	12.9	56.58
November	8.5	56.37
December	6.3	56.32
1952—January	7.7	55.20
February	5.9	54.54
March	7.9	52.61
April	6.6	52.67

The VICE PRESIDENT. Does the Senator from South Carolina wish to be heard?

Mr. MAYBANK. I do not wish to say anything.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and other Senators. [Putting the question.] The ayes seem to have; the ayes have it, and the amendment is agreed to.

Mr. BRIDGES. Mr. President, I ask for a division.

The VICE PRESIDENT. The Chair has announced the result of the vote. It is too late to request a division.

EXCLUSION FROM GROSS INCOME THE PROCEEDS OF CERTAIN SPORTS PROGRAMS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7345) to exclude from gross income the proceeds of certain sports programs conducted for the benefit of the American National Red Cross, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

FEDERAL-AID HIGHWAY ACT OF 1952—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7340) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing

the construction of highways, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the report.

Does the Senator from New Mexico wish to be heard in connection with the conference report?

Mr. CHAVEZ. No; I made my statement previously.

Mr. FERGUSON. Mr. President, I rise to oppose the conference report. I understand that it will be necessary to vote the conference report either up or down, and that it will be necessary to vote it down if we are to have another conference. If the conference report were voted down, as I understand, another conference would have to be held to decide the question.

In connection with the conference report, I wish to call attention to the vote of 45 yeas and 25 nays in the Senate on what is known as the Rama Road.

The Senate bill provides \$8,000,000 to complete what is known as the Rama Road, which is no part of the Inter-American highway at all, but is being constructed from Bluefield to Managua in Nicaragua.

In 1943 or 1944 the President of the United States gave to the Nicaraguan Government the sum of \$4,000,000. The report clearly indicates that at the time the President of the United States gave the money to the Nicaraguan Government it came out of what was known as the secret fund of the President of the United States, and it was not known by the Congress or by the people of the United States of America for what purpose the funds were given. He gave the sum of \$4,000,000 to the Nicaraguan Government in order to complete the road. The report stated that the best estimate was that \$2,000,000, or a little more than \$2,000,000 would be required to complete the Rama Road.

When the Senator from Michigan was on the War Investigating Committee he was assigned the duty of looking into the Inter-American highway. We discovered with respect to the Inter-American highway that the engineers had built a road, but that the Highway Commissioner of the United States was not satisfied with a part of the road that was built, consisting of some 30 or 40 miles in Guatemala. He abandoned it and built another highway. That is the way the funds of the American taxpayers were treated.

Mr. KERR. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KERR. Was that road built in Nicaragua?

Mr. FERGUSON. No.

Mr. KERR. Was any part of it connected with the Rama Road?

Mr. FERGUSON. No. In 1943 or 1944 the taxpayers' money was used to build a road running off the Inter-American Highway up to the farm of the President of Nicaragua. It was about 26 kilometers in length.

The road for which the \$4,000,000 was given was partly constructed. Efforts have been made to get into an appropriation bill funds to build the so-called

Rama Road. So far effort has failed. Now we discover that the funds for it are being authorized for the first time in this road bill. I call attention to the fact that the conference report provides:

There is hereby authorized to be appropriated—

Is it \$2,000,000?

Mr. CHAVEZ. Two million dollars; yes.

Mr. FERGUSON. Has the report been changed?

Mr. CHAVEZ. Yes.

Mr. FERGUSON. May I have a copy of the corrected report?

Mr. CHAVEZ. It is at the desk. The House report contained a clerical error, and by resolution it was changed to \$2,000,000.

Mr. FERGUSON. The report reads:

There is hereby authorized to be appropriated \$2,000,000 for the fiscal year—

Is that correct?

Mr. CHAVEZ. 1953 and 1954.

Mr. FERGUSON. Ending in 1953, and a like sum for the fiscal year 1954; is that correct?

Mr. CHAVEZ. That is correct.

Mr. FERGUSON. In other words, the conference report authorizes the appropriation of \$2,000,000, not for completion of the road, but merely \$2,000,000 for the fiscal year 1953 and an additional \$2,000,000 for the fiscal year 1954. Again I call the attention of the Senate to a point which I believe is vital, namely, that the estimate for completion of the road was made in 1948. As a matter of fact, if once we undertake to build the road and make the authorizations now requested, namely, for the appropriation of \$2,000,000 for the fiscal year 1953 and an additional \$2,000,000 for the fiscal year 1954, we shall discover that by so doing we shall not have authorized all the appropriations that will be necessary in order to complete construction of the road. On the contrary, we shall discover that additional appropriations will be required in the future.

So, Mr. President, although at this time we are requested to authorize the appropriation of \$2,000,000 for the next fiscal year, to be used for construction of this road, and \$2,000,000 for the following fiscal year, yet we must realize that the November 1948 estimate of the total cost of completing the road was \$8,000,000, and the authorizations now requested are for only half of that amount.

Furthermore, anyone who considers the degree of inflation which has occurred in recent years knows that the 1948 estimate, and it was only an estimate, of the cost of building the road is much smaller than what today's estimate would be. As a result of the inflation which has occurred, if we attempt to complete construction of this road, appropriations of much more than \$8,000,000 will be required.

Mr. CHAVEZ. Mr. President, will the Senator from Michigan yield to me at this time?

Mr. FERGUSON. Yes; I am glad to yield.

Mr. CHAVEZ. For the very reason the Senator from Michigan has outlined, the

Committee on Public Works recommended an authorization of appropriation in the amount of \$8,000,000, and specifically spelled out that that would be the total amount for completion of the road. If that is not done, it will be because of objections similar to those on the part of the Senator from Michigan.

Mr. FERGUSON. Mr. President, the request to authorize the appropriation of \$8,000,000 to complete the road was rejected by the Senate; the vote in the Senate was 45 against the request to 25 in favor of it.

Now we have a proposal to authorize the appropriation of \$2,000,000 for the next fiscal year and \$2,000,000 for the following fiscal year. Thereafter we would have to appropriate large sums in addition; at that time it would be said that we would be obligated to do so because Congress had already made a commitment.

On the other hand, up to this very moment there has been no congressional commitment for construction of the highway, and Congress has no obligation whatever to Nicaragua to see that the highway is built.

Mr. CHAVEZ. Mr. President, will the Senator from Michigan yield to me at this point?

Mr. FERGUSON. I am glad to yield.

Mr. CHAVEZ. Whether we have an obligation is a question of opinion. Is it not a fact that the vote to which the Senator from Michigan has referred was based upon the \$8,000,000 authorization which had been recommended by the Committee on Public Works, and not upon the authorization of \$2,000,000 which was agreed upon in the conference committee?

Mr. FERGUSON. But the Senator from New Mexico does not contend, does he, that an authorization of \$2,000,000 for the coming fiscal year would be the end of our obligation, after Congress thus recognized an obligation to complete the road?

Mr. CHAVEZ. Of course I do not make such a contention because I do not agree with the Senator from Michigan that there is no obligation whatsoever.

My point is that the Committee on Public Works wished to have an authorization of \$8,000,000 made, but the Senate said "No." The House voted for an authorization of \$2,000,000.

Many millions of dollars are involved in this undertaking. When a bill goes to conference, the conferees on the part of the Senate do not have to insist that everything the Senate has voted is correct. After all, a conference is for the purpose of reaching a compromise.

Instead of agreeing upon the authorization of \$8,000,000 which the committee believed should be made, the Senate conferees agreed with the House that an authorization of \$2,000,000 was a reasonable compromise; and that is all there is to the conference report.

Mr. FERGUSON. Mr. President, that is not quite the conference report. The conference report calls for an authorization of an appropriation of \$2,000,000 in the fiscal year 1953 and an authorization of an appropriation of \$2,000,000 in the fiscal year 1954.

REENROLLMENT AND CORRECTION OF BILL

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 221, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 7840) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, the Clerk of the House is authorized and directed to make the following corrections:

In the first sentence of section 5 of the bill strike out "4,000,000," and insert in lieu thereof "2,000,000," and strike out the word "completing."

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. SCHOEPEL. Mr. President, I desire to call up my amendment identified as "6-2-52-C," and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, after line 6, it is proposed to insert the following new sections:

Sec. . Section 402 (c) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"Each regulation, order, or amendment of or supplement to a regulation issued under this title shall be such as will be generally fair and equitable and will effectuate the purposes of this title, and shall include a statement of the considerations involved in the issuance of such regulation, order, amendment, or supplement. Such statement of considerations shall set forth the objectives to be achieved by the regulation, the reasons why the attainment of such objectives will further the purposes of the act, the means by which such objectives are to be achieved, and a finding of the facts upon which the President bases and justifies the provisions of such regulation, order, amendment, or supplement, and shall be regarded as a part of such regulation, order, amendment, or supplement. The President, in establishing and adjusting ceilings with respect to materials and services, and in stabilizing and adjusting wages, salaries, and other compensation, shall make provisions in all regulations or orders for individual applications for adjustments to prevent or correct hardships or inequities."

Sec. . Section 402 (d) (3) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"Any person who is subject to a ceiling price on an agricultural commodity or any material processed therefrom and who is aggrieved by any action taken or not taken by the President pursuant to this paragraph may protest such action or failure to act pursuant to section 407 of this act."

Mr. SCHOEPEL. Mr. President, the proposed amendment to section 402 (c) of the Defense Production Act of 1950, as amended, is designed to provide that at the time of the issuance of a regulation the President must make findings of fact and include them in his statement of considerations. That, of course, means those who are administering the act.

It is a fundamental principle of administrative law that no regulatory agency should be permitted to issue orders in the absence of basic or essential findings of fact supporting such orders. The absence of such basic or essential findings required to support an administrative agency's order should render it void, in my judgment.

Yet in the Defense Production Act of 1950, as amended, the Congress failed to lay down the same rule for the Office of Price Stabilization that it has laid down for the Interstate Commerce Commission, the Federal Trade Commission and all the rest.

At the time of the passage of the statute under which the Office of Price Administration operated during and after World War II, the general counsel of OPA, as I recall, told the Senate Banking and Currency Committee said in substance that findings of fact were to accompany price regulations.

OPA did follow this practice until in *Allied Foods v. Bowles* (151 F. 2d 449) a regulation of OPA was set aside because it conflicted with the facts found by the Administrator.

Subsequently, the Administrator of the Office of Price Administration abandoned the practice of making specific findings of fact to support regulatory orders.

There have been no findings of fact to accompany OPS regulations and in the case of retail food price regulations and other regulations, serious injury to the industries affected has resulted.

For example, the regulation fixing new ceiling prices on dry groceries and some other products, CPR 15, was issued on March 28, 1951. The Defense Production Act required the Director of OPS, insofar as was practicable, to ascertain and give due consideration to comparable prices, margins, and so forth, in effect during the pre-Korean period.

But the Director made no study of pre-Korean prices and margins in the retail food industry before issuing CPR 15. After rejecting evidence offered by the industry, he made a guess with regard to margins. He made a promise, at the time the regulation was issued, to make a survey of margin and earning figures and said that mark-ups in CPR 15 would be promptly revised if they proved either too high or too low.

The promise was made in March 1951. I am sorry to say it has not been kept. As a matter of fact, the survey referred to did not actually get under way until March 1952. It will not be completed in time for analysis and action before the present act is renewed or allowed to expire.

In the case of other food regulations, CPR 25, Supplemental Regulation 47,

Supplemental Regulation 65, and Supplemental Regulation 69, OPS action was taken, as it was in the case of CPR 15, in the absence of any findings of fact whatsoever.

The Office of Price Stabilization attempts to make it appear that only Safeway Stores seek amendments to the Defense Production Act which will force OPS to issue findings of fact with its price regulations.

This is not the case. Four retail food groups, the National Association of Independent Retail Grocers, the Cooperative Food Distributors of America, the Super Market Institute, and the National Association of Food Chains have gone formally on record as favoring the changes in court procedure.

We submit that the OPS objection to the proposed amendment, as expressed in a letter by Ellis Arnall, Director of OPS, dated May 20, 1952, is not a valid argument.

A portion of the letter states:

The enactment of the proposed amendment would tend to transform the statement of considerations into a rather legalistic document of no use to businessmen, since it would then be necessary to couch much of it in conclusory language typical of the Federal Trade Commission.

With respect to these regulations, I feel that if we are to have price controls—and I am hoping that we shall not have to look forward to them always—the rules and regulations established should be promulgated in such a way as to enable persons operating businesses to know under what rules they were expected to operate and to what rules they must conform. I feel, personally, that it is not asking too much to expect the OPS regulatory authorities to make findings.

I may say that I have done some checking into this situation. I have checked the records of the proceedings of our hearings, and I feel that here is a practical step with which the OPS authorities should comply. Other people are required to meet rules and regulations; but they are not asked to operate in the dark, as is the case in many instances when it comes to food processors and distributors.

My amendment is intended to correct the situation which resulted when the Director of the Office of Price Stabilization fixed ceilings on pork products at a time when hogs were selling below parity.

Apparently this action violated section 402 (d) (3) of the act.

It was protested by processors of hogs and by a grocery chain.

The OPS denied the protest. The grocery chain took the matter to the Emergency Court of Appeals.

The court held that only the producers of hogs could protest the ceiling.

It is a grave question what their legal status would be if they protested the ceiling.

Ceiling prices on pork have been in effect since January 26, 1951, and supplemental regulations have been issued on pork. But pork still is selling below ceilings which still are, in the judgment of many, violating the act.

This amendment would provide legal recourse to test such actions by OPS.

I feel very definitely and strongly about it. When violations of orders and rules which have not been clearly established and set forth occur, the persons who are called upon to answer should have their day in court.

I want to say one other thing before I conclude, Mr. President. The National Grange, which has looked into many of these questions involving controls and how controls have operated, sent me a communication, dated June 9, 1952, signed by the legislative counsel of the Grange, in which it is stated:

We are in favor of proposed amendments to the Defense Production Act, which we understand have been introduced by Senator SCHOEPPEL, which would require that:

1. Each order or regulation be accompanied by a statement explaining in detail why the order or regulation is needed, i. e., what the economic situation is that justifies the order or regulation.

2. What the order or regulation will achieve.

3. A detailed justification otherwise for the issuance and enforcement of the order or regulation.

4. That any individual that suffers unusual hardships as a result of an order or regulation has the right to apply for special adjustments, to be heard in connection therewith, and to special relief if unusual hardship is established at such hearings.

5. That any citizen that is unduly handicapped or placed in a position of hardship because of ceilings on an agricultural product or a product manufactured therefrom, shall have the right to apply for adjustment whether he or she be a farmer or in a non-agriculture occupation, and shall be granted a hearing and such adjustment as will bring relief from the unusual hardship imposed by an order or regulation.

I am hopeful that the chairman of the Banking and Currency Committee will see fit to take the amendment to the conference. I think that is only fair if we are going to have controls in operation. I do not know how long they are going to be in operation, but certainly as I view the situation, we should have the benefit of a clarification of many of the issues.

Mr. MAYBANK. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPEL. I yield.

Mr. MAYBANK. Mr. President, in view of the fact that the distinguished Senator from South Dakota [Mr. CASE] has told me that he intends to offer a seizure amendment—and if I am incorrect, I hope the Senator will correct me—

Mr. CASE. It will be an amendment with reference to a limited form of compulsory arbitration.

Mr. MAYBANK. But I understand the Senator has an amendment which he will offer?

Mr. CASE. It will be offered.

Mr. MAYBANK. Mr. President, I do not want to do anything hastily. If the Senator offers his amendment, I shall offer mine tomorrow. I told the Senator from Illinois that I intended to do that, and I told him that if he did not offer his amendment I would not offer mine.

The PRESIDING OFFICER. Is the Senator from South Carolina speaking on his own time?

Mr. MAYBANK. Yes. I want no borrowed time.

Mr. SCHOEPPEL. Mr. President, I do not want to get caught in a cross-fire here.

Mr. MAYBANK. I am afraid the Senator is already caught in one. If we are going to have seizure amendments offered at the hour of 6 o'clock, we should not do anything more this afternoon. I was perfectly willing to go along, but I do not want to be put "behind the 8 ball" as I was yesterday.

Mr. CAPEHART. Mr. President, could we not have a unanimous-consent agreement limiting the number of amendments to 3 more?

Mr. MAYBANK. No, Mr. President. With my deep interest in the national welfare, after listening to Mr. McCloy this morning, and knowing what goes on in Korea, I certainly intend to do everything I can to have steel produced within 24 hours, if possible, and I intend also, Mr. President, to be fair to those who work in the steel mills and to the management.

Mr. SCHOEPPEL. Mr. President—

Mr. McFARLAND. Mr. President, will the Senator yield in order that I may make an inquiry, without either side yielding time?

Mr. SCHOEPPEL. I yield.

Mr. McFARLAND. I ask unanimous consent to be allowed a few minutes to try to find out what we are going to do and what we are not going to do.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. McFARLAND. Mr. President, I should like to determine whether we are going to continue, one day after another, taking up new amendments. More amendments are prepared each night, and if that is to continue indefinitely, the consideration of the bill could be prolonged for 2 weeks, because there is a good manufacturing machine somewhere around the Senate that can produce amendments faster than we can vote on them.

Unless we can get some kind of agreement in line with the one which the Senator from Indiana has just suggested, we had better stay here all night, because perhaps that manufacturing machine does not work at night. Perhaps it closes down, or operates under union shop rules, or some other kind of rules.

Mr. President, may I now inquire how many Senators have amendments they desire to offer? I understand the Senator from South Dakota has one.

Mr. CASE. Mr. President, I have two amendments that have been printed and have been before the Senate for a week.

Mr. McFARLAND. The Senator from South Dakota has two amendments. The Senator from South Carolina has one amendment. Are there any other amendments besides those and the one now pending?

Mr. JOHNSON of Texas. Mr. President, I have an amendment, but I understand it is acceptable to the chairman of the committee.

Mr. McFARLAND. Then, that is another amendment.

Mr. President, I ask unanimous consent that the amendments be limited to

the four which have just been mentioned.

Mr. CASE. Mr. President, I expect to offer the amendments in modified form, but the amendments I shall propose deal with the subject matter covered in the printed amendments.

Mr. IVES. Mr. President, it seems to me that this is altogether too important a measure to foreclose action on amendments. If the bill is to go over until tomorrow, amendments might occur to Senators, and the amendments might be very useful, valuable, or essential. I object to any such limitation as is proposed.

The PRESIDING OFFICER. Objection is heard.

Mr. McFARLAND. Very well. We will work a while.

Mr. MAYBANK. Mr. President, I hope the Senator from Kansas will withdraw his amendment, because in all sincerity I said I did not approve the amendment, that I was opposed to it, but that I would take it to conference with that understanding, and that I would not be bound by action of the House, if it adopted a similar provision. My statement was on the assumption that we would get through with the bill tonight, but it must be apparent to the Senator from Kansas that we will not finish with the bill, and if the Senator insists upon having the amendment in the bill, the responsibility does not rest on this side of the aisle. Other members of the committee object to it.

Mr. SCHOEPPEL. Do I understand correctly that the distinguished chairman of the committee is agreeable to taking the amendment to conference? If so, I have no objection.

Mr. MAYBANK. I said if we finished consideration of the control bill tonight, and no other amendments would be offered except the amendment of the Senator from Kansas and the amendment of the Senator from Texas, which, in effect, in my judgment, is a statement of the law of Texas, I would be glad to agree to those two amendments, provided there were no others, but I would not be bound to support them in conference. I cannot say any more than that, because the Senator from South Dakota intends to call up his seizure amendment, and I understood the Senator from New York had an amendment, although perhaps he is not going to offer it. I am speaking very frankly, as chairman of the Committee on Banking and Currency. I am not going to stay here until a late hour and have a control bill passed without bringing up the seizure amendments. I do not wish to bring them up. I do not mean they are mine, but they are amendments offered from this side of the aisle by Senators who think that some positive action must be taken by the time August arrives.

Everyone knows that. Some may not like the President, but, after all, he is the President of the United States. The President of the United States knows that the Taft-Hartley law is available, and everyone knows that the President may invoke that law. But, the 80 days provided for in that law as a breathing spell would expire in August, and the question is, What will happen then?

Mr. SCHOEPPPEL. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Kansas has 4 minutes.

Mr. SCHOEPPPEL. I understand the distinguished Senator from Alabama desires to ask a question.

Mr. SPARKMAN. Mr. President, I wanted to ask a question with reference to the suggestion that the proposed amendment be taken to conference. I certainly do not wish to have that agreed to until we know a little more about the amendment. In fact, it seems to me it is a little risky simply to agree to take an amendment to conference, because we should remember that this is the first stage in legislating. If the House should happen to adopt the same provision, there would be no conflict. So I think we had better understand pretty thoroughly what the amendment is before we agree to take it to conference. It is not exactly the same as if the other House had already acted. There are some points in this amendment about which I certainly should like to inquire.

First of all, I wonder if the able Senator from Kansas would tell me if I am correct in my understanding that his amendment, if adopted, would relate only to regulations issued after its enactment into law.

Mr. SCHOEPPPEL. I so understand.

Mr. SPARKMAN. I wanted the Record to show that. Of course, it would not necessitate going back and holding hearings on all the regulations in existence today.

Mr. SCHOEPPPEL. I may say to the distinguished Senator that I certainly would not contemplate that it would, for the reason that some of the rules or regulations which were promised have not, even at this late date, yet been issued. That is the complaint on the part of a number of food organizations and food chains of all types and kinds.

Mr. SPARKMAN. It seems to me there are some basic objections to the amendment. However, I do not desire to use the Senator's time.

Mr. MAYBANK. Mr. President, I yield the remainder of my time to the Senator from Alabama.

Mr. SPARKMAN. I appreciate the courtesy of the chairman of the committee. Under that arrangement, I suppose the Senator from Kansas and I may be able to hold a conversation on the amendment.

Mr. SCHOEPPPEL. I would be happy to hear the Senator's statement of his views, and reserve the remainder of my time for a short reply.

Mr. SPARKMAN. There are two or three points I wish to discuss, and it may very well be that the able Senator from Kansas can clear them up.

The first question that arises in my mind is, Would the amendment of the Senator from Kansas require a hearing and a finding of fact on every regulation that is issued? I realize that that is certainly a good requirement in a long-range program, in a permanent agency, or something of that kind; but I wonder

if it would be feasible in what we hope will be a short-time piece of legislation, such as is here proposed, and if, instead of reducing employment, it would not necessitate additional employees in order properly to administer the act.

Mr. SCHOEPPPEL. If the Senator is asking me the question, I frankly think not, and I will tell him why. We have had the benefit of the operation of control measures for a good many months. We have been able to determine where the "bugs" are in many of the operations in the changed conditions. Certainly there is a better informed staff than there was at the inception of the program. I can see no reasonable ground for expecting that they could not, with some degree of promptness, and with a greater degree of thoroughness, establish rules and regulations, definitions and determinations, as to how those affected by the act should operate.

I frankly cannot see how it would be burdensome or would necessitate adding to the staff.

Mr. SPARKMAN. Under the law as it exists today, as to every regulation that is issued, it must be shown in a statement that in the formulation of the regulation there has been consultation with industry representatives. We wrote that into the law originally, and it has remained in the law throughout its existence. I realize that it is not the same as a formal hearing, but it does go some way toward meeting the suggestion of the Senator from Kansas.

Mr. SCHOEPPPEL. The distinguished Senator will also recall that we had numerous complaints in the series of hearings, which were extensive.

Mr. McFARLAND. Mr. President, will the Senator yield again, without having the interruption charged to his time, but to be charged to mine? I do not control any time, but let it be charged to me anyway. If it is agreeable to the Chair and to the Senate, I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. How long does the Senator desire to speak?

Mr. McFARLAND. Not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Arizona is recognized for 5 minutes.

Mr. McFARLAND. Mr. President, I wish to make another effort to determine whether or not we can reach some agreement with regard to a limitation of amendments. I understand that the Senator from South Dakota [Mr. CASE] has two amendments. The Senator from New York [Mr. LEHMAN] has one. The Senator from Kansas [Mr. SCHOEPPPEL] has an amendment pending. The Senator from Texas [Mr. JOHNSON] has an amendment, and the Senator from South Carolina [Mr. MAYBANK] has an amendment.

Mr. MAYBANK. Mr. President, I want it distinctly understood that if other amendments are withdrawn I may not offer mine.

Mr. McFARLAND. I ask unanimous consent that amendments be limited to those which I have enumerated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. LEHMAN. Mr. President, reserving the right to object, is the request predicated on the expectation that the Senate will continue in session tonight until the bill is passed, or is it planned to take a recess until tomorrow?

Mr. McFARLAND. I thought we might go over until 10 o'clock tomorrow if we could obtain an agreement, so that we might complete consideration of the bill tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. HUMPHREY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. SPARKMAN. Mr. President, there is another point with respect to the amendment offered by the Senator from Kansas [Mr. SCHOEPPPEL] to which I wish to invite the attention of the Senate. The latter part of his amendment enlarges the protection which is now given in the act with respect to parity. The Court of Emergency Appeals has ruled that the provision which we wrote into the law relating to parity is a provision for the benefit of farmers themselves, and does not extend to processors. I would appreciate it if the Senator from Kansas would check me on this statement. The amendment offered by the Senator from Kansas would now give processors the right to increase their ceiling prices, because full allowance had not been made for parity to the farmers. It seems to me that that is going beyond what was intended. Of course the farmer has a right to protest against a ceiling set on his products if parity is not represented. But if he does not protest, and the processor does not have to pay that price, why should we go out of the way to give him the opportunity of asking for an increased ceiling price which does not represent anything he has paid out to the farmer? That is the way I see it. I shall be glad to have the comments of the Senator from Kansas.

Mr. SCHOEPPPEL. Mr. President, I must say in all kindness that the Senator from Alabama is in error. It is purely a procedural matter. I am sure that the Senator cannot read that interpretation into my amendment. In my own time I certainly wish to reply to that phase of the Senator's query.

Mr. SPARKMAN. I asked the Senator from Kansas to comment on whether or not the interpretation which I stated was correct. I invite the attention to the language of the Senator's amendment:

Any person who is subject to a ceiling price on an agricultural commodity or any material processed therefrom—

That is how the processors are brought in. The language is "or any material processed therefrom." This relates, by

the way, to section 402 (d) (3) of the Defense Production Act of 1950, which is the section which deals with the parity provision. This amendment says:

Any person who is subject to a ceiling price on an agricultural commodity or any material processed therefrom and who is aggrieved by any action taken or not taken by the President pursuant to this paragraph may protest such action or failure to act pursuant to section 407 of this act.

If the Senator from Kansas thinks I am wrong in my interpretation, I welcome his statement.

Mr. SCHOEPPEL. Mr. President, I will say to the distinguished Senator from Alabama that the amendment which I am proposing to that section is aimed solely at giving the right to processors and distributors of agricultural commodities to challenge the legality of a price regulation on an agricultural commodity which affects them. It does not change the parity formula.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

The Senator from Kansas [Mr. SCHOEPPEL] has 4 minutes.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, am I to understand that I have 4 minutes remaining?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. SCHOEPPEL. I desire to utilize it.

My amendment would not change the parity formula or the method by which price ceilings on agricultural commodities are determined. The proposal would grant to processors and distributors of certain commodities the right to make certain that the ceilings authorized by law are established. For OPS to object to this, in my humble opinion, is equivalent to asking Congress for an authorization to issue some questionable regulations, without affording the parties affected by such regulations an opportunity even to offer a legitimate objection.

There can be no denying that the parity guaranty is and should be for the benefit of farmers. I come from an agricultural State. I am interested in the subject. Let me say to my distinguished colleague from Alabama that I would not want to change that formula. I think it has worked excellently. At the same time, OPS has subjected processors and distributors of agricultural commodities to a serious squeeze, and in some instances has even established ceilings for them below those permitted under the parity formula. So some of the damage has worked in reverse.

When those people sought to challenge the regulations, the history of some of the proceedings before the committee shows that they were denied a hearing, on the ground that they had no standing even to object. I do not think that is right.

There is nothing unfair or injurious to the farmer in my proposal. The processors and distributors would be asserting rights which would be beneficial not only to themselves, but to farmers

as well. Under my proposal the processors and distributors could not in any way alter the farm price structure. I wish to make myself crystal clear on that point. They would not ask for decreases in ceilings for farmers. I wish to make that crystal clear. My proposal would make sure that farmers, as well as processors and distributors, were given the price ceilings which the parity concept, as incorporated in the Defense Production Act, requires.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. Has all time expired on the amendment of the Senator from Kansas?

The PRESIDING OFFICER. The Senator from Kansas has an additional minute.

Mr. MONRONEY. Would it be in order to offer an amendment to the amendment of the Senator from Kansas, if he does not care to use his time, as apparently he does not?

Mr. SCHOEPPEL. Mr. President, I shall be glad to relinquish any unused time.

The PRESIDING OFFICER. The amendment of the Senator from Kansas is open to amendment.

Mr. MONRONEY. Mr. President, I offer an amendment to strike the last portion of the amendment of the Senator from Kansas, relating to the amendment of section 402 (d) (3). I should like to proceed for a few minutes on my amendment to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. MONRONEY] to the amendment of the Senator from Kansas [Mr. SCHOEPPEL], which will be stated.

The LEGISLATIVE CLERK. On page 2 of the Schoepfel amendment, after line 12, it is proposed to strike the following:

SEC. . Section 402 (d) (3) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"Any person who is subject to a ceiling price on an agricultural commodity or any material processed therefrom and who is aggrieved by any action taken or not taken by the President pursuant to this paragraph may protest such action or failure to act pursuant to section 407 of this act."

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 15 minutes.

Mr. MONRONEY. Mr. President, I believe that the amendment of the Senator from Kansas is a highly hazardous amendment to be adopted late in the evening, because if I correctly read the amendment and understand its meaning, despite the intentions and the explanations of my distinguished friend and colleague from Kansas, under this amendment the retailer of one box of cornflakes would be allowed to contest and protest a price ceiling dealing with the entire ceiling price on corn. There is a complete lack of responsibility of major portions of the industry in checking and contesting ceilings. The language of the Senator's amendment which I seek to strike reads as follows:

SEC. . Section 402 (d) (3) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"Any person who is subject to a ceiling price on an agricultural commodity or any material processed therefrom and who is aggrieved by any action taken or not taken by the President pursuant to this paragraph may protest such action or failure to act pursuant to section 407 of this act."

The amendment of the Senator from Kansas is entirely too broad. In all price-control legislation we have at least introduced a safeguard by saying "processed in whole or substantial part from agricultural commodities." The amendment of the Senator from Kansas opens up to any retailer of a can of tomatoes or a box of corn flakes, or anything which is remotely connected with an agricultural product, the opportunity to contest a price order with which 99.99 percent of the entire industry is satisfied. Endless trials and endless litigation could be brought about by the action of one individual.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. SPARKMAN. Is it not also correct to say that on any such protest the people who would be heard would be the people to which the Senator has referred? It would not be the farmers, for whom the parity provision was put into the law. The farmer would not be represented at all.

Mr. MONRONEY. The Senator from Alabama is certainly correct. I believe my distinguished colleague from Alabama will agree that the whole structure of price-control legislation would completely break down under the thousands of cases which would be opened up by the amendment. Therefore, Mr. President, unless another Senator wishes to use some time, I ask for a vote on my amendment to strike the last section.

The PRESIDING OFFICER. The Senator from South Carolina is in control of time in opposition to the amendment. If he is not opposed to the amendment the minority leader is in control of the time.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. CAPEHART. Mr. President, I wonder whether any Senator on this side of the aisle wishes to utilize some of the 15 minutes available.

Mr. DIRKSEN. Mr. President, I ask the Senator from Indiana to yield me 2 minutes.

Mr. CAPEHART. I yield 2 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I cannot let the matter go by without indicating to the Senate that, judging by the expressions I have heard, there is complete misapprehension about the amendment on the other side of the aisle. As my friend from Alabama knows, the testimony was conclusive with respect to the bad procedure under OPS regulations, and that it was impossible for these people to get justice. One merchant indicated that more than 350 of his staple commodities which are sold over the counter in 2,000 stores were selling under the ceiling price. First of all, there was no justification for maintain-

ing that kind of price level, but when those affected went before the Emergency Board of Appeals they struggled for over 18 months in an effort to get justice, and then did not get it. The Senator from Kansas has in mind making equitable the procedure under which they operate.

According to the statement of my friend from Oklahoma, he would rather have the burden placed on the merchants and the business structure of the country than to let the Government assume the burden. But the Government makes the regulations. The amendment of the Senator from Kansas is a very modest effort to require a finding of fact upon which regulations may be based, and then to give a man his day in court. Under the strange procedure being followed by the Emergency Court of Appeals a citizen is not having his day in court now. The amendment seeks to remedy the defect.

Mr. MONRONEY. Mr. President, since a vote on the amendment offered by the Senator from Kansas [Mr. SCHOEPP] will be determinative of the issue, and because I feel the second part of the amendment is the business part of the amendment, I withdraw my amendment to the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma withdraws his amendment to the amendment.

The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. SCHOEPP].

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Virginia [Mr. BYRD], the Senator from Iowa [Mr. GILLETTE], the Senator from Nevada [Mr. McCARRAN], the Senator from Maryland [Mr. O'CONOR], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMahan] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Montana [Mr. ECTON], the Senator from North Dakota [Mr. LANGER], and the Senator from

Pennsylvania [Mr. MARTIN] are absent on official business.

The Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Oregon [Mr. MORSE], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

If present and voting, the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] would each vote "yea."

The result was announced—yeas 33, nays 37, as follows:

YEAS—33

Bennett	Hickenlooper	Nixon
Bridges	Ives	Saltonstall
Butler, Nebr.	Jenner	Schoeppel
Capehart	Johnson, Colo.	Seaton
Case	Kern	Smith, Maine
Cordon	Knowland	Smith, N. J.
Dirksen	Malone	Thye
Dworschak	McCarthy	Watkins
Eastland	McClellan	Welker
Ferguson	Millikin	Wiley
Hendrickson	Mundt	Williams

NAYS—37

Anderson	Hoey	McKellar
Chavez	Holland	Monroney
Clements	Humphrey	Moody
Connally	Hunt	Neely
Douglas	Johnson, Tex.	Pastore
Ellender	Johnston, S. C.	Robertson
Frear	Kerr	Smathers
Fulbright	Kilgore	Smith, N. C.
George	Lehman	Sparkman
Green	Long	Stennis
Hayden	Magnuson	Underwood
Hennings	Maybank	
Hill	McFarland	

NOT VOTING—26

Aiken	Ecton	Morse
Benton	Flanders	Murray
Brewster	Gillette	O'Connor
Bricker	Kefauver	O'Mahoney
Butler, Md.	Langer	Russell
Byrd	Lodge	Taft
Cain	Martin	Tobey
Carlson	McCarran	Young
Duff	McMahon	

So Mr. SCHOEPP's amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Kansas was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table the motion to reconsider was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. McFARLAND. Mr. President, I wish to try to obtain a further unanimous-consent agreement. I believe this will be the last attempt.

I ask unanimous consent that further amendments to the pending bill be limited to the two amendments by the Senator from South Dakota [Mr. CASE], one amendment by the senior Senator from New York [Mr. IVES], one amendment by the junior Senator from New York [Mr. LEHMAN], one amendment by the senior Senator from South Carolina [Mr. MAYBANK], and one amendment by the junior Senator from Texas [Mr.

JOHNSON], and amendments to those amendments.

Mr. KNOWLAND. I object.

The PRESIDING OFFICER. Objection is heard.

The bill is open to further amendment.

Mr. CASE. Mr. President, I call up my amendment identified as "6-5-52-A"; and I offer it at this time in modified form.

I send to the desk the amendment as modified.

The PRESIDING OFFICER. The amendment as modified will be stated.

Mr. MAYBANK. Mr. President, I hope we may have order in the Chamber, so that all of us may clearly understand what is said regarding this amendment, for this is a late hour for amendments of this sort to be offered, inasmuch as the amendment proposes that an entirely new subject be injected.

The PRESIDING OFFICER. The modified amendment of the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. At the proper place, it is proposed to add a new section as follows:

SEC. . Limited Arbitration for Emergency Production. For the period of this act, the President shall appoint, by and with the advice and consent of the Senate, an Emergency Production Council of 15 members familiar with the problems of production and the relationships of management and labor. If, during the effective period of this act, the President finds that a labor dispute imperils the national security and that the procedures of the Labor-Management Relations Act, 1947, or the National Railway Labor Act, as amended, have been exhausted in any dispute to which they might apply, he shall forthwith create an Emergency Production Board of five members, selected from the Emergency Production Council, none of whom shall have a direct pecuniary or prejudicial interest in the particular dispute at issue. This Board shall have the power of subpoena and may, subject to the approval of the Director of the Bureau of the Budget, call upon other Federal agencies for personnel, services, and facilities. The Board shall promptly investigate the issues involved in the dispute which occasioned its creation and within 30 days shall recommend to the parties an award on issues involving wages, hours, and working conditions. During this 30-day period, or as much thereof as shall be required for making the award, neither party to the dispute shall order or authorize a lock-out or a strike. The award of such Emergency Board shall be observed by both parties for a period of 120 days, during which time the Federal Mediation and Conciliation Service shall endeavor to obtain an agreement of the parties to all issues involved in their dispute. In the event that management fails to observe the award during the 120-day period, the President is authorized to take and operate the industry on the terms of the award for the balance of the 120 days through such agency as he may designate. In the event of Government operation it shall be the duty of the representative of the employees not to induce or direct a strike, slowdown, or other concerted action that would interfere with production; or, in the event that a strike, or slowdown is in effect, it shall be the duty of such representative to induce in good faith the cessation of such strike or slowdown. Members of an Emergency Board shall be entitled to receive a per diem of \$50 and expenses for such time as they may be assigned to a dispute. All powers and authority conferred

by this section shall expire with the expiration of this act.

Mr. CASE. First, Mr. President, let me inquire of the distinguished majority leader whether it is intended to have the Senate proceed with further debate at this time.

Mr. McFARLAND. Mr. President, I thought perhaps the distinguished senior Senator from California [Mr. KNOWLAND] would withdraw his objection, and then we could take a recess until 10 o'clock tomorrow morning.

Mr. KNOWLAND. Mr. President, it may be possible for us to work out an agreement. In the meantime, cannot we proceed for a little while?

Mr. McFARLAND. We can proceed; but I dislike very much to have the distinguished Senator from South Dakota compelled to make his argument now, when his amendment would be voted on tomorrow; but perhaps he would just as soon use some of his time now.

Mr. CASE. I would rather put the argument and the vote together.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. CASE. I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, this is another seizure plan. The Senate has voted down every seizure plan presented thus far. I do not think the Senator need make an elaborate argument, and I do not think those who oppose seizure need make any argument. Let us act on the amendment and finish with this bill tonight, because the Senate is not going to vote for any seizure proposal, and the Senator from South Dakota well knows that to be true.

Mr. CASE. No, Mr. President; the Senator from South Dakota does not know any such thing. The action which has been taken on seizure amendments up to this time has been taken in respect to straight-out seizure amendments—amendments quite different from the amendment which the Senator from South Dakota has offered—and he thinks that, with an open-minded approach, it might get somewhere. The Senator from South Dakota does not want to come back here for a special session about the latter part of August or the first of September. We have a situation to face and we might as well face it now and try to do something that will take care of the situation, if and when, either in the steel industry or in some other industry, there occurs a strike imperiling the national security, and calling for action beyond and after the procedures of the Taft-Hartley Act have been exhausted.

Mr. ROBERTSON. Mr. President, will the Senator yield to me that I may make a suggestion?

Mr. CASE. I yield.

Mr. ROBERTSON. The Senator from Virginia earlier in the day inquired among a number of his Republican colleagues whether there could be any kind of seizure proposal which they would support. The unanimous reaction he got was, "We want any seizure bill sent to an appropriate committee for adequate hearings and careful consideration, and it would be useless for you, on

the Democratic side, to offer any kind of modified seizure plan because we do not propose to support any seizure bill." And that is about the way the vote has been going.

Mr. CASE. The Senator from Virginia may be correct.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CASE. May I inquire how much time I have remaining under the agreement?

The PRESIDING OFFICER. The Chair is advised that on the seizure amendment 30 minutes to a side has been allotted, and the Chair therefore is of the opinion that the Senator from South Dakota had 30 minutes when he began. Some of his time has elapsed.

Mr. CASE. Mr. President, the Senator from South Dakota rarely makes an elaborate argument, and I think I can state, in very few words, what this amendment proposes, and thus get the issue clearly before the Senate.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. CASE. I yield, provided I do not lose some of my time.

Mr. McFARLAND. Mr. President, I know the Senator did not want to speak tonight. I wondered whether the Senator from California had checked into the matter and was in a position to state whether he would withdraw his objection.

Mr. KNOWLAND. No. I shall have to wait until my colleague returns.

Mr. McFARLAND. Would the Senator like to reserve an amendment for his colleague? Would that be sufficient?

Mr. KNOWLAND. I may say to the Senator that there is a situation which affects only the State of California. The senior Senator from California was absent for 10 days, and was not present at the time the unanimous-consent agreement was entered into relative to the question of germaneness. The amendment is, I believe, germane in the sense that it deals with and would amend the Federal housing provisions. In Los Angeles the city council, by its vote and in conformity with what we think is the letter as well as the spirit of the law, took certain action. Then, by a vote of the people last Tuesday, the action which had been taken by the city council was confirmed. I should like opportunity to be afforded to my colleague the junior Senator from California and myself to have acted upon by the Senate an amendment dealing with that subject matter, which amendment can be voted up or down. Inasmuch as I was absent when the unanimous-consent agreement was entered into, if it could be done, I would be willing to agree with that understanding.

Mr. McFARLAND. I would not want to agree as to the germaneness of such an amendment, but I certainly would be willing to have the Senator accorded the right to submit his amendment, and would be willing to add his amendment to the list, since it is no more than fair that he have the opportunity, if other Senators are to have the opportunity.

Mr. KNOWLAND. But I would like to have the chairman of the Banking and

Currency Committee see the specific amendment, so that he would know what it was, and see whether it could be added to the bill.

Mr. McFARLAND. The Senator could determine that tomorrow, could he not?

Mr. KNOWLAND. No; because I want to have the matter very clear, and I want to have the question of germaneness settled.

Mr. McFARLAND. I may say to my good friend from California, I do not think that question can be definitely settled until the Chair passes on it.

The PRESIDING OFFICER. The question of germaneness is a question which is referred to the Senate, generally.

Mr. McFARLAND. The Chair has just stated that it is a question which would be referred to the Senate. If the Senator would like to reserve the right to offer his amendment tomorrow, I would be happy to give him that privilege.

Mr. KNOWLAND. Then, of course, the only point is, at this time, if the question of germaneness were raised, the question would then be referred to the Senate. Is that correct?

Mr. McFARLAND. That is the situation.

Mr. McKELLAR. It would be referred to the Senate without debate.

Mr. KNOWLAND. With that understanding—and I do not want to interfere with the proceedings of the majority leader in this situation—I shall offer the amendment on behalf of my colleague, the junior Senator from California, and myself, and ask that it be printed and ordered to lie upon the table; and we shall ask for its consideration by the Senate tomorrow. As I have said, it affects only the State of California and the city of Los Angeles.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

UNANIMOUS-CONSENT AGREEMENT

Mr. McFARLAND. Mr. President, I will add to my proposed unanimous-consent agreement the amendment which has just been offered by the senior Senator from California for himself and the junior Senator from California, and ordered to be printed and to lie on the table, and, of course, any amendment or amendments to the amendment.

Does the Chair desire me to restate the unanimous consent request?

The PRESIDING OFFICER. It might be well to do so.

Mr. McFARLAND. I ask unanimous consent, in order that there may be no mistake, that the amendments proposed to this bill be limited to the two of the junior Senator from South Dakota [Mr. CASE]; one of the senior Senator from New York [Mr. Ives]; one which has just been mentioned, on behalf of the junior and senior Senators from California; one, of the junior Senator from New York [Mr. LEHMAN]; one, of the Senator from Texas [Mr. JOHNSON]; and one, of the Senator from South Carolina [Mr. MAYBANK], and any amendments to the amendments.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. MAYBANK. With that understanding, of course, I am willing to send my amendment to the desk. I shall probably modify it.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the majority leader? The Chair hears none, and it is so ordered.

Mr. MAYBANK submitted an amendment intended to be proposed by him to the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, which was ordered to lie on the table and to be printed.

Mr. McFARLAND. Mr. President, since the agreement has been entered, I yield to the senior Senator from Utah for an insertion in the RECORD. I hope the Senator will not make a speech.

Mr. CASE. Mr. President, if I understand correctly all of the time, since I first yielded to the Senator from Arizona, has been charged to him, or has been merely open time. Am I correct?

The PRESIDING OFFICER. The Senator from South Dakota is correct.

Mr. CASE. And am I also correct in my understanding that I shall have the floor when the Senate reconvenes?

The PRESIDING OFFICER. The Senator from South Dakota will have the floor when the Senate reconvenes.

REPORT OF THE INTERNATIONAL DEVELOPMENT ADVISORY BOARD ON THE POINT 4 PROGRAM

Mr. WATKINS. Mr. President, the International Development Advisory Board was established by the President in September 1950 to advise and consult on general and basic policy matters arising in connection with the point 4 program authorized by Congress in the Act for International Development.

Recently, under the chairmanship of the Honorable Eric Johnston, that Advisory Board has completed its labors and has made a report to the President. One may or may not agree with the recommendations in this report, but it seems to me to deal with a very important subject, and that it should be available to Members of the Congress who may desire to make a study of it. Moreover, it should have a wider circulation. For that reason, I ask unanimous consent to have printed in the body of the RECORD the report of Mr. Johnston and the Board to the President of the United States regarding the point 4 program.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The International Development Advisory Board was established by the President in September 1950 to advise and consult on general and basic policy matters arising in connection with the point 4 program authorized by Congress in the Act for International Development.

These recommendations of the Board relate specifically and exclusively to the bilateral technical cooperation programs authorized under the act and administered by

the Technical Cooperation Administration of the Department of State.

They do not relate to the programs of military aid and economic assistance now being prosecuted by other agencies of the Government to implement the foreign policy of the United States. These programs—together with point 4—form a total pattern of action to extend American economic support and assistance to the other nations of the free world.

The Board is here concerned only with that part of the total pattern authorized by the Congress in the Act for International Development—the technical cooperation program now identified most directly with the idea projected by the President as point 4 of his inaugural statement of foreign policy.

These recommendations are intended to clarify and identify the nature and scope of the point 4 program, as the Board sees it, and to offer helpful guidelines along which it hopes the program may progress even more swiftly to real accomplishment.

NATIONAL POLICY

The Act for International Development says—

That we have an interest in the freedom and in the economic and social progress of all peoples.

That such progress can further the secure growth of democratic ways of life, the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace.

That it is the policy of the United States to advance these broad objectives of world well-being by helping the people of underdeveloped areas to develop their resources and improve their working and living conditions.

That the United States will implement this policy by encouraging the exchange of technical knowledge and skills and the flow of investment capital to underdeveloped countries.

That these countries must provide conditions under which our assistance and capital will be effective in raising standards of living, creating new sources of wealth, increasing productivity, and expanding purchasing power.

OBJECTIVES

Point 4 objectives might therefore be stated in this way—

To help the people of underdeveloped countries realize the economic progress and political freedom which is the common aspiration of the common man wherever he may be.

To demonstrate that the democratic way is the surest way to realize this hope * * * and to make the aspiration for a better life the parent of adjustment rather than the nursery of communism.

To develop new sources of wealth and higher levels of productivity in order to strengthen not only the underdeveloped countries but the entire community of nations of the free world.

TIME FACTOR

The act for international development clearly contemplates a long-range program.

Point 4 is developmental. It is an instrument of orderly change, an attack upon the status quo.

The Board believes that any serious departure from this concept will tend to diminish the acceptance and effectiveness of the program.

It believes that point 4 cannot and should not encompass operations calculated to produce quick results through large and dramatic projects.

At the same time, the Board recognizes that it may be necessary or advisable, in certain circumstances, to accelerate or ex-

pand operations in one country or another. This should be done, however, without resort to measures at variance with the fundamental character of point 4.

The Board believes the point 4 program, so far as the time factor is concerned, should be thought of this way:

"Development is a state of mind. People have to develop themselves before they can change their physical environment and this is a slow process. It involves changes in relations between classes and races. It requires the improvement of governmental organization and operation; the extension of social institutions, schools, courts, and health services. These things take much longer than the building of factories and railroads and dams. Habits of thought and of conduct are the most stubborn obstacles to development." (Robert L. Garner, vice president, International Bank for Reconstruction and Development.)

RELATION TO OTHER FOREIGN AID

The Act for International Development contains no indication that the point 4 program is to be related directly or indirectly to military defense activity abroad.

Other agencies functioning under the Mutual Security Act are concerned with programs of direct military aid and economic assistance.

The Board believes there is a fundamental distinction between the philosophy underlying point 4 and the philosophy underlying programs of direct military assistance.

It believes these philosophies and the programs deriving from them should be kept separate and apart. It believes that point 4 operations are fully justifiable without reference to military or military-support objectives.

The Board feels that the creation of sound economic defenses against political aggression is as necessary as the creation of military defenses against armed aggression.

LINES OF ACTION

The Act for International Development contemplates two lines of action to implement point 4:

On the one hand, a program of technical cooperation calculated to help the peoples of the underdeveloped countries acquire the knowledge and skill they need to develop their own economic resources and productive capacity.

On the other hand, an effort to encourage private capital, both domestic and foreign, to invest in enterprises conducive to the economic development and stability of these countries.

The Board believes that point 4 is neither one nor the other of these but both. They should be pursued with equal vigor. They should be integral parts of a balanced and coordinated developmental plan.

This is not to disregard the question of emphasis. First things come first—and in most of the less-developed countries, the first thing, obviously, is to attack the fundamental problems of hunger, disease, and illiteracy.

The Board believes, therefore, that technical cooperation directed toward an alleviation of these elementary problems should normally have priority in terms of time.

The Board believes, however, that the attack upon these problems should include efforts to improve existing industrial facilities and encourage new industrial developments through private capital investment.

It believes that sound industrial development can contribute to the social and economic well-being of the people of a country no less than direct technical assistance. It believes that the development of industrial and commercial potentials may often be the means of financing greater economic and social advancement.

GRANTS-IN-AID OF TECHNICAL COOPERATION

The Act for International Development authorizes the President "to make * * * advances and grants-in-aid of technical cooperation programs to any person, corporation, or other body of persons, or to any foreign government or foreign government agency."

The Board notes that advances and grants are to be made in aid of technical cooperation program. It believes that grants and advances under the act should, therefore, be incidental to the main purpose of helping people to help themselves.

The Board believes that grants, whether of money, material, supplies, or equipment, should be employed only as the means to an end. They should not be permitted to become the end itself.

At the same time, the Board clearly recognizes the importance of providing tools to make the work of technicians effective. Whether these tools are in the form of machines for an industrial project, improved seeds for an agricultural project, of vaccines or setethoscopes for a public-health project, of books and blackboards for an educational project—their form is beside the point, so long as the purpose of helping to impart knowledge and stimulates self-help is clear.

The Board believes the grant-in-aid authority was intended to be used for one purpose only—to provide the wherewithal of an effective technical cooperation program. It believes it neither feasible nor wise to attempt to limit grants in aid by establishing a fixed ratio between expenditures for supplies and equipment and expenditures for technicians and training. This is an equation that will differ greatly from country to country and project to project, as the circumstances in each case differ.

The Board believes the grant-in-aid authority should be used only to provide material, equipment, or supplies which cannot be furnished by the cooperating government itself.

FAIR SHARE

The Act for International Development provides that—

"Assistance shall be made available only where the President determines that the country being assisted pays a fair share of the cost of the program."

The Board fully subscribes to the fair-share concept as a matter of principle.

It believes the point 4 program will be effective in proportion to the stake the cooperating countries have in its success.

The Board believes insistence on the fair-share principle is the surest way to avoid the implications of a give-away program and put point 4 objectives on a sound cooperative basis.

The Board believes, however, that the fair share of a cooperating country should not be computed solely in terms of direct allocations by the host government for specific projects.

Instead, the Board believes the fair share of the cooperating country should include cash, supplies, equipment, facilities, and services, which the government, municipalities, or the people concerned may contribute directly and expressly to the prosecution of a specific project.

The Board believes that the fair share so calculated, should, at a minimum over any reasonable period, be in the ratio of at least 1 to 1. It believes, moreover, that the fair share of the cooperating country should increase gradually as the program develops and economic well-being increases until, ultimately, the country assumes full responsibility.

INDUSTRIAL DEVELOPMENT

The Act for International Development authorizes technical assistance programs "to assist other interested governments in the formulation of programs for the balanced

and integrated development of the economic resources and productive capacities of economically underdeveloped areas."

The Board believes that the balanced and integrated development of economic resources and productive capacities calls, in many cases, for the improvement of public works and local industrial facilities and, where circumstances warrant, the development of new industrial and commercial enterprises.

The Board feels that emphasis on improvement in agricultural techniques, public health standards, and education should not be permitted unduly to delay the extension of technical assistance for industrial development. It believes, on the contrary, that in some instances improvements in agriculture, education and health and other community services, will demand increasing emphasis on the development of local industries and commerce.

The Board believes, therefore, that the assistance of technicians and experts in industrial development and management should be made available as an integral element of the technical assistance program.

The Board is opposed in principle to the use of point 4 funds for direct grants of capital for private industrial and commercial development.

PRIVATE CAPITAL

The Act for International Development puts equal reliance upon technical cooperation and private capital investment to do the point 4 job.

The Board believes that technical cooperation alone, on any conceivable scale, will be inadequate to give the underdeveloped countries the degree of economic strength and stability that represents the point 4 objective.

The Board believes that economic development, in the full sense of the term, requires an investment of capital resources far in excess of any amount now or likely in the future to be available from public funds.

The Board believes that positive efforts to open the way for economic and social development through the investment of private capital, local and foreign, are urgently necessary and indeed indispensable to the ultimate success of the point 4 program.

It believes that steps to this end should be taken without delay, through incentive legislation, negotiation of commercial treaties, and exploration of investment potentials in the underdeveloped countries.

The Board believes that foreign capital should be encouraged to invest in the underdeveloped countries in partnership with local capital and in a spirit of cooperation rather than of exploitation. It believes that foreign capital in these countries should be creative as well as profitable; contributing to economic growth and better lives for the people of the country, recognizing their national pride and national interests. It should make friends, not lose them.

The Board believes the initiative in developing a rounded program to encourage private investment under the Act for International Development should come from the agency designated by the President to administer that act. It believes this initiative should be expressed, however, in terms of enlisting the active participation of other agencies in matters properly coming within their special fields of competence, such as the negotiation of commercial treaties, etc.

PARTICIPATION OF PRIVATE AGENCIES

The Act for International Development stipulates that "the participation of private agencies and persons shall be sought to the greatest extent practicable" in carrying out the point 4 program.

The Board believes this provision opens the way for a considerable expansion of point 4 activities abroad through the facilities of

private organizations, communities, universities, philanthropic institutions, and similar voluntary agencies.

It believes that the efforts of these private institutions can often be more effective than governmental operations and that they should be employed to supplement and strengthen the point 4 program in each of the underdeveloped areas.

The Board notes that the assistance of voluntary agencies, in the language of the act, should be "sought" and not merely accepted if proffered.

This implies the necessity of positive steps to enlist their cooperation and the need of coordination and direction to avoid diffuse and ill-advised undertakings.

The Board believes that TCA, as the agency responsible for administering the Act for International Development, should be prepared to supply these essential elements of coordination and direction.

RECESS

Mr. McFARLAND. I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 12, 1952, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 11 (legislative day of June 10), 1952:

DIPLOMATIC AND FOREIGN SERVICE

Burton Y. Berry, of Indiana, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iraq, vice Edward S. Crocker 2d.

James S. Morse, Jr., of Arkansas, a Foreign Service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Republic of Syria, vice Cavendish W. Cannon.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Robert N. Allen, of Oklahoma.

Richard J. Bloomfield, of Virginia.

Donald E. Borgen, of Idaho.

Frederic L. Chapin, of the District of Columbia.

Edward R. Cheney, of Vermont.

Arva C. Floyd, Jr., of Georgia.

Miss Elizabeth J. Harper, of Missouri.

Michel A. Hosler, of Illinois.

Edward L. Killham, of Illinois.

Lyle F. Lane, of Washington.

Ralph E. Lindstrom, of Minnesota.

William G. Marvin, Jr., of California.

Dudley W. Miller, of Colorado.

Hugh B. O'Neill, of Connecticut.

Miss Grace F. Schuettner, of Missouri.

Charles W. Thomas, of Illinois.

William W. Thomas, Jr., of North Carolina.

Frank A. Tinker, of Michigan.

Chester R. Yowell, of Missouri.

IN THE ARMY

Lt. Gen. John Reed Hodge, O7285, Army of the United States (major general, U. S. Army), for appointment as Chief, Army Field Forces, with the rank of general, under the provisions of section 504 of the Officer Personnel Act of 1947.

Maj. Gen. John Taylor Lewis, O7000, United States Army, for appointment as commanding general, Army Antiaircraft Command, with the rank of lieutenant general, under the provisions of section 504 of the Officer Personnel Act of 1947.

22,500 persons); and 2,000 experienced trade persons who had been prepared by the division in the techniques of teaching.

This picture is similar in the present emergency with somewhat greater resources in plant and equipment.

In this respect, Massachusetts still, as in the days of Paul Revere, stands ready when anything new or ingenious in the mechanical line is wanted for the public service to supply modern Paul Reveres, competent workers and good citizens.

The Steel Situation

EXTENSION OF REMARKS OF

HON. JAMES C. AUCHINCLOSS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 11, 1952

Mr. AUCHINCLOSS. Mr. Speaker, I am grateful for this opportunity to express my views and reactions to the President's message on the steel situation, which he delivered in person to the Congress yesterday, June 10, and I may add that his appearance before the Congress came as a surprise to many of the Members. I have read the President's address carefully and I am disturbed by the statement made in the fifth paragraph of his address where he says:

Meanwhile, some of the steel companies had instituted court proceedings for the purpose of challenging the President's power to keep the steel mills in operation. This case reached the Supreme Court and on Monday, June 2, a majority of that Court decided that the President did not have the power, in this instance, to operate the mills.

This is not an accurate statement because the challenge was whether the President had the power to seize private property and had nothing to do with the operating of the plants. The Court decided that the President had no right to seize private property without appropriate legislation enacted by the Congress. It is a pity, in view of the seriousness of this whole situation, that the President was not more scrupulous in the accuracy of his statement.

While I listened attentively to what the President said and while later I read in a studious frame of mind his entire speech, I cannot get away from the feeling that political expediency prompted his sudden appearance before the Congress.

The facts in the present situation are that the negotiators have agreed on all the principal matters in dispute except the imposition of a union shop in the steel industry, and I can readily understand the reluctance of the industry to agree to compulsory union membership before a man can get a job. To me, that would be un-American and would abridge the rights and privileges of free labor. Another fact is that there is a law on the statute books known as the Taft-Hartley Act, which the President refuses to put into operation, and such an attitude of nonlaw enforcement comes pretty close to violating his oath of office. It should be pointed out that the Taft-Hartley Act provides for a vote

by a secret ballot on the part of employees as to whether they wish to accept, or reject, the final offer of the operators. This, of course, is the truly democratic way of doing business, and I regret that it seems repugnant to the union leaders. A strike in the steel industry is serious and, of course, it should be settled as promptly as possible, but I venture to state that it would be settled under the normal process of collective bargaining if the meddlesome and biased attitude of Government officials had not interfered and injected partisan politics into the situation.

I append to these remarks a statement on the situation made by Ernest T. Weir, chairman of the National Steel Corp., on June 10, which clearly sets forth the attitude of the steel operators:

On request today, I gave the following statement to the United Press:

"President Truman, in his statement today, gave no recognition to the fact that only one real issue remains in the Steel case.

"That is the issue which would require steel companies to impose compulsory union membership on employees who do not want to join the union. The steel industry can never be a party to such an action.

"We in the steel industry certainly believe that any employee has every right to become a union member by his own free choice. But we do not believe that steel companies or anyone else, including the President of the United States, has the right to force on him the alternative of joining a union or losing his job.

"The wage increase and other benefits included in the third and final offer of the steel companies yesterday amount to a total cost of 24.6 cents per hour. This is more than 80 percent of the total amount recommended by the Wage Stabilization Board. This would be the largest wage advance in the history of the steel industry.

"Obviously, the only reason that the union has rejected this offer, which goes so far toward meeting its economic demands, is because the steel companies refuse to become parties to the imposition of compulsory union membership.

"In view of these facts, it is my opinion that the real reason behind Mr. Truman's request for statutory authority to seize the steel industry is to obtain the power for Government to grant the union's demand for this imposition of compulsory union membership.

"In today's statement, as on previous occasions, President Truman chose to ignore the fact that one of the main provisions of the Taft-Hartley Act calls for a secret ballot vote by employees on whether they wish to accept the companies' final offer.

"I believe that this is the democratic process which should be employed rather than the autocratic course of Government seizure."

ERNEST T. WEIR,

Chairman, National Steel Corp.

Question of the Week

EXTENSION OF REMARKS OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 28, 1952

Mr. BENDER. Mr. Speaker, is your television set ready for July 7?

Ferguson-Sadlak Amendment to DPA

EXTENSION OF REMARKS OF

HON. ANTONI N. SADLAK

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 11, 1952

Mr. SADLAK. Mr. Speaker, one of the most controversial amendments on Capitol Hill today is the Ferguson amendment included in the Senate version of the Defense Production Act extension now nearing a final vote in that body. An identical proposal, H. R. 7157, was introduced by me on March 20, 1952, and I urged the House Banking and Currency Committee in personal testimony on May 28 to add the amendment to the bill which it will report shortly for action in the House to extend the DPA.

In order to acquaint the House with the reasons for this corrective proposal it is believed that the report which I submitted as chairman of a special committee assigned to study the effects of International Materials Conference actions on the electrical industry, particularly from the standpoint of unemployment, should be made available at this time. Associated with me in the preparation of this report were my colleagues, Messrs. ADAIR, of Indiana; BRAY, of Indiana; BUTLER of New York; CORBETT, of Pennsylvania; DEVEREUX, of Maryland; MORANO, of Connecticut; SCHENCK, of Ohio.

The report charges that if the United States were allotted its rightful share of the free world copper supply, this country would receive 55.6 percent of the total. Instead, the United States allocation by IMC, as the supercartel is known, is only 49.1 percent—a deficiency of 6.5 percent resulting in a staggering loss to American industry and American workingmen of the use of some 214,000 tons of copper a year.

The Ferguson-Sadlak amendment will make ineffective the International Materials Conference which is operating without statutory authority and will make more copper available to all American industry and American workingmen.

Permission having been obtained, the committee report is attached:

On March 10, 1952, some 70 Republican Members of the House of Representatives met at the call of Representative JOSEPH W. MARTIN, Jr., of Massachusetts, House minority leader, to discuss the International Materials Conference and the unemployment and hardship the conference has brought about. The Members present represented areas where unemployment has resulted because of materials shortages, which in turn were largely traceable to the actions of the International Materials Conference.

At the close of the meeting, Mr. MARTIN appointed four committees to study and report on various aspects of the problem that had been created by the International Materials Conference. These committees were to examine the electrical manufacturing industry, the automotive industry, various consumer industries, and the question of the legality of the International Materials Conference.

Following a month of study of the IMC and its many ramifications, this committee, which was assigned to examine the electrical

industry, has reached certain conclusions. Before stating the conclusions, however, it is necessary, for the sake of a clear understanding of the problem, to start with the background of the IMC itself and outline its development since its start more than a year ago. In this report, emphasis is placed on IMC actions affecting the supply of copper, the basic material which has been the major determining factor with regard to the production rate and employment in the electrical industry.

BACKGROUND OF IMC

The story of the International Materials Conference goes back to December 1950, when Clement Attlee, then Socialist Prime Minister of Great Britain, came to Washington to visit President Truman and request a larger share of the world's key commodities. Messrs. Truman and Attlee agreed to form an intergovernmental organization specifically designed to handle the problem of raw materials. The French Government was then consulted, and on January 12, 1951, the United States State Department issued a release announcing the formation of what was to become the International Materials Conference.

The purpose of the new organization, according to the release, was to "bring about cooperation among the free countries of the world to increase the production and availability of materials in short supply and to assure their most effective use." Thus, the IMC's birth was accompanied by a flow of vague, high-sounding verbiage that gave little hint of the damage the organization would eventually cause in the electrical and many other important industries.

However, the third paragraph of the State Department release gave a strong indication that the IMC was intended to wield worldwide power in dividing up the resources of the various countries. The release stated that "commodity problems cannot be dealt with on a regional basis but must take account of the needs and interests of the whole free world."

The release also disclosed that it was the Government of the United States, under the prodding of Socialist Prime Minister Attlee, that was taking the most prominent role in organizing the IMC. The release stated that "the Government of the United States has * * * agreed to send invitations immediately to other interested friendly governments" for the establishment of committees to deal with key raw materials.

ORGANIZATION OF IMC

IMC headquarters were established in Washington, initially in a State Department building at 1778 Pennsylvania Avenue NW., and now in the new Cafritz Building, 1625 I Street NW.

IMC now consists of a headquarters body called the Central Group and seven standing committees. The Central Group consists of representatives of the three original members—the United States, the United Kingdom, and France—plus Canada, Italy, India, Australia, and Brazil. Also represented on the Central Group are the Organization of American States and the Organization for European Economic Cooperation.

Each country has one representative plus alternates on the Central Group. The present United States representative is James F. King, who also has the title of Deputy Administrator for International Activities and Defense Materials in the Defense Production Administration. Mr. King was appointed to the Central Group on April 23, 1952, succeeding Gabriel Ticoulat, who returned to the Crown Zellerbach Corp. Mr. King has been a Federal employee since 1938.

Participating countries have one representative plus alternates and advisers on the various commodity committees. Committee meetings are held in Washington.

So far, seven committees have been formed. They are: Copper, zinc, and lead; sulfur; tungsten and molybdenum; manganese, nickel, and cobalt; cotton and cotton linters; wool; pulp and paper.

According to a recent speech by Edmund Getzin of the Nonferrous Branch, Office of Materials Policy, United States State Department, memberships in each committee are limited to those countries "which have a substantial production or consuming interest in the commodities concerned." Twenty-eight countries are now represented on one or more committees. Mr. Getzin stated that "for most commodities, member countries together account for between 80 and 90 percent of production and consumption in the free world."

However, it is important to note that the allocations drawn up by IMC apply to non-member countries just as to member countries. As Mr. Getzin bluntly said in his speech, the seven committees "are virtually autonomous bodies free to consider any aspect of the problem of world shortages in the commodities concerned." This is a frank statement that the IMC committees have, in their own opinion at least, unlimited power over the raw materials of the entire free world.

WHAT IMC HAS DONE

IMC committees have placed seven basic materials under allocation—sulfur, tungsten, and molybdenum beginning in the third quarter of 1951, and copper, zinc, nickel, and cobalt beginning in the fourth quarter of 1951. New allocations have been ordered for succeeding periods.

Other commodities studied by the committees have not been placed under allocation so far. Supply and demand in manganese, according to Mr. Getzin, were judged to be about in balance. Cotton and cotton linters, while in short supply last year, were expected to be much easier. The wool committee could not agree on how bad the wool shortage was and what should be done about it. The pulp and paper committee, while it has made relatively small allocations of newsprint, has not imposed an over-all allocation system.

EFFECTS OF IMC ON THE ELECTRICAL INDUSTRY

A principal effect of IMC has been to divide up the resources—and the jobs—of the American people and to lower their living standards.

This is shown clearly in the case of copper. An IMC news release of December 20, 1951, announced that the United States allotment of copper in the first quarter of 1952 would be 366,000 metric tons, or 403,000 short tons. It turns out that this is also the approximate amount of primary copper that the National Production Authority authorized for United States usage in the first quarter of 1952. So it is apparent that United States consumption of copper—and this means jobs in factories throughout the United States—is being controlled by this supercartel called the International Materials Conference.

The IMC release announcing the copper allocations spoke of an "entitlement for consumption" for each country. This is a strange new term that has been dreamed up by the people who like the idea of trying to rule the world. It is this entitlement for consumption that determines whether thousands of workingmen in Massachusetts, Connecticut, New York, Pennsylvania, Maryland, Ohio, Indiana, Michigan, and other metal-fabricating States will have jobs or will go on the dole.

It is the entitlement of consumption that bars electrical manufacturers and other enterprising businessmen from scouring the markets of the world to find a relatively small amount of copper that would mean the difference between the job and the dole.

On January 9, 1952, Charles E. Wilson, then Director of Defense Mobilization, speaking of the possibility of going out into the world

market to obtain whatever copper we need, said: "In the case of copper, it isn't worth it for this Nation to go out and to pay higher prices and to get only a minor addition of the material." He said that "efforts are under way to get a better allocation of copper for the United States from the International Materials Conference."

Mr. Wilson ignored the fact that the barrier is not one of price, and Manly Fleischmann, Defense Production Administrator, has taken the same position as Mr. Wilson. The crux of the matter is that the people who need copper are absolutely prohibited from trying to buy it in world markets regardless of price. Messrs. Wilson and Fleischmann, through the demoeconomic allotment system set up by their agency, have provided the mechanism that prevents American manufacturers from using any more materials than the IMC says they are entitled to use.

IS IMC'S COPPER ALLOTMENT TO UNITED STATES FAIR?

This question can best be answered by applying the very yardsticks which Mr. Fleischmann says his agency uses. When Mr. Fleischmann, representing Mr. Wilson, appeared before the Senate Banking Committee on March 21, 1952, to discuss IMC, he stated the following regarding IMC allocations:

"The share of world supply recommended for the United States has in every case corresponded closely with the share the United States secured for itself in the days of free competition for supplies in the years of 1948, 1949, and 1950."

Then Mr. Fleischmann went on to give the following explanation of how IMC allocations were computed:

"The basis of allocation in most of these metals is this: The defense production, the mobilization contribution of each country, is assessed as carefully as can be by us, and that amount of copper for the mobilization effort of each country is first set aside. That is a preferred use, you see, in each one of the countries that is contributing anything to our mobilization effort. After that, an estimate is made of the available balance of the world supply in accordance with the estimates of probable supply, and that amount, which is the amount going to the civilian economy, is then divided on a historical basis."

Then Senator BRICKER made the following comment:

"This International Conference is distributing the copper and other strategic minerals to countries who are taking no part in the defense program."

Mr. Fleischmann replied:

"They are sharing only on a percentage use, based on their civilian use. In other words, unless they are contributing to the mobilization program, they get no recognition in the mobilization effort."

Both of Mr. Fleischmann's explanations cannot be correct. If there is a preferred allocation for defense, as he says, the United States would logically get the largest share of such an allocation. Therefore, our total share would be larger than in the years 1948-1950. Yet Mr. Fleischmann has just declared that the United States' share under IMC corresponded closely with the 1948-1950 share.

THE FIGURES ON COPPER

When Mr. Ticoulat, then Deputy Administrator of the Defense Production Administration, appeared before the Senate Banking Committee with Mr. Fleischmann on March 21, 1952, he stated copper was allocated by IMC on the following basis:

"A priority for direct defense requirements, provision for minimum strategic stockpiles, and the distribution of the remaining supply for civilian requirements on the basis of consumption in 1950."

Mr. Ticoulat gave the following figures on United States copper consumption prior to IMC:

[In short tons]			
	Total free world supply	United States consumption	United States consumption in percent of total supply
Quarterly average:			
1949.....	622,250	296,250	47.6
1950.....	749,150	354,250	47.3
1951.....	727,500	338,330	46.5

Then Mr. Ticoulat gave the following figures on "the results of the IMC recommendations as they affect the United States":

	Total free world supply	United States share	United States percent of total
Fourth quarter, 1951.....	749,100	367,900	49.1
First quarter, 1952.....	820,800	403,400	49.1

(The United States share for the second quarter of 1952 is also 49.1 percent of the total supply.)

The following facts are available upon which to make a check of IMC's copper allocation to the United States, based on the formula described by both Mr. Fleischmann and Mr. Ticoulat:

1. In the above-mentioned speech by Mr. Getzin of the State Department (made before the American Institute of Mining and Metallurgical Engineers in New York on February 19, 1952), he said:

"The (IMC) committees have generally given a priority for direct military requirements, and metal has been set aside to meet such requirements before distribution is made for civilian requirements on an agreed basis. The problem of screening military requirements is one that has also been difficult to cope with. No standard method of calculating military requirements has been developed. Reliance must therefore be placed on other criteria such as the relative proportion of military requirements to total requirements and upon budgetary figures for military expenditures."

2. On March 13, 1952, W. Averell Harriman, Director of the Mutual Security Agency, testified before the House Foreign Affairs Committee, the Senate Foreign Relations Committee, and the Senate Armed Services Committee. He told the committees the military budgets of the European countries in the North Atlantic Treaty Organization, including Germany, for the coming year would be \$14,000,000,000. He further stated that the corresponding United States budget figure for security programs would be \$64,000,000,000.

3. Mr. Fleischmann told the Senate Banking Committee on March 21, 1952, that the military received 40 percent of all the copper used in the United States today.

Using these facts and the methods of allocations described by Messrs. Fleischmann and Ticoulat, it is possible to make an approximate calculation of what the United States copper allocation should be and to compare that figure with the actual allocation.

UNITED STATES SHORT-CHANGED BY 214,000 TONS OF COPPER PER YEAR

Under IMC allocations, the United States gets 49.1 percent of the total free world supply of copper, as shown in the table above. Therefore, the United States total for military needs is 40 percent of 49.1 percent, or 19.6 percent of the total free world supply.

Since budget figures give a fair ratio of military requirements, according to Mr. Get-

zin, the NATO countries' defense needs amount to fourteen sixty-fourths of 19.6, or 4.3 percent of the total free-world supply. Therefore, total defense needs of the United States, plus NATO countries, are 19.6 plus 4.3, or 23.9 percent. The remainder (100 percent minus 23.9 percent) of 76.1 percent is for civilian use.

United States consumption of copper in 1950 (from Mr. Ticoulat's statement) was 47.3 percent of total free-world supply. Therefore, based on 1950 consumption (which is the method prescribed by Mr. Ticoulat), our civilian allocations on an historical basis should be 47.3 percent of 76.1, or 36 percent.

Consequently, the total United States copper allocation should be 36.0 percent, plus 19.6 percent, or 55.6 percent. However, IMC has given us an allocation of only 49.1 percent. The difference (55.6 percent minus 49.1 percent) or 6.5 percent is therefore being allocated outside the United States.

This is a staggering loss to American industry and American workingmen inasmuch as 6.5 percent of 820,800 tons amounts to 53,500 tons quarterly, or 214,000 tons per year. In other words, the United States is being short-changed 214,000 tons of copper per year.

SHUT-DOWNS, LAY-OFFS, AND UNEMPLOYMENT

Because the IMC has, in effect, ordered a severe copper shortage in the United States, the Federal Government has found it necessary to impose tight controls on copper usage. This is done through the controlled-materials plan—a system whereby the National Production Authority makes detailed allotments of copper, steel, and aluminum to fabricators. Fabricators are forbidden to use materials from any source for which they do not receive a CMP allotment.

Mr. Fleischmann admitted on March 24, 1952, that copper is in shorter supply than the other basic materials and "is consequently the greatest single limiting factor on the extent of civilian production."

To show specifically just what the IMC-imposed copper shortage means to American industry and workingmen, this committee has made a study of copper allocations to various consumer-type products. These studies show that the companies producing a wide variety of consumer products are being allotted only a small fraction of their normal usage of copper products.

The figures that follow apply to the following items: Small household electrical appliances, washers, vacuum cleaners, floor polishers, electric fans, freezers, refrigerators, electric stoves, electric razors.

In the first quarter of 1952, the above products received the following percentages of their normal consumption:

	Percent
Copper brass mill products.....	35
Copper wire mill products.....	40
Copper foundry products.....	35

During the second quarter of 1952, the percentages were even lower:

	Percent
Copper brass mill products.....	30
Copper wire mill products.....	35
Copper foundry products.....	30

The base or normal period in the above allocations is usually an average quarter in the first half of 1950.

Radio and television sets have been cut even more. Their allocations of copper foundry products for the first and second quarters of 1952, respectively, were 20 percent and 12½ percent.

Allocations of copper brass mill products to portable lamps were only 10 percent in both quarters of 1952.

Lighting outfits received only 10 percent of their normal usage of copper brass mill products and no allotment of copper foundry products.

The stringent restrictions on copper consumption, of which the above are just a

small sample, have led inevitably to production curtailments, layoffs, and unemployment. This has been especially true in the electrical manufacturing industry because these companies have a basic dependence on copper as a raw material.

A recent survey of major labor markets by the United States Department of Labor provides a representative sample of the cities that have already undergone some distress because of curtailments in electrical manufacturing. The cities include the following:

Connecticut: New Britain.
Illinois: Herrin-Murphysboro-West Frankfort area.
Indiana: Evansville, Fort Wayne, Indianapolis, Vincennes.
Massachusetts: New Bedford.
Michigan: Grand Rapids.
Missouri: St. Louis.
Ohio: Cincinnati, Lima, Lorain-Elyria.
Pennsylvania: Lancaster, York.

The committee wishes to emphasize that this list is far from being all-inclusive. It is intended to be merely a cross section that shows the effects of the IMC actions with regard to copper and the electrical industry are felt throughout the length and breadth of the United States. In some areas the problem is becoming worse. In Connecticut, for example, a considerable segment of the brass industry has recently gone on short work-weeks because of the copper shortage.

WHAT A LARGE UNION SAYS

Another view of the effects of the copper shortage was presented to the Senate Finance Committee by Harry Block, vice president of the CIO International Union of Electrical, Radio, and Machine Workers, on February 22, 1952. Mr. Block testified there were over 47,000 unemployed in the industries covered by his union as of the end of 1951. Of these, about 15,000 were in radio, television, and related industries; 8,000 in appliances and lamps; and 24,000 in household electrical equipment. This was equal, Mr. Block said, to about 11 percent of the total employment that existed in these areas a year earlier. Most of this unemployment had lasted at least 6 months, Mr. Block said, and in the case of the last-named two groups, it was growing.

Mr. Block stated that one of the three major causes of unemployment among electrical workers is the following:

"The reduction in allocation in critical material to consumers' electrical goods. This in turn has been due to the shortage of materials, principally copper."

In discussing the allocation of materials, Mr. Block said:

"The copper problem is the key and virtually the limiting factor in the shortage of critical materials. It is largely responsible for unemployment in our industry. * * * The electrical industry is the largest consumer of copper in the country, using about 30 percent of the Nation's supply. Copper is our life blood for production and unemployment, and these drastic reductions in copper supply have been a major cause of the current unemployment."

To show how even small changes in the copper supply cause large changes in employment, Mr. Block cited the following:

"A pound of copper goes a long way in our industry. For example, 10 workers can be employed with one ton of copper a year in the radio-television industry; 6 workers with one ton on domestic electrical appliances."

In testifying regarding a bill for supplemental unemployment insurance, Mr. Block pointed out that the only real solution of unemployment is jobs—not the dole. He said:

"We wish to make it perfectly clear that we do not consider the provisions of the present bill as any substitute for returning these unemployed workers to useful and gainful employment."

While Mr. Block did not make any mention of the IMC, and did make several suggestions which are not covered here, this committee wishes to point out that much of the responsibility for the unemployment which Mr. Block described rests on the International Materials Conference and its severe restrictions on United States consumption of copper.

COPPER SHORTAGE UNTIL 1955?

While the supply situation in aluminum, steel, and several other materials has been easing in recent months, the same cannot be said of copper. Mr. Fleischmann told the Senate Banking Committee:

"I can make no optimistic prediction about copper. I have told this committee before that the aluminum and steel situations are improving very rapidly, and by the end of this year we will be out of the woods on both of them, in my opinion. With copper * * * it just is not true. We get no additional supply of copper domestically."

Mr. Fleischmann then was asked: "Could you make a 1955 prediction?" His reply:

"Mr. Larson (Jess Larson, Administrator, Defense Materials Procurement Agency), who knows more about the supply situation than I, predicted that in 1955 we would be about even on copper, that we would have enough increased supply. There is not much other supply that can be brought in, but he predicted we would be about in balance. I will only add a footnote to that prediction. I will predict we will not be in balance before that."

Asked about expansion of copper mining in this country, Mr. Fleischmann replied:

"We have tapped most of the sources * * * The bringing in of any mineral is subject to a very steep law of declining returns. As you get down further, it costs more and more to get less and less of any mineral. Now, that is true in copper. We are bringing in some high-priced copper which will not be in until 1954 or 1955. It is the judgment of those who know better than I, including Mr. Larson and Mr. Young (Howard I. Young, Defense Materials Procurement Agency) that we have about exhausted the possibilities in this country for getting copper at any economic price."

Thus, the Administration is flatly predicting the copper shortage will remain severe for 3 more years and that nothing can be done about it in the meantime.

CONCLUSION

As long as the Government's present philosophy prevails, its only answer apparently will be to make the copper shortage still worse by placing artificial restrictions on the amount the United States may import and consume. Under the conditions, there can be no permanent solution to much of the widespread unemployment in the electrical industry. Manufacturing companies will have no choice but to continue to operate at only a fraction of their potential, and consumers who want and need their products will have to do without them. While some companies have recently reported softening markets for their products, other employers declare the only limiting factor on their output is the copper supply.

A particularly ironic fact is that as long as the IMC is allowed to continue in business, the United States will receive only about half of whatever additional copper is produced by our own high-cost mines, such as those in northern Michigan, which are now being opened with financial aid from the United States Government. The American taxpayers will foot the bill for the Government aid to these mines, but the same American taxpayers and workmen will receive, under the present IMC allocations, only about half of their output.

So far, the administration has not said a word or taken a single action in the direction of getting rid of IMC, despite its dire

effects. In fact, the administration's plans, by its own words, are to transform IMC into an even larger and more powerful supercartel. Mr. Getzin's speech, made on February 19, 1952, charts clearly the course the administration would like to follow. Discussing IMC's future, he said:

"If the allocation work of the committees is judged successful by participating countries, there is no reason why more ambitious programs relating to conservation, development, and prices should not be considered."

This is plain warning to the unemployed electrical workers and to every other American who has been damaged by IMC that this is only the beginning as far as the IMC is concerned. The only possible result, if IMC's grandiose plans for the future materialize, will be more production curtailments, more lay-offs, a declining standard of living, and weakened security for the United States.

A copy of this committee report is being transmitted to the committee which has been assigned to study the question of the legality of the International Materials Conference. When the latter committee receives copies of the reports of the two additional committees which are studying other aspects of the IMC, it is expected that the legality committee will make recommendations regarding whatever corrective action is deemed most suitable.

Archbishop Cushing and the Rent Problem

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1952

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include herein several articles which appeared in the following Boston, Mass., newspapers on Monday, May 26, 1952, concerning the stand on the rent control problem of Archbishop Richard J. Cushing, D. D., of Boston: Boston Daily Record, Boston Post, the Herald, Daily Globe, and the American. Also attached is an article from the Catholic Messenger, of Davenport, Iowa, on the same subject.

The articles follow:

[From the Boston Daily Record]

RENT RUSE IS EXPOSED—PRELATE CITES HUB HIKE PERIL

Warning that if the measure passed, a majority of Boston tenant families would find their rents soaring 50 to 100 percent, Archbishop Cushing charged yesterday that a proposed amendment to the Rent Control Act, pending in Congress, "is actually a clever attempt to fool the people and Congress."

Similarly hit would be rent payers in every industrial city of the Nation, the prelate told members of the St. Vincent de Paul Society in the Hotel Statler at the annual communion breakfast of the society's archdiocesan central council.

"Those rent increases," he said, "would completely wreck the Nation's stabilization program and start a new and more vicious inflationary cycle that might do to us internally what the Communists are trying so desperately from without."

WARNS OF DECONTROL

After praising the manifold works of mercy being done by the St. Vincent de Paul

Society's 25,000 American members and the 200,000 throughout the world, Archbishop Cushing advised that they must be ever sensitive to the unjust legislation which leaves the poor poorer.

"For example," he continued, "the Senate will probably begin debate next week on a bill which will decide the future of price, wage, and rent controls. There will be an amendment offered to decontrol all communities unless they are critical."

FOOLING THE PEOPLE

"Now that sounds like a very sensible amendment and looks like an attempt to get rid of controls where they are being kept on merely to keep more people working for the Federal Government, and many Senators might vote for the amendment on that score."

"But this is actually a clever attempt to fool the people and the Congress—and here is why:

"Most people would assume any city that had rent control, because that city was engaged in defense work and had a housing shortage, was critical. But the word 'critical' in the present rent control legislation has a very limited meaning.

"A city, to qualify for the critical designation, must meet four standards. There has to be defense work going on, there must be a substantial immigration of defense workers into that city, there must be a housing shortage and, finally, rents must have risen excessively or are threatening to rise excessively."

CITES HUB CASE

"Let us take Boston or Philadelphia or Chicago. They are all doing defense work and they all have a serious housing shortage, particularly in the lower and middle income brackets, but they could not show a substantial immigration of defense workers.

"So, if the amendment were to become law, these cities on July 1 would suddenly find themselves without the protection of rent control. If that should happen, rents for the great majority of tenants in every major industrial city of the United States would rise anywhere from 50 to 100 percent.

"Why? Because there is no new housing being constructed in these cities renting for less than \$80 per month in most and \$100 per month in some.

"There is no substitute for shelter. Tenants cannot choose cheaper housing as they can sometimes choose cheaper foods when meat gets high, or make the old suit do when the price of the new one gets out of reach.

"Tenants must pay whatever they are asked, even though it means cutting down on essential food or clothing, or the dentist, or gas for the car."

[From the Boston Record]

DANGER IN RENT BILL STRESSED—ARCHBISHOP WARNS PENDING ACT TO CAUSE RISE

In a bluntly worded warning to the people of Boston, Archbishop Richard J. Cushing said yesterday that the Rent Controls Act pending in Congress is actually a clever attempt to fool the people and Congress. He added that if it is passed rents in Boston and other major cities may rise anywhere from 50 to 100 percent.

VOICES WARNING

The archbishop voiced his significant warning in a speech before members of the St. Vincent de Paul at their communion breakfast at the Hotel Statler yesterday.

The archbishop said that most people would assume that any city engaged in defense work and a housing shortage would be classed as critical.

"But the word 'critical' as used in the present rent control legislation has a very limited meaning," he said. "A city to qualify for the critical designation must meet four standards. There has to be defense work going on, there must be a substantial immigration of defense workers into that city,

eral-Aid Road Act to authorize appropriations for continuing the construction of highways, and sent the bill to the Senate.

Pages 7129-7132

Emergency Powers Extension: By a roll-call vote of 284 yeas to 69 nays the House adopted H. J. Res. 477, to continue the effectiveness of certain statutory provisions for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, but not beyond June 30, 1953. A point of order was sustained against an amendment to request the President to invoke the provisions of the Taft-Hartley Act in connection with the strike in the steel industry. This resolution continues 48 of the 60 statutory provisions that were requested by the President when legislation became necessary due to the termination of the state of war with Japan. The War Powers Act has been temporarily extended until June 15, 1952.

H. Res. 677, the rule making in order the consideration of H. J. Res. 477, was adopted earlier.

Pages 7132-7144

Highway Bridges: Passed, by voice vote, H. R. 8127, to amend the act of June 21, 1940, relating to the alteration of certain bridges over navigable waters, so as to include highway bridges. This bill will remove the distinction under existing law under which public highway authorities are denied the same relief now afforded railroads where bridge alterations are required in the interests of navigation.

Pages 7144-7145

Program for Thursday: Adjourned at 4 p. m. until Thursday, June 12, at 12 o'clock noon, when the House will consider H. R. 8120, the military-naval public works construction bill.

Committee Meetings

AGRICULTURAL PARITY PRICES

Committee on Agriculture: Opened hearings today on H. R. 8122, which would provide continuation of the dual parity formula and 90 percent of parity price supports until 1956. Allan B. Kline, president of the American Farm Bureau Federation, testified in opposition to the proposed legislation today. Secretary Brannan, of the Department of Agriculture, will testify when the committee continues on same bill tomorrow morning.

It was also announced that the hearing scheduled for tomorrow morning on H. R. 565, relating to disposition of moneys received from national forests, would be postponed until 2 o'clock.

ARMY-NAVY OFFICERS—SUBMARINES

Committee on Armed Services: Kilday Subcommittee No. 2 approved for reporting to the full committee H. R. 5065, relating to naval officers' transportation payments; H. R. 5996, amended, relating to the procedure of re-

view of decisions of retirement boards in case of physically disabled; H. R. 6601, to extend to Navy and Treasury, with respect to Coast Guard, authority now vested in Army and Air Force on withholding of officers' pay in case of indebtedness to the United States; and H. R. 7793, to authorize the loan of two submarines to the Government of the Netherlands. Witnesses heard during the consideration of the above measures were Capt. E. C. Stephan, and Lt. Comdr. Peter Lindsey, both of Department of the Navy.

DEFENSE PRODUCTION

Committee on Banking and Currency: Voted to extend the Defense Production Act for 1 year, until June 30, 1953, including rent control. Also during executive consideration of the bill (H. R. 6546) the committee eliminated title VI of the act, authorizing consumer credit and real estate credit controls; also authority for Voluntary Credit Committee. It adopted the Rains amendment requiring the Secretary of Agriculture to support prices of the six basic agricultural commodities at 90 percent of parity while title IV of the DPA is in effect, except when producers have disapproved marketing quotas. In substance, the amendment would make the sliding scale provisions of section 101 of the Agricultural Act of 1949 inoperative as long as title IV is in effect.

Agreed to leave the so-called Capehart amendment in the bill; and agreed to leave the Herlong amendment in the bill with an amendment eliminating the word "hereafter" and further providing that any regulations heretofore issued not in compliance therewith shall be invalidated.

Recessed on the bill until tomorrow morning.

COAL-MINE SAFETY

Committee on Education and Labor: Held further hearings on H. R. 7408, to amend the act of 1941 so as to provide for the prevention of major disasters in coal mines. Witnesses heard today were Joseph E. Moody, president of the Southern Coal Producers Association; Clay M. Bishop, president of the New Hayden Coal Co., Manchester, Ky.; and Richard Quillen, Kentucky River Coal Corp. Recessed until tomorrow morning.

HOOVER COMMISSION REPORTS

Committee on Expenditures in the Executive Departments: Heard further testimony today on the nine remaining Hoover Commission Report bills within its jurisdiction. Witnesses heard were Representative Keating; Robert Ramspeck, Chairman of the Civil Service Commission; and Maxwell H. Elliott, General Counsel, General Services Administration. Recessed until tomorrow when it will receive the views of D. C. Commissioner Donohue and representatives of the FSA and Treasury Department.

WORLD PEACE

Committee on Foreign Affairs: Battle subcommittee approved for reporting to the full committee H. R. 8167, to create an advisory commission to study ways and means of improving organized effort for the achievement and maintenance of world peace.

CALIFORNIA INDIANS

Committee on Interior and Insular Affairs: Morris Subcommittee on Indian Affairs considered, but took no action on, H. R. 7490, facilitating the termination of Federal supervision over the trust and restricted property of Indian tribes and individual Indians in California. Witnesses heard at today's session were Dillon S. Myer, Commissioner of Indian Affairs, who appeared in favor of the bill; and the following delegation of California Indians who spoke in opposition—Ellen Norris, Robert Cromwell, Linwood Warren, F. G. Collett, and Purl Willis; Felix Cohen, attorney, D. C. American Indian Affairs Association; Ruth M. Bronson, Indian Rights Association; and Frank George, National Congress of American Indians.

EKLUTNA PROJECT, ALASKA

Committee on Interior and Insular Affairs: Engle Subcommittee on Irrigation and Reclamation held hearing on H. R. 7609, relating to appropriations for construction by the Secretary of the Interior of the Eklutna project, Alaska. Voted to turn record over to Attorney General and the General Accounting Office to determine whether any violation of law exists. During the hearing, Goodrich W. Lineweaver, Assistant Commissioner, Bureau of Reclamation, and Edward W. Fisher, Chief Counsel, Bureau of Reclamation, stated that in their opinion no law had been violated by the granting of contracts in excess of the amount authorized by Congress; and Delegate Bartlett, of Alaska, author of the bill, discussed the need for additional power in the Anchorage area. Adjourned subject to call.

AIR-MAIL SUBSIDY

Committee on Interstate and Foreign Commerce: Further considered, in executive session, S. 436, which is being used as a basis for air-mail subsidy legislation. Will resume on same topic tomorrow morning.

SEC STUDY

Committee on Interstate and Foreign Commerce: Heller SEC Subcommittee held executive conference with officials of the Securities and Exchange Commission relative to third Kaiser-Frazer registration statement. Recessed until tomorrow afternoon.

Also announced that executive hearings would be held next Wednesday and Thursday, June 18 and 19, to hear officials of the National Association of Securities Dealers discuss the activities of that association and its proposals for amending the securities acts.

MINERALS CONTRACTS

Committee on the Judiciary: Subcommittee No. 2 ordered favorably reported to the full committee S. 3276, making a typographical correction in Public Law 342 (82d Cong.); and ordered adversely reported H. R. 6693, to amend Contract Settlement Act of 1944 so as to authorize the payment of fair compensation to persons informally contracting to deliver certain strategic or critical minerals or metals in cases of failure to recover reasonable costs.

CLAIMS

Committee on the Judiciary: Subcommittee No. 3 ordered favorably reported to the full committee 24 private claims bills (18 of the House and 6 of the Senate); reported adversely on 11 other private claims bills of the House.

Also ordered favorably reported to the full committee H. R. 168, regarding extension of statute of limitations where it has been determined that injuries were sustained in interstate commerce (amends the Federal Employees Liability Act); and S. 3195, granting jurisdiction to the Court of Claims to hear, determine, and render judgment upon certain claims.

CODE—WAR POWERS

Committee on the Judiciary: Subcommittee No. 4 approved for reporting to the full committee S. 2214 amending the U. S. Code so as to allow the use of the word "National" in the business or firm name of certain insurance of indemnity businesses.

Also concluded hearings on S. 2421 and H. R. 5944 to extend title II of the First War Powers Act of 1941 through June 30, 1953. Brig. Gen. Robert W. Brown, Assistant Judge Advocate General, U. S. Army, presented the views of the Department of Defense.

S. S. "INDEPENDENCE" AND "CONSTITUTION"

Committee on Merchant Marine and Fisheries: Shelley special subcommittee continued hearings to review re-determination of vessels sales prices of steamships *Independence* and *Constitution*. Vice Adm. E. L. Cochrane, Maritime Administrator, presented further testimony today. Also heard two officials of the Federal Maritime Board, Robert W. Williams, vice chairman, and Albert W. Gator, a member. Adjourned until tomorrow morning.

PUBLIC HEALTH OFFICERS

Committee on Post Office and Civil Service: Rhodes subcommittee approved for reporting to the full committee H. R. 7444, regarding military pay and terminal leave of Regular and Reserve Corps commissioned officers of the Public Health Service who entered active service subsequent to May 1, 1940, and prior to November 11, 1943. Representative Lane, author of the bill,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 13, 1952

For actions of June 12, 1952

82nd-2nd, No. 102

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed defense production bill. Senate confirmed nomination of Duggan to FCA. Senate passed bill to increase civil-service retirement annuities. Senate passed measure continuing emergency powers. Senate debate St. Lawrence waterway.

STAFF

1. **DEFENSE PRODUCTION.** Passed, 58-18, with amendments S. 2594, to amend and extend the Defense Production Act (pp. 7205-31).
2. **NOMINATION.** Unanimously confirmed the nomination of Ivy W. Duggan to be FCA Governor (p. 7254).
3. **CIVIL-SERVICE RETIREMENT.** Passed with amendments S. 2968, to increase annuities under the Civil Service Retirement Act (pp. 7239-41).
4. **EMERGENCY POWERS.** Passed with amendment H. J. Res. 477, to continue certain emergency powers, and Senate conferees were appointed (pp. 7201-2, 7233-9).
5. **ST. LAWRENCE WATERWAY.** Began debate on S. J. Res. 27, to authorize the St. Lawrence project (pp. 7231-2, 7242-51).
6. **BANKING AND CURRENCY.** Passed without amendment H. R. 6909, amending the Federal Reserve Act so as to give the Federal Reserve System authority to purchase direct obligations of the U. S. either in open market or from the Treasury Department to a total of not over \$5 billion (pp. 7241-2). This bill will now be sent to the President.
7. **PRICE MAINTENANCE.** The Interstate and Foreign Commerce Committee reported without recommendation H. R. 5767, to amend the Federal Trade Commission Act to permit minimum-price agreements, where lawful, on an intrastate basis (S. Rept. 1741) (p. 7201).
8. **IMMIGRATION.** The Rules and Administration Committee reported with an additional amendment S. Res. 326, to provide for an investigation of problems connected with

HOUSE

9. **DEFENSE PRODUCTION.** The Banking and Currency Committee was given until midnight Mon. to file a report on H. R. 6546, to amend and extend the Defense Production Act (p. 7281). It is understood that the Committee voted to include amendments to exempt farm labor from the wage-stabilization program and to exempt fresh fruits and vegetables from price control.
10. **EMERGENCY POWERS.** Passed without amendment H. J. Res. 481, extending certain emergency powers for 15 more days until June 30, 1952 (p. 7281).
11. **FARM LABOR.** Rep. Poage announced that the Mexican President had signed certain amendments to the Mexican-American Farm Labor Agreement providing, among other things, for the extension of the agreement until December 31, 1952. The agreement otherwise would have expired on June 30. (pp. 7281-2.)
12. **TAXATION; EXPENDITURES.** Rep. Tollefson spoke against heavy taxation and the high cost of running the Federal Government, and claimed that if the Federal budget is to be balanced it must be by way of reduced expenditures and not through increased tax rates (pp. 7289-90).
13. **SOCIAL SECURITY.** Rep. McCormack inserted the text of H. R. 7800, which will be taken up on Mon. under suspension of the rules. This bill provides for an increase in old-age and survivors insurance benefits, preserves insurance rights of disabled individuals, and increases amount of earnings permitted without loss of benefits. (pp. 7283-7.)
14. **ADJOURNED** until Mon., June 16 (p. 7281). **LEGISLATIVE PROGRAM**, as announced by the majority leader: Mon., consent calendar and the social security amendment bill, roll calls going over until Tues.; private calendar, a bill amending the Communications Act of 1934, and several minor bills; Wed., defense production bill if reported out and a rule obtained; remainder of week undetermined (pp. 7280-1).

BILLS INTRODUCED

15. **BUDGET.** H. R. 8193, by Rep. McCarthy, to amend section 206 of the Legislative Reorganization Act of 1946, so as to enable the Comptroller General more effectively to assist the Appropriations Committee in considering the budget; to Expenditures in the Executive Departments Committee (p. 7291). Remarks (pp. A3806-7).
16. **PERSONNEL.** H. R. 8195, by Rep. Murray, to amend the Act of April 23, 1930, relating to a uniform retirement date for authorized retirements of Federal personnel; to Post Office and Civil Service Committee (p. 7291).
17. **EMERGENCY POWERS.** S. J. Res. 165, by Sen. Eastland, to continue in effect certain statutory provisions for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, notwithstanding the termination of the state of war; placed on the calendar (p. 7202). Remark of author (pp. 7201-2.)

ITEMS IN APPENDIX

18. **SMOKEY BEAR.** Rep. Lane inserted a Newsweek article discussing Smokey Bear and the Forest Service, and their efforts in preventing and fighting forest fires (pp. A3832-5).

Active competition is fundamental under the free-enterprise system. Political monkey business with prices in restraint of trade is an attempt to reverse the free-enterprise system which has made America great.

Placing artificial floors under brand merchandise and forcing merchants to observe the price agreements of manufacturers with other merchants not only violates basic American antitrust principle; it also becomes a denial of fundamental rights. And it penalizes all consumers.

The fair-trade acts deserve just what the Supreme Court gave them—the death sentence. Congressional commutation is not in the public interest.

OBSCENE LITERATURE—LETTERS OF WISCONSIN ORGANIZATIONS

Mr. WILEY. Mr. President, I have received several letters from various splendid groups—civic, religious, and fraternal—in my State on the issue of the passage of S. 2976, to permit the Postmaster General to impound mail suspected of containing obscene literature.

I am glad that the House of Representatives has already acted on this issue in the form of H. R. 5850, and I earnestly trust that before the conclusion of this session of Congress the Senate will have done likewise.

There is no question but that countless American parents are deeply concerned about the bombardment of offensive items through the mails, particularly as such items poison the thinking of our youngsters.

I send several of these grass-roots letters supporting S. 2976 to the desk, and ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DIOCESAN COUNCIL OF CATHOLIC WOMEN,
Superior, Wis., June 6, 1952.

HON. ALEXANDER WILEY,
Wisconsin Member of the United States Senate, Washington, D. C.

DEAR SENATOR WILEY: Bill No. S. 2976 is at present in committee, before coming up before the Senate. We are asking you to do everything in your power to assist its consideration and passage, before the adjournment of Congress.

This is a most important piece of legislation and postal authorities have stated that it would plug loopholes in present obscene-literature legislation and complete their legislative enforcement.

The Superior City Council has passed an ordinance to prohibit the sale of obscene, immoral, and indecent literature on the newsstands. It provides for a 5-man advisory board on publications to determine the offensive material. Our organization appeared 3 times before the city council in support of it and in debate on it. We succeeded in having it passed. We feel that the cleaning up of our news racks is as vital as any other matter before the country; a whole generation of youth will be affected directly or indirectly by the legislation.

Thanking you for the support of this bill and every future bill that will be considered to make right this deplorable situation, from the 12,000 women of our diocese.

Respectfully,

MAGDALENE PATTERSON
(Mrs. Thos. R.),
President, Superior DCCW.

MILWAUKEE ARCHDIOCESAN COUNCIL
OF CATHOLIC WOMEN,
Milwaukee, Wis., June 9, 1952.
United States Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR: The board of directors of the Milwaukee Archdiocesan Council of Catholic Women has voted that we request from you speedy action on S. 2976 before Congress adjourns.

We believe this is a very important piece of legislation and will be of tremendous assistance to the post office authorities in meeting the problem of pornographic material transmitted through the mails.

Sincerely,

GERTRUDE W. OTT
(Mrs. A. J. Ott),
President.

SOCIAL-SECURITY BENEFITS FOR MUNICIPAL EMPLOYEES—RESOLUTION AND LETTERS

Mr. WILEY. Mr. President, when the social security law was liberalized, I made an effort to secure coverage under the Federal old-age and survivors insurance system of those public employees who were already eligible under the Wisconsin retirement fund.

I pointed out that Wisconsin was the only State of the Union which, with vision and enterprise, had made provision for such supplementary coverage.

I pointed out further, however, that in accordance with present social security law, the State of Wisconsin was actually being penalized for its foresight in that those of its employees already previously covered under the State retirement fund by 1950 would not be covered under the supplementary Federal coverage.

This year, I introduced Senate bill 1670, for the purpose of once more providing for such supplementary coverage.

It appears that the best chance for attainment of this objective is in the form of the omnibus social security amendments of 1952, which have been put forth in various forms by members of the House Ways and Means Committee. According to House Report 1944, on page 31, provision is made for such supplementary coverage "to apply to States such as Wisconsin the retirement fund law of which contains provisions for coordinating the State system with old-age and survivors insurance."

Unfortunately, to date, certain highly controversial portions of the principal House bill, H. R. 7800, have stymied action on that over-all bill.

I trust, however, that the relatively noncontroversial issue affecting Wisconsin can be satisfactorily met, irrespective of the outcome over the larger controversy, and that this particular Wisconsin feature will be retained in the ultimate social security amendment which I feel sure we will pass prior to the end of this session of the Congress.

As an indication of the earnest desire of the people of my State for the incorporation of this Wisconsin amendment to the present law, I send to the desk now several messages from Badger municipal officials and ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the resolution and letters were ordered to be printed in the RECORD, as follows:

"Be it resolved, That it is the opinion of this board that Congress should forthwith adopt that bill, known as H. R. 7800, making it possible for municipal employees to participate in the Federal social security program; be it further

"Resolved, That a copy of this resolution be mailed by the clerk of this board to Hon. ALEXANDER WILEY, Wisconsin Senator; Hon. JOSEPH MCCARTHY, Wisconsin Senator; and Hon. JOHN BYRNES, Representative of this district."

The undersigned, being the duly elected, qualified, and acting village clerk of the village of Niagara, hereby certifies that the above resolution is a true and exact copy of the original, passed by the Village Board of the Village of Niagara at its regular monthly meeting on the 2d day of June 1952.

OLAF HILDAHL,
Village Clerk.

VILLAGE OF SAUK CITY,
Sauk County, Wis., June 6, 1952.

HON. ALEXANDER WILEY,
Member United States Senate,
Washington, D. C.

DEAR MR. WILEY: Our village board on behalf of all our municipal employees kindly ask you to support bill H. R. 7800, providing for increased social security benefits.

We will appreciate it very much if you will do everything you can to procure quick favorable action on this bill.

Thanking you for your best efforts in the matter, we are,

Yours very truly,

THE VILLAGE BOARD,
HENRY DRESEN, Village Clerk.

SPARTA WATER COMMISSION,
Sparta, Wis., June 6, 1952.

HON. ALEXANDER WILEY,
HON. JOSEPH MCCARTHY,
Senate Office Building,
Washington, D. C.

GENTLEMEN: I am writing you in behalf of the officers and employees of the city of Sparta. There are at least 45 in number, and the city of Sparta elected to come under the Wisconsin retirement plan in 1945 for city officers and employees, and therefore set up a system for compensation under the Wisconsin retirement fund.

As you are fully aware the present Federal old age and survivors system does not include persons who are under the Wisconsin retirement system and the city is very emphatic in saying that this is a discrimination against governmental units that thought they were farsighted enough to provide for a retirement plan for their officers and employees.

Bill H. R. 7800 which was introduced on behalf of the House Ways and Means Committee on May 12 and recommended for passage by that committee on May 16 would include our officers and employees at Sparta, who are under the Wisconsin system and I am therefore addressing you in behalf of the city and all the officers and employees who are under the Wisconsin retirement system, respectfully asking your support for the passage of bill H. R. 7800. We also trust that you will see fit to strongly favor this bill and do all in your power to see that the bill is enacted into law, so that persons under the Wisconsin retirement system will not be discriminated against in the Federal old-age and survivors insurance system.

Yours very truly,

CHARLES A. ERICKSON.

MENASHA, WIS., May 29, 1952.

Senator ALEXANDER WILEY,
Washington, D. C.

SENATOR WILEY: It has been brought to my attention that bill H. R. 7800 is pending. This bill provides for social-security benefits for municipal employees.

We have many people on the payroll who are covered by the Wisconsin retirement fund and they feel that this coverage is not adequate and would like very much to be covered by social security. This is already provided for by the Wisconsin law.

I would like to call your attention to a quotation in a letter I received from the League of Wisconsin Municipalities:

"There is no reason to continue the present discrimination against employees by not letting them have social-security coverage in addition to their retirement plan. Already about 14,000 retirement plans, covering some 10,000,000 employees, have been established in private business and industry to supplement social security."

I have yet to find anyone in the city of Menasha who would object to bringing municipal employees under social security.

We cannot urge you too strongly to do whatever you can to bring about the passage of this bill.

Sincerely yours,

WALTER J. DOUGHERTY,
City Clerk.

EVERY STATE HAS A STAKE IN THAT TIDELANDS FIGHT — ARTICLE FROM THE SATURDAY EVENING POST

Mr. HOLLAND. Mr. President, I note in the Saturday Evening Post of June 14, 1952, an excellent article entitled "Every State Has a Stake in That Tidelands Fight." In view of the importance of that question and of the interest which it now commands in the Senate, I ask unanimous consent that the article may be printed in the body of the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVERY STATE HAS A STAKE IN THAT TIDELANDS FIGHT

The science of semantics has advanced so far that it is now possible to permit the thief to change places with his victim. For example, Fair Deal columnists and statesmen have of late been denouncing the "tidelands grab." The inattentive reader might suppose that these gentry had really experienced a change of heart and were against the effort of the Interior Department to upset land titles all over the country by moving into the State-owned oil lands along the shores of Texas, Louisiana, and California. But read on, and you find out that the boys haven't changed their minds at all, but only their vocabularies.

What the anti-tidelands people mean by a grab is the effort of the States to get back what the Federal Government has grabbed from them. In view of the fact that the States' titles had gone unchallenged since the founding of the Nation, and indeed had been confirmed by a series of Supreme Court decisions, it is extraordinary that even a Fair Deal commentator should have the nerve to describe the efforts of the States to resist Federal encroachment as a grab.

President Truman, in his provocative speech before the ADA (Americans for Democratic Action) last month, described the efforts of Congress to protect the American system of land ownership as a scheme to "rob" the people of their oil. He said he could understand why the representatives

of States like California and Louisiana, which have tidelands oil, voted as they did, but he was baffled by the attitude of the Members from the other States. The possibility that every State might be concerned for the validity of property titles issued under their authority did not interest Mr. Truman at all. At any rate, this crass appraisal of the motives of Congressmen is 100 percent Truman.

Unfortunately some conservative newspapers like the New York Times, ordinarily sensitive to attacks on property rights, fall for this Fair Deal propaganda. The Times accused Congress of attempting to "hand over to the States of California, Texas, and Louisiana a multibillion-dollar asset that now belongs to the United States." If the so-called tidelands do belong to the United States, so does a lot of territory in and about New York. As Gov. Allan Shivers, of Texas, puts it, "I have been told that New York, its political subdivisions and citizens have more money invested beyond low tide in ports, piers, playgrounds, and Long Island homes (on reclaimed land) than any other State." In a letter to the New York Times, Robert Moses, New York's construction coordinator, declares that the grab of the tidelands from the States has clouded titles to New York's municipal parks and recreational areas, and put us on "the legal road to Federal ownership in the Hudson and Mississippi, in Lake Michigan, Lake George, and Lake Tahoe, in New York Harbor and San Francisco Bay."

The truth is—and we're back to Governor Shivers again—that "the governmental philosophy reflected in the tidelands cases is cause for concern on the part of all who are opposed to overcentralization of Government at State expense." The effort to represent the States' defense of their long-time rights as a grab is as phony as a 7-dollar bill. It is depressing to see the defense split by such obviously dishonest tactics.

CALL OF THE ROLL

Mr. JOHNSON of Texas. Mr. President, if there is no further routine business, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Butler, Md.	Hayden	Martin
Capehart	Hendrickson	Maybank
Case	Hill	Monroney
Dirksen	Hoey	Morse
Frear	Ives	Pastore
George	Johnson, Tex.	Schoeppel
Gillette	Knowland	Seaton
Green	Lehman	Williams

Mr. JOHNSON of Texas. I announce that the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr.

BRICKER], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The VICE PRESIDENT. A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. ANDERSON, Mr. BENNETT, Mr. BENTON, Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CHAVEZ, Mr. CLEMENTS, Mr. CONNALLY, Mr. CORDON, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. FERGUSON, Mr. FLANDERS, Mr. FULBRIGHT, Mr. HENNINGSON, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HUMPHREY, Mr. HUNT, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KEM, Mr. KERR, Mr. KILGORE, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. McCARRAN, Mr. MCCARTHY, Mr. McCLELLAN, Mr. MCFARLAND, Mr. McKELLAR, Mr. MILLIKIN, Mr. MOODY, Mr. MUNDT, Mr. NEELY, Mr. NIXON, Mr. O'CONOR, Mr. O'MAHONEY, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SMITH of North Carolina, Mr. SPARKMAN, Mr. STENNIS, Mr. THYE, Mr. TOBEY, Mr. UNDERWOOD, Mr. WATKINS, Mr. WELKER, and Mr. WILEY entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The Senator from South Dakota is recognized for 30 minutes.

Mr. CASE. Mr. President, I understand that the chairman of the Committee on Rules and Administration, the distinguished Senator from Arizona, has a few very brief matters he would like to present, and it is agreeable with me that he do so.

Mr. HAYDEN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I yield 5 minutes to the Senator from Arizona, and I shall yield more if he needs it.

GABRIEL B. NAPISA

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration of the Senate, I report favorably Senate Resolution 320, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 320), submitted by Mr. KERR on May 26, 1952, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay, from the contingent fund of the Senate, to Gabriel B. Napisa, widower of Minnie E. Pool-Napisa, an employee of the Senate at the time of her death, a sum equal to 1 year's compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration of the Senate, I report favorably Senate Resolution 322, and ask unanimous consent for its present consideration. The resolution would provide \$10,000 additional for the printing of hearings.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 322), submitted by Mr. JOHNSTON of South Carolina on May 28, 1952, was considered and agreed to.

Resolved, That the Committee on Post Office and Civil Service hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-second Congress, \$10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

ADDITIONAL EXPENDITURES BY SELECT COMMITTEE ON SMALL BUSINESS

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration of the Senate, I report favorably Senate Resolution 329, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. HAYDEN. This resolution would provide the Select Committee on Small Business the same amount as that provided last year.

Mr. SALTONSTALL. I understand this amount would continue the committee until July 1953; is that correct?

Mr. HAYDEN. That is correct.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 329), submitted by Mr. SPARKMAN on June 4, 1952, was considered and agreed to, as follows:

Resolved, That the Select Committee on Small Business is authorized to expend from the contingent fund of the Senate the sum of \$60,000 for the purpose of discharging obligations incurred by it prior to June 30, 1952, in carrying out the duties imposed upon it by Senate Resolution 58, Eighty-first Congress. Such sum shall be in addition

to any other moneys available to the committee for such purpose, and shall be disbursed upon vouchers approved by the chairman.

ADDITIONAL FUNDS FOR COMMITTEE ON RULES AND ADMINISTRATION

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration of the Senate, I report favorable Senate Resolution 333, and ask unanimous consent for its present consideration. The resolution would provide additional funds for the Committee on Rules and Administration, and it is reported with an amendment, to strike out "\$75,000" and insert "\$100,000." This would provide an additional \$100,000 for the Privileges and Elections Subcommittee of the Committee on Rules and Administration, to carry it over to the first of the year.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. SALTONSTALL. Reserving the right to object, could the Senator from Arizona give us some indication of the amount the Subcommittee on Privileges and Elections has had in past election periods?

Mr. HAYDEN. The amount provided by the resolution represents about the average, although in the Maryland case, approximately \$250,000 was spent. The idea of having this money available is in order that, if there are contests or complaints made in the course of the campaign, the committee will not be without funds.

Mr. SALTONSTALL. In other words, this is similar to what the Senate has done in previous election years, and it would provide about the same amount for the use of the Subcommittee on Privileges and Elections, in conducting ordinary investigations. Is that correct?

Mr. HAYDEN. That is correct.

Mr. SALTONSTALL. But additional money might be required in extraordinary cases?

Mr. HAYDEN. That is correct. That would have to be taken up next year.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 333), which had been submitted by Mr. GILLETTE on June 10, 1952, and reported by the Committee on Rules and Administration, with an amendment, in the last line of the resolution, to strike out "\$75,000" and insert "\$100,000," so as to read:

Resolved, That the limit of expenditures authorized under Senate Resolution 262, Eighty-second Congress, second session, agreed to January 24, 1952 (authorizing the expenditure of funds and the employment of assistants by the Committee on Rules and Administration, or any authorized subcommittee thereof, in carrying out the duties imposed upon it by subsection (c) (1) (D) of rule XXV of the Standing Rules of the Senate), is hereby increased by \$100,000.

The amendment was agreed to.

The resolution, as amended, was agreed to.

REAPPOINTMENT OF DR. VANNEVAR BUSH AS CITIZEN REGENT, BOARD OF REGENTS, SMITHSONIAN INSTITUTION

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration of the Senate, I report favorably House Joint Resolution 449, to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the joint resolution (H. J. Res. 449) was considered, ordered to a third reading, read the third time, and passed.

PRINTING OF DOCUMENT ENTITLED "COMMUNIST DOMINATION OF CERTAIN UNIONS"

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 323, submitted by the Senator from Minnesota [Mr. HUMPHREY] on May 28, 1952. I ask unanimous consent for its immediate consideration. The cost involved is \$1,180.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Subcommittee on Labor and Labor-Management Relations 1,600 additional copies of parts II, III, and IV of the committee print and Senate Document No. 89, Eighty-second Congress, first session, all entitled "Communist Domination of Certain Unions."

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The Senator from South Dakota [Mr. CASE] has the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I should first like to have an understanding with the chairman of the committee, Mr. MAYBANK, that the time yielded may be divided equally between the Senator from South Carolina and myself.

Mr. MAYBANK. I shall be only too pleased to agree. The time consumed by the Senator from Arizona [Mr. HAYDEN] may be charged to me, and if the remarks of the Senator from Texas [Mr. JOHNSON] run into much time—

Mr. CASE. Half of the time may be charged to me.

I now yield to the Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President, I should like to ask if the Senator from South Dakota would agree to lay aside temporarily his amendment in order that the Senate may consider a non-controversial amendment to which the chairman of the Committee on Banking and Currency and the ranking minority member of that committee have agreed?

Mr. CASE. I have no objection.

Mr. JOHNSON of Texas. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Texas.

The LEGISLATIVE CLERK. On page 5, after line 21, it is proposed to add the following new section:

SEC. —. Section 402 (k) of the Defense Production Act of 1950, as amended, is further amended by adding at the end of the first sentence thereof the following proviso: "Provided however, That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials for wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth."

Mr. JOHNSON of Texas. Mr. President, this amendment is acceptable to the committee. It is designed to correct a serious injustice to the automobile dealers in my State. The OPS has assured the junior Senator from Texas that if this amendment is adopted there can and will be no question that OPS will grant to the seller of automobiles and all the automobile dealers of Texas their customary percentage margins over costs as I thought, and we all thought, was guaranteed under section 402 (k) of the Defense Production Act. I ask the Senate to approve the amendment.

Mr. MAYBANK. Mr. President, the amendment, so far as I am concerned, is acceptable, and I shall take it to conference. I understand that the administrators were giving consideration to this problem from the point of view of the regulations, so far as the antitrust laws of Texas are concerned.

Mr. JOHNSON of Texas. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON].

The amendment was agreed to.

Mr. McCLELLAN. Mr. President, I understand that the Senator from South Carolina [Mr. MAYBANK] is agreeable to yielding a few minutes' time to me.

Mr. MAYBANK. If it meets with the wishes of the Senator from South Dakota, I have no objection.

Mr. CASE. I have no objection.

Mr. MAYBANK. The time will be charged to me. The Senator from South Dakota had that understanding with me.

Mr. CASE. Of course, I should like to have the remarks I propose to make appear unbroken in the RECORD.

Mr. MAYBANK. Mr. President, I yield 3 minutes to the Senator from Arkansas [Mr. McCLELLAN].

The VICE PRESIDENT. The Senator from Arkansas is recognized for 3 minutes.

Mr. McCLELLAN. Mr. President, I wish to thank the Senators from South Carolina and South Dakota. I am a member of the Appropriations Committee, and that committee is in session now morning and afternoon undertaking to mark up an important appropriation bill. It is impossible, of course, for me to be in the Senate Chamber and attending the committee at the same time when these various amendments are being discussed and debated. Therefore, I wish to state my position with reference to these seizure amendments and seizure legislation.

I have voted against the seizure amendments which have so far been offered to the pending bill. I am not unalterably opposed to seizure. I believe the situation may be such as to make it imperative that the Congress enact appropriate seizure legislation; but I believe, Mr. President, that Congress, in enacting such legislation, should make the law so explicit and spell out the conditions so clearly that there can be no arbitrary discretion used in the exercise of the powers granted or in the enforcement of the statute.

Mr. President, I do not believe it is possible for the Congress to draft or to enact sound legislation on the floor by amendment procedure that is now being attempted in connection with this bill. I believe all these proposed amendments should be introduced in the form of a bill and should be referred to the appropriate committee, that immediate hearings should start thereon, and that as early as may be possible the committee should make its report to the Senate and give us an opportunity to consider the proposed legislation independently, with time to deliberate upon it, and to study it so that when and if it is passed, it will be sound and fair to both labor and management, and, above all, Mr. President, so that the legislation we may enact will adequately protect the public interest.

Mr. CASE. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am glad to yield.

Mr. CASE. I hope, in the light of the Senator's statement, and his recognition that there may be a need for some end solution, he will give careful consideration to the amendment now pending.

Mr. McCLELLAN. I should like to, but it is impossible with the pressure of work we have upon us, and when we are operating under a unanimous-consent agreement of limited debate.

Mr. CASE. The Senator will find on his desk a very brief statement concerning a very brief amendment, which he can read in half a minute.

Mr. McCLELLAN. Yes; I know that.

Mr. CASE. I am sure that he is aware of the fact that my amendment provides a simple solution which would take care of the situation until Congress may be in regular session again or called back into extraordinary session.

Mr. McCLELLAN. I have heard of simple solutions of most intricate and complex problems, but usually they do not work out so adequately as to protect the public interest. I am perfectly willing to remain here all summer if it takes that long to help work out sound legislation dealing effectively with this very grave problem.

Mr. President, there appeared in yesterday's Washington Star an editorial entitled "Vote of No Confidence." This editorial does not wholly express my views, but it expresses them so substantially that I ask unanimous consent that the editorial may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

VOTE OF NO CONFIDENCE

The Senate was fully justified in rejecting President Truman's request for legislative authority to seize the steel mills and change wage rates and working conditions.

Mr. Truman is just about the last person who should be given any discretionary authority in this dispute. He has played politics with it from the beginning. He has revealed himself as an extreme partisan. He has done everything in his power to discredit the law that he is supposed to administer—the Taft-Hartley Act—and, by virtue of his own bungling, a dispute that should have been settled months ago has now developed into one of the most difficult and dangerous strikes in recent history.

The President's message was designed to put Congress on the spot. It was more of a political harangue, filled with distortions of fact, than a good-faith appeal for legislation, and it proposed nothing that could be expected to lead to a settlement, unless it would be a settlement on terms dictated by Mr. Truman. In the past he has repeatedly endorsed the full recommendations of the Wage Stabilization Board, which included the union shop, and Philip Murray, taking his cue from the President, has stated time and again that the union would not accept less. Actually, during negotiations, the parties were close to agreement, with the union shop being the major, if not the only, issue standing in the way of settlement. Mr. Truman took no account of this in his message to Congress. He preferred to stick to his role as special pleader for the union.

He made one statement, however, that is incontrovertibly true. The issue, he said, is squarely up to Congress. That is a fact and Congress must face up to it.

The Senate has sought to meet the issue by adopting the Byrd amendment requesting the President to invoke the Taft-Hartley Act. If this procedure had been adopted at the outset, as it should have been, it might have been successful. But as of this late date it is of doubtful value.

Mr. Truman, although the Constitution directs him to take care that the laws be faithfully executed, has done everything in his power to discredit this statute. He has repeatedly said that it would be unfair, harmful, and futile. To invoke the law, he says, would be to take sides with the companies and against the workers. He has expressed doubt that the courts would issue an injunction under it, and he has even pointed to the one case in which the law was successfully flouted. In short, he has come very close to inciting the steelworkers to defy an effort to apply the law to them.

In these circumstances, it is at least doubtful that the Taft-Hartley Act can bring any lasting solution. Perhaps it ought to be tried, there being no other readily available

means of coping with the situation. But Congress cannot forever dodge the obligation to deal effectively with strikes which undermine the national welfare and safety. A Taft-Hartley injunction at this time might bring 80 days of grace. But there will not be any real relief from these intolerable shut-downs until Congress musters enough political courage to forbid strikes in essential industries, while providing fair and effective machinery for settling the disputes that are bound to arise.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday the Senator from South Dakota [Mr. CASE] may offer two amendments to the bill, one of which is now pending. The following Senators are authorized to offer one amendment each:

The Senator from Texas [Mr. JOHNSON], whose amendment has already been disposed of; the senior Senator from New York [Mr. IVES]; the junior Senator from New York [Mr. LEHMAN]; the Senator from South Carolina [Mr. MAYBANK]; and the Senator from California [Mr. KNOWLAND].

No other Senator can be recognized to offer an amendment unless it be an amendment to one of the amendments offered by the Senators designated.

Mr. CASE. Mr. President, let me say to the distinguished Senator from Arkansas that I am glad he put the editorial into the RECORD. I have it before me, and I expect to cite the concluding paragraph of it in support of the amendment which I have offered.

Mr. McCLELLAN. Mr. President, I agree substantially with the editorial. The responsibility for seizure legislation is now upon the Congress, but, in the meantime, there is a statute now in effect which can be executed by the President. Whether he will refuse to use it, or if it will succeed or not, I do not know. Whether it would have succeeded in the beginning, no one can disprove; but if the President will put into effect the law now on the statute books the Congress in the meantime can get busy and enact appropriate legislation to meet similar situations in the future.

Mr. President, I do not believe it is possible for us to legislate intelligently, safely, soundly, and wisely on such a vital issue as this, by the amendment process and procedure here being attempted.

Mr. CASE. I am very glad to have the Senator from Arkansas make his observation, because he brings out the basic point that I would like to emphasize and have understood by every Senator in relation to my amendment.

The amendment I have offered is not an alternative to the Taft-Hartley Act, and will come into operation only after resort has been made to the Taft-Hartley, not before. I think it meets precisely the suggestion of the Senator from Arkansas.

The President ought to use the present law. The Senate has voted at least four times upon the issue whether it would substitute something else for Taft-Hartley and four times the Senate has said, "Use Taft-Hartley." I accept that verdict. I voted for that verdict. My amendment is designed to take up

the situation that arises after Taft-Hartley.

Mr. McCLELLAN. Mr. President, will the Senator yield for an observation?

Mr. CASE. I yield.

Mr. McCLELLAN. Do not misunderstand the Senator from Arkansas. I am not criticising the amendment of the Senator from South Dakota. I have simply stated it is impossible, I believe, for the Senate to act wisely in this case by the amendment process, rather than by introducing a bill or bills and letting them take their proper and prescribed course in committee, in deliberation and debate here in this chamber. The gravity and complexities of this problem, and the importance of wise and judicious rather than ill-advised and hasty action is much preferred. To me it is both required and compelling.

I thank the Senator from South Dakota for permitting me to make this observation.

Mr. STENNIS. Mr. President, will the Senator yield to me for 2 or 3 minutes in the time of the Senator from South Carolina, who does not seem to be in the Chamber at the moment?

Mr. CASE. I will yield 2 or 3 minutes of my own time to the Senator, if necessary.

Mr. STENNIS. I appreciate the willingness of the Senator to yield:

Mr. President, the Senator from Arkansas has come so near to expressing the way I feel about the very grave and serious situation that is confronting the Nation that I desire to be associated with his remarks, and to add a brief statement.

From the very beginning of the steel seizure issue, I have thought a duty rested on Congress. I did not believe the President had power to seize the steel mills, and said so at the time. I said the problem was one that belonged to the Congress, and that it should provide additional machinery to control such situations, for I did not think the Taft-Hartley law was adequate, although, of course, I thought it should be invoked and all its remedies exhausted, so far as they could be, under the law. I most seriously doubt the ability of one or two Members of the Senate to draft legislation in the form of an amendment that would be sound; I believe we ought to have working on the solution of the problem the best legal minds in the Nation, the best economists, the best financial thought, the best thinking in labor relations from the viewpoint of labor. I believe it would require weeks to enable them to prepare a sound plan, in cooperation with a committee of the Senate versed in the subject matter, and then, of course, such findings would be subject to consideration by the whole Senate.

With great deference to the Senator from South Dakota—and I am sure he has gone as far as anyone could go in view of the limitation he is working under—I seriously feel that we would be moving too fast if we adopted the method he suggests. I think the problem is

one that ought to be tackled in accordance with the outline I have suggested.

I am sorry I cannot remain to hear the address the Senator from South Dakota will make, but I am engaged in committee and will have to leave the chamber. I appreciate the Senator's yielding to me, and I congratulate him upon his very fine efforts to cope with the problem.

Mr. CASE. Mr. President, I hope the Senator will indulge me to the extent of listening to me for just half a minute.

Mr. STENNIS. Certainly.

Mr. CASE. I hope the Senator will look at the little blue sheet on his desk which describes what the pending amendment does. I should like to point out that it does not propose an all-time solution to the problem of "after Taft-Hartley—what?" All it does is propose a solution which would take care of the situation for at least 150 days—30 days for investigation and 120 days for operation of the award. That would take care of the immediate situation. The amendment and all of its powers would expire with the expiration of the Defense Production Act.

I appreciate that it is difficult to write legislation upon this subject. I do not hold myself up as an expert. There are no great labor problems in my State. However, I was associated with some labor legislation passed by Congress in 1946, which would have become law except for the President's veto—and it almost became law despite the veto.

Growing out of that experience and the debate of the past few days, I have offered a proposal which I believe would take care of the situation, at least for the summer.

Mr. STENNIS. I appreciate greatly the fine work the Senator from South Dakota is doing in connection with this important matter.

The VICE PRESIDENT. The Senator from South Dakota is now recognized in continuity until his time expires.

Mr. CASE. Mr. President, the amendment which I have proposed does not pretend to be a complete answer to the problem as to what should be done after the operation of the Taft-Hartley law is exhausted, but it would take care of the situation we now confront and which Congress must face.

I call the attention of Senators to the blue sheets which lie on their desks and which in eight brief sentences state what the amendment would do.

First of all, it would only operate after the procedures of the Taft-Hartley law had been exhausted, not before. It is the verdict of the Senate, heretofore registered four times, that the Senate does not want to authorize an alternative procedure until the Taft-Hartley Act has been used.

The second amendment offers limited arbitration rather than outright seizure.

Third, the arbitration award is limited, because it would come from an impartial board chosen from an emergency production council previously approved by the Senate. The amendment provides that five members appointed by the President, but confirmed by the Senate, would be named as an Emergency Pro-

duction Council. They would be named without respect to a particular dispute, but would constitute a panel or council that would be available and could be drawn upon when needed—that is, if the procedures of the Taft-Hartley had been exhausted, and if the President found that a threatened work stoppage imperiled national security. The application of the amendment is limited to a situation which would imperil the national security. Then the President might call for an award board of five members taken from the Production Council which had been approved by the Senate. They would have 30 days in which to investigate the problems at issue.

Then, as the fourth point recites, they would make an award, good for 120 days, that would be limited to wages, hours, and working conditions. We leave other issues to solution by collective bargaining.

The fifth point is that the plan preserves incentives for both sides to reach settlement by themselves. It does not make it inviting for either side to throw their hands up and say, "Let the Government do it."

The sixth point is that the amendment does not invite seizure. The award by the board would be impartial. It would not be open to the objection that was made regarding the award of the Wage Stabilization Board, namely, that some members of the board might have prejudice.

Mr. SCHOEPEL. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. SCHOEPEL. I understand what the Senator has said about the findings with respect to working conditions. In my own thinking, it would not include the closed shop or union shop. Does the Senator from South Dakota think that the reference to working conditions would include the troublesome proposition of the union shop, the closed shop, or questions such as that?

Mr. CASE. No; under my interpretation and understanding, the words "working conditions" would not include the union shop. It may be that in some local situations "working conditions" have been interpreted to cover that; but, under my interpretation, "working conditions" would refer to such things as safety factors, sanitation, sick benefits, and the like, the idea being to encourage research and collective bargaining.

Bearing in mind the limited time for which such an award would be effective, I feel there would be no particular injustice to either management or labor in asking them to work for at least 120 days under the conditions of an award made by a quasi-judicial board, impartial and disinterested, having been previously selected by the President, and confirmed by the Senate. There would be no hardship. Consequently, we could ask them to work for that period of time, if the stoppage of work was of such a character that it would imperil the national security.

The seventh point which I have listed on the blue sheet is that this provision would work when Congress was not in session, and would take care of the situa-

tion if there should arise any dispute which imperiled the national security.

At this time I point out that it is generally thought that Congress will recess or adjourn in time for the national political conventions. We might as well recognize that fact. Something may happen during the time Congress is in recess or adjournment for the conventions. Some Members may want to come back in August or September. Frankly, the Senator from South Dakota does not relish the idea of coming back if we can do the job now which we ought to do; and I think it is possible to act now, so that we shall not have to come back at that time.

The eighth point which should be mentioned, and which I should like to have Senators clearly understand, is that the powers and authorities covered by my amendment would expire with the expiration of the Defense Production Act. In fact, the whole procedure would be limited, and tied up with the Defense Production Act.

Mr. President, when I listened to the President's message the other day I had the feeling that the President had an attitude of security in his position. That is, he delivered his address to us, if I may say so, with a certain jauntiness, as though to say, "You may disregard me now, but I will have the laugh on you in August or September if I have to call you back into special session."

Frankly, I do not want to fall into any such booby-trap as that. I do not want to come back in August or September and listen to the President say to Congress, "I told you so." I do not relish that sort of procedure. I remember when we were called back in special session in 1948. The President obtained the sounding board of a special session to say, "You did not do what I thought was necessary." I disagreed with him as to the necessity for doing some of the things which he listed at that time. However, it is difficult today to disagree with the thesis that the Nation needs some legislative machinery which may be resorted to after Taft-Hartley is used and its procedures are exhausted.

Furthermore, as the railway strike demonstrated, we need some provision of law when the procedures of the National Railway Labor Act have been tried and exhausted. Railway employees are not amenable to the provisions of the Taft-Hartley Act.

These conclusions are not merely conclusions of the junior Senator from South Dakota. They are conclusions which are stated repeatedly in the best editorials of the day. The editorial from the Washington Evening Star, which the Senator from Arkansas [Mr. McCLELLAN] previously introduced into the RECORD, concludes with a very forceful paragraph. After saying that the Senate was justified in rejecting President Truman's request for legislative authority to seize the steel mills and change wage rates and working conditions, and after saying that the procedures of the Taft-Hartley law should have been adopted, and that the President has come very close to inciting the steel workers to defy an effort to apply the

law to them, the editor concludes with the following paragraph:

In these circumstances it is at least doubtful that the Taft-Hartley Act can bring any lasting solution. Perhaps it ought to be tried, there being no other readily available means of coping with the situation.

I agree that it ought to be tried. I have so voted, and my amendment does not preclude trying it. The editorial continues:

But Congress cannot forever dodge the obligation to deal effectively with strikes which undermine the national welfare and safety. A Taft-Hartley injunction at this time might bring 80 days of grace.

Those 80 days would bring us, perhaps, to the 1st of September.

Continuing with the editorial:

But there will not be any real relief from these intolerable shut-downs until Congress musters enough political courage to forbid strikes in essential industries, while providing fair and effective machinery for settling the disputes that are bound to arise.

Mr. President, there is the duty of Congress. That is the responsibility which the country sees in Congress today, to say to the President, "Use the law you have, and then we will provide something for that no man's land which may occur after you have exhausted those procedures, or to take care of the situation in respect to transportation, or any other field in which there is no controlling law."

The Star editor says:

But there will not be any real relief from these intolerable shut-downs until Congress musters enough political courage to forbid strikes in essential industries, while providing fair and effective machinery for settling the disputes that are bound to arise.

At this point I should like to inquire how much time I have left.

The VICE PRESIDENT. The Senator has 11 minutes.

Mr. MAYBANK. Mr. President, I understand that during my absence while making a long-distance telephone call, the Senator from Mississippi [Mr. STENNIS] took some time from the Senator from South Dakota. I should be only too glad to have that time charged to me.

The VICE PRESIDENT. It was only 2 minutes, and the Senator from South Dakota said he was glad to yield.

Mr. MAYBANK. If the Senator from Dakota needs more time, I shall be glad to yield to him.

Mr. CASE. I thank the Senator. Mr. President, I yield the floor at this time, and reserve the remainder of my time.

Mr. MAYBANK. Mr. President, I will speak at this time, if I may. Some visitors are waiting for me in the reception room, and I should like to leave the Chamber to see them.

Mr. CAPEHART. Mr. President, may I have 5 minutes?

Mr. MAYBANK. If the Senator will permit me to say a few words, I shall then be glad to yield to him.

The VICE PRESIDENT. The Senator from South Carolina is recognized. Theoretically, he is in control of 30 minutes. He has 24 minutes remaining.

Mr. MAYBANK. Mr. President, what the distinguished Senator from South Dakota said, and what he read from the

editorial, is what I have been trying to say since I offered the first amendment. That amendment was overwhelmingly defeated. As a matter of fact, I expected it would be; but at least it brought to the attention of the country the responsibility of the Congress under the decision of the Supreme Court.

I regret that I must oppose the amendment of the Senator from South Dakota. I agree with him that we may be back here in September or October, trying to write a law. There may be no other way out. I wish to make it perfectly clear that I did my part when I offered my amendment. The Senate saw fit to defeat it overwhelmingly. That is what the Senate should have done, if that was the way it felt about it. It must have felt that way; otherwise it would not have defeated the amendment.

The Taft-Hartley Act has no teeth in it to put the steel industry back into production. I agree with what the Senator from South Dakota has said, but I must oppose his amendment, because I am going to oppose all amendments to the bill which may hereafter be offered.

I now yield to the Senator from Indiana [Mr. CAPEHART] whatever time he wishes.

Mr. CAPEHART. I shall require 5 minutes or less.

Mr. MAYBANK. I yield 10 minutes to the Senator from Indiana, and he can yield to other Senators.

Mr. CAPEHART. Mr. President, this amendment has merit if any amendment of this kind can have merit. I point out to the Senate, however, that this amendment would not cure anything, for the simple reason that we have a law today, the Taft-Hartley Act, under which the President can protect the American people, the consuming public, for 80 days. At the end of 80 days, of course, it is all over, so far as the Taft-Hartley Act is concerned. The pending amendment would provide an additional 120 days. At the end of 80 days under the Taft-Hartley procedure and 120 days under the provisions of the pending amendment, or a total of 200 days, it would be all over.

It seems to me that all we are doing when we enact legislation of the sort now proposed is to encourage either labor or management to go for 80 days under the Taft-Hartley law and 120 days under the Case provision; but that would not settle anything. What is the difference between 80 days and 120 days, or 200 days? The fundamentals are the same in any case.

Mr. President, I do not place any dependence on the idea that Congress will not be in session, because if there were an extreme emergency Congress ought to be in session. So I do not quite understand how we can solve the problem with this kind of legislation.

My position on this entire question has been, from the very beginning, that it is a matter which ought to be handled by the Committee on Labor and Public Welfare. It is a subject which ought to stand on its own bottom; that is, it calls for separate and distinct legislation.

The Committee on Labor and Public Welfare ought to hold extended hearings upon the subject and listen to all the interested parties. Then Congress ought to enact a law, if a law should be enacted.

Frankly, I do not know how we can get a better law to deal with this kind of situation than the Taft-Hartley law, unless, of course, we give the President the right to seize private property. When he seizes it he takes it over and runs it, and I suppose compensates the owner on some sort of basis which is to be decided later. When he takes it over the employees continue to work at the same wages and under the same working conditions.

Mr. CASE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE. It seems to me that there is a distinction. I appreciate the Senator's bringing up his points, because they help to get a clear picture before the Senate. Under the Taft-Hartley law, if operations of an industry were continued under it, it would be a status quo arrangement; there would be no changes in hours, wages, or working conditions. If there should be an election under the Taft-Hartley law to consider the last offer of the employer, conceivably there might be a change. But still it would be limited to the last offer of the employer. If we resort completely to seizure, with the Government fixing the operating conditions, we have gone the whole route. In between the two extremes it seems to me there is a logical place to consider the creation of an opportunity for industry to continue under a quasi-judicial award. That is what my amendment seeks to make possible. There is a difference between the 80 days and the 120 days, because during the 80 days the industry would be continuing under a status quo arrangement.

During the 120 days they would be operating, not on the basis of an award by the Wage Stabilization Board or any other board which might be accused of prejudice, but under an award of a quasi-judicial board, which would be impartial and disinterested, and whose members would be drawn from a panel which had been approved by the Senate. Therefore, I see a distinct difference in the two situations.

Mr. CAPEHART. My point is that under the Senator's amendment there would be a total of 200 days. Under the Taft-Hartley Act there would be 80 days. The fundamental situation is the same in both instances. We ought to find some method of settling these disputes by collective bargaining between the employees and the employers. I do not see anything in the Senator's amendment which helps to bring that about.

Mr. CASE. That is exactly what I am trying to do. I am trying not to make seizure inviting to either side and so my amendment would continue a situation in which there would be established no prejudice for one position or the other. It would permit operations to continue under as impartial a situation as it would be possible to provide, and thereby would

encourage settlement of the dispute through collective bargaining.

Mr. CAPEHART. Many of the amendments offered on the floor during the past few days have been good amendments; that is, they certainly had some merit to them. Last Wednesday or Thursday I made a motion to recommit the bill on the ground that if we are going to tack seizure legislation on the Defense Production bill, we ought to reconsider the bill and study it further. I have not changed my position that that is the way we ought to handle the situation.

Mr. CASE. I voted in favor of the Senator's motion.

Mr. CAPEHART. I know the Senator did.

Mr. CASE. I voted against seizure proposals.

Mr. CAPEHART. I commend the able Senator for offering his amendment, because it shows that he is vitally interested in the subject and is trying to do something about it. Something ought to be done about it. My position on the subject is that a bill should be introduced and referred to the Committee on Labor and Public Welfare, so that the committee could hold hearings on the whole subject and hear testimony from persons who are interested on both sides of the question. The committee should then report such proposed legislation as it believes is needed. Perhaps legislation can be written to cover the subject, but I am not certain that it can be done. I mean I am not certain we can do anything if labor and management are stubborn beyond 80 days or 120 days or 200 days, or beyond a year. I am not certain that we can write any kind of legislation except to give the Government the power to take over private properties and to own them and to operate them. I hope I have made myself clear on this point. That is the way I see the picture.

If management and labor do not eventually get together in 80 days, or 200 days, or 6 months, there is no alternative except for business in America either to go out of existence or for the Government to take it over and own it and operate it.

When it is said that the problem cannot be settled under the Taft-Hartley law because it provides a breathing spell of only 80 days, I say that it cannot be done with a breathing spell of 200 days or 400 days or perhaps 800 days.

The whole problem goes deeper than all that. We must find a plan whereby the two sides can get together, because the alternative of not getting together is Government ownership. In that event it would be a Government operation, and no one knows for how long the Government would operate the industry. Would it be 6 months, 6 years, or 16 years?

Mr. CASE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE. It would seem to me that management normally would prefer to operate its own industries under an impartial award, than to permit it to be

operated by bureaucrats who would be appointed by bureaucrats, with power to determine wages, and so forth. It seems to me that there is a no man's land which has not yet been invaded, where a quasi-judicial board could very well function.

Mr. CAPEHART. My complaint with respect to the present Board is that when it reached certain conclusions in the steel dispute it immediately told the whole world what its conclusions were. In other words, they told the whole world about the increase in wages and the granting of the union shop. They should not have done that.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The time of the Senator from Indiana has expired.

Mr. MAYBANK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Eleven minutes.

Mr. MAYBANK. I yield one additional minute to the Senator from Indiana.

Mr. CAPEHART. For example when the Board announced its recommendations they placed Mr. Murray, the head of the union, in a very embarrassing position. He could not take less than the Board had awarded. How could he take less and satisfy 650,000 of his union members, when the Government Board had stated that they were entitled to so much? He was placed in a very embarrassing position. Even though he may have wanted to bargain collectively, he would have had trouble doing it. Fundamentally it all stems back to—I am not going to say the inefficiency of the Board, but to the blundering of the Board, in making its decision public, and the lack of cooperation and coordination between Mr. Wilson's office, Mr. Putnam's office, and Mr. Feinsinger's office. A series of errors of judgment occurred.

The PRESIDING OFFICER. The time of the Senator from Indiana has again expired.

Mr. MAYBANK. I yield the remainder of my time to the Senator from Illinois [Mr. DIRKSEN].

Mr. CASE. Would the Senator from South Carolina object to my taking 1 minute of my own time now?

Mr. MAYBANK. Certainly not.

Mr. CASE. I shall use only a minute, and want to be reminded of it at the expiration of the minute. In response to the point which was raised by the Senator from Indiana a moment ago, with respect to the bungling of the award by the Wage Stabilization Board, I would agree that the making of the award public was fatal to any expectation that the union would take anything less than the Board had suggested. But that Board was suspect from the outset. Members of the Board were suspected of having prejudice in the matter. The device suggested in my amendment, which is now pending before the Senate, is an effort to get away from the suspicion of partiality, by creating a board consisting of men whose appointments would be confirmed by the Senate.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MAYBANK. Mr. President, I yield 5 minutes to the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. President, while I believe that the premise of my good friend from South Dakota [Mr. CASE] is a valid one, I think it is dubious in this case. The President could call Congress back for other reasons than would emanate from the steel dispute.

As a matter of fact, the President said very recently to a conference in Washington that if he failed to obtain from Congress all the appropriations he requested in connection with the military budget or in connection with the foreign-aid budget, he probably would summon Congress back every day and every day until he got what he wanted.

So let no one reply on this situation as a possible instrumentality for bringing Congress back some time in September.

The amendment of my friend, the Senator from South Dakota, is in some respects, I think, even a little worse than the amendments which previously have been offered because his amendment would provide for a one-way street, in that by the award which might be made under the provisions of the amendment, management could be penalized, but there would be no penalty on the other side.

If at long last the Senate is going to intrude itself very much into this business, I believe the real casualty will be collective bargaining. As I recall, the Senator from Oregon [Mr. MORSE] pointed that out the other day. After all, if the Government is constantly to be an intervenor in all labor scraps and controversies, at long last, one side or the other will constantly be looking to a Federal agency to pull the chestnuts out of the fire. So, Mr. President, in proportion as we tinker and in proportion as we intrude ourselves, collective bargaining will become the real casualty and will go out the window.

In brief, Mr. President, the amendment of my friend and colleague, the Senator from South Dakota, provides for the appointment of the usual fact-finding board, after the various remedies have been exhausted. I do not want such a course to be followed unless first we try the other remedy that is available. In short, I am in agreement with the Senator from Virginia [Mr. BYRD], in that I believe the President should first try the procedures made available by the Taft-Hartley Act.

The amendment of the Senator from South Dakota would create a panel of 15 persons; and in case of a dispute, a board of five would be designated from that panel. Within 30 days after its appointment, the board of five would make its recommendation. Incidentally, Mr. President, the board would have subpoena powers, also. How far those powers might be exercised is, of course, always a guess.

The amendment contains a recital to the effect that it is the duty of the parties to observe the award for 120 days

while mediation continues. I think that is the duty of the parties under every circumstance, regardless of whether such a recital is contained in the solemn law.

However, thereafter the difficulty would be reached: in short, if the management violated the board's award, the President could seize and operate the plant or industry for 120 days. On the other hand, if labor violated the award, the amendment does not provide an equal penalty or any reciprocity insofar as a penalty is concerned. The result is to make the amendment a one-way street. Thereafter, at the end of 120 days, we would find ourselves in a long, dark, dismal alley, without any lights.

So the question is simply whether we select a period of 120 days or a period of 130 days or a period of 118 days or a period of 51½ days. Actually, the particular number of days specified would not change at all the spirit that is involved, because the dark alley would still lie at the end of the course.

Therefore, Mr. President, I say the amendment provides for a one-way street; and the approach it offers is not particularly different from the approaches which have been offered before by means of other amendments.

Furthermore, Mr. President, I am one Member of the Senate who, if he is "on the hook," does not wish to get "off the hook" in this way. The President flouted the Constitution by assuming powers he did not have. The President provoked the mess we are in today. I am willing to stand by it and say it is a baby on his doorstep. I am not at all interested in the political implications that are involved. Of course, it is very easy for editorial writers and newspapermen to say that Congress is "on the hook" or that someone else is "on the hook."

At this time we are facing a political campaign of almost volcanic intensity; and at the end of that campaign the American people not only will select a President but they may change the membership of the Senate itself, if I may be pardoned for making that statement.

I am willing to return here after the campaign and work on this problem, because I do not want us to farm out our responsibility and our duty by means of the adoption of an amendment which provides a pillar of support that is all too slender, and actually offers no real hope.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The time of the Senator from Illinois has expired.

Mr. MORSE. Mr. President—

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I wish to say a few words in opposition to the amendment of the Senator from South Dakota [Mr. CASE].

I speak good humoredly and quite facetiously when I say that this particular amendment reminds me of a cross between a zebra and a donkey, with the resultant offspring neither one nor the other.

I have three principal criticisms of the pending amendment.

First, I wish to call attention to page 2, line 7, where the amendment proposes

that the Director of the Bureau of the Budget be given authority to decide whether the personnel, services, and facilities of other Federal agencies may be used by a board which the amendment proposes to create in an effort to settle an emergency dispute. I say such a provision would give legislative power and discretion to the Director of the Bureau of the Budget, and I believe that would be a great mistake. Certainly, under the provision-of-power theory, the President of the United States should be allowed to retain his power to determine the assistance which various branches of the executive department of the Government should be allowed to contribute.

In the second place, the amendment would violate the principle of collective bargaining, for the amendment would actually provide a guaranty of arbitration by a Government agency. Of course, the point might be reached where action which would have the effect of arbitration would finally come under the procedure to be followed; but that should not be set forth in the law as a direct guaranty by the Federal Government to the parties. The result would be that they would simply "sit tight" and look out the window and wait for arbitration to arrive, and finally have a Government board bring an end to the dispute. The weakness of such a provision is that in such a case one of the parties would decide that such arbitration procedure would be to its advantage, in which event that party would sit tight throughout the collective-bargaining processes and would wait for the Government to take over and to impose a Government award.

One of my principal objections to out-and-out compulsory arbitration is that I can think of no better way to walk down the road toward Government ownership and operation of basic industries in the United States than the adoption of an out-and-out compulsory-arbitration program, which is what the pending amendment is, in essence.

In the third place, Mr. President, I am opposed to the pending amendment because, as the Senator from Illinois [Mr. DIRKSEN] has just pointed out—and I wish to supplement his comments—there really would be in an emergency dispute no sanctions after the expiration of the Taft-Hartley Act processes by means of which this amendment would compel anyone to do anything. My colleagues will notice that even when the author of the amendment comes to use in it the word "duty," he uses it in relation to the officials of the union, and he says it shall be their duty to try to persuade the workers not to become involved in a work stoppage. But not even by the use of the word "duty" does the author of the amendment place any such obligation on the workers themselves.

Mr. CASE. Mr. President, will the Senator from Oregon yield to me at this point?

Mr. MORSE. I prefer not to yield now, in view of the limitation on time. After I have finished my argument, I shall be glad to yield.

Then, Mr. President, after the procedures under the Taft-Hartley law have

expired, if a union wished to defy even its own officials, its members could engage in what would be called a wildcat strike, and the officials of the union would be keeping faith with the provisions of this amendment if they urged their members to go back to work. But if the workers did not go back to work, the Government would be powerless to obtain an injunction against them, so far as this amendment provides.

My last point is that we might just as well face the ugly fact that if there should arise an emergency situation so serious that it would be in the interest of the national security for the Government to take steps to bring to an end a stoppage of production in an industry whose operation would be necessary to the security of the United States, we would have to pass a bill with some teeth in it; but the bill must be in such form that neither party could figure out that the application of the provisions of the bill would be to its advantage. The bill must be in such form that it would be to the advantage of the parties to settle their dispute without having Government intervention in the first place.

I sought to do that by means of my amendment, but the Senate—as it certainly had a right to do—rejected it. I hope that in due course of time, when independent proposed legislation can be considered on the floor of the Senate, the Senate will give more careful consideration to my seizure bill than was possible yesterday. I believe the Senate will do that after the Committee on Labor and Public Welfare has time to vote that bill either up or down.

Mr. President, I close by pointing out that in my judgment this amendment is a "head-in-the-sand" amendment. It contains nothing which would be effective, if we take into consideration the realities involved in connection with the settlement of a labor dispute. The amendment contains nothing which would effectively settle a labor dispute. On the other hand, the amendment would invite a drag-out fight for all the days provided for in the amendment—a drag-out fight ending, in my judgment, in the last analysis, with a continuation of the strike.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

All time under the control of the Senator from South Carolina has expired.

The Senator from South Dakota has 11 minutes remaining.

Mr. CASE. Mr. President, I should like to take up, in sequence, the points raised by the Senator from Oregon.

First of all, with respect to having the Director of the Bureau of the Budget make arrangements for personnel, services, and facilities, let me say that such an arrangement is not new in legislation; there have been many instances in which the availability of certain funds or of certain personnel has been subject to approval by the Director of the Bureau of the Budget for periods of time when Congress might not be in session.

It might be better to permit the President to provide the personnel, as is proposed in some of the amendments which

have been offered. However, after sensing the tenor of the debate which has occurred in the Senate, it seemed to me that there was a definite desire to avoid giving too much arbitrary power to the President. The Director of the Bureau of the Budget is under the President, to be sure; but still the amendment would give the fiscal branch of the Government an opportunity to adjust or take into consideration the personnel and facility availability of the various agencies which might be called upon. However, I do not regard that as particularly material to the merits of the whole question.

The second point which the able Senator from Oregon raises goes to the question of putting some sanction upon labor. I was somewhat puzzled, Mr. President, to find the Senator from Oregon in the role of suggesting some way to compel specific performance by labor in the field of employment. It has always been my understanding that it was very difficult under the Constitution to require specific performance of a labor contract, or to require individual laborers to work if they did not want to work; and I have always felt that one of the basic things we had to recognize was that we simply could not require people to work if they did not want to work, or that we could not require them to work any faster, if they did not want to work faster.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CASE. In a moment. But I have some faith in American labor, Mr. President. I believe that in a situation growing out of an emergency, which is imperiling the national security, we can call upon labor and ask them to do something as their patriotic duty, and that they will respond, if they think that a fair proposition is presented to them.

I have sought in my amendment to have a fair proposition presented to both management and labor through an award by an impartial board, and I think that both management and labor would respond to an award which they felt to be fair and impartial. I now yield to the Senator from Oregon.

Mr. MORSE. The Senator from South Dakota is aware, of course, that the Taft-Hartley Act, which would be operating prior to the application of the Senator's amendment, has within it an injunction provision that would give labor a choice of either performing its duty in an emergency or going to jail.

Mr. CASE. The choice between accepting either the status quo or the last offer of the employer with sanctions, perhaps, against the officers of a union, but hardly jail for workers as individuals. I would give them the opportunity to accept the award of an impartial board.

As to the suggestion that the amendment would actually lead to a one-way street, Mr. President, there are certain precedents for saying that when we have prescribed it as the duty of labor to accept or to do certain things, the status of the employees under the National Labor Relations Act or the Labor-Management Act of 1947 could be invoked. We

might say that an employee's organization could lose its status as a bargaining agent if it failed to observe an award. I thought of writing such a provision in my amendment; but I decided that was unnecessarily suggesting something which might be harmful in winning cooperation and might lay some foundation for the suggestion that this was an attempt to destroy the right of labor to work or not work.

At the same time, I believe that the needs of the country expressed in the form of an impartial award would appeal both to labor and management. Yesterday I heard it stated on the floor of the Senate that our Commissioner to Germany, Mr. McCloy, before the Appropriations Committee, spoke of the need for steel in the position we are taking in Western Europe. It requires no emphasis on my part to say that both in Western Europe and in our effort in Korea steel is essential. If it is essential, I have sufficient faith in the patriotism both of management and labor to believe that they would work under an impartial award to produce what is needed.

Mr. President, having said that, I recognize, I think, the situation which has developed here as a result of the various amendments which have been offered and of the speeches which have been made, as well as the positions which have been taken. I know that when Senators or Members of the House get on record with respect to a particular issue that is before them, either by their votes or by letters or by statements to constituents, they like to be consistent to those positions. There has developed here a definite feeling that this whole field having been opened by these amendments, the matter should be given study by the proper committee. I see in the present situation no prospect of the Senate giving deliberative consideration to the language of this amendment, or any other in this field. I have sought to suggest an approach which would not be inconsistent with positions already taken by a majority of the Senators. I trust it may receive consideration when the Labor Committee meets. Therefore, Mr. President, if I may, I shall withdraw the amendment at this time.

The PRESIDING OFFICER. The Senator from South Dakota is within his rights in withdrawing his amendment. The amendment is withdrawn.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MAYBANK. If I were to call up my amendment, and later withdraw it, and if an amendment should later be taken up under the unanimous-consent agreement entered into yesterday, would I not have the right to offer my amendment again?

The PRESIDING OFFICER. Under the unanimous-consent agreement, a Senator may offer an amendment to any one of the amendments provided for in the unanimous-consent agreement. The Senator from South Carolina would have the privilege of offering his amendment

as an amendment to another amendment, or as a substitute.

Mr. MAYBANK. I thank the Presiding Officer.

The PRESIDING OFFICER. Or the Senator from South Carolina might again offer his amendment separately.

Mr. MAYBANK. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The Senator from South Carolina at this time calls up his amendment. Does the Senator desire to have the amendment read?

Mr. MAYBANK. No. I merely want to say that in view of the decision of the Supreme Court reaffirming the power of Congress to legislate in the premises, I realize that something must be done. I submitted the first seizure amendment, but as I said then, I did not think it would be adopted. I submitted it in order that it might be considered by the Senate and discussed. I submitted it in all sincerity. I believe that it was a fair and just amendment. Arguments have been raised on both sides that the Committee on Labor and Public Welfare should consider matters pertaining to labor-management legislation. To that I have never dissented.

My amendment was to extend only until March 1, unless by concurrent action, or action by either House, it was repealed. I feel in my heart that some law on the subject must be passed. The American people are going to demand it. They cannot continue to sit idly by while the steel mills are closed, as a consequence of which highways cannot be built, and many industries cannot operate. I am pleased with the small part I had in bringing the matter to the attention of the American people. I appreciate the action of the Senator from South Dakota in presenting his amendment as I appreciate the action of other Senators in presenting their amendments, particularly the Senator from Oregon [Mr. MORSE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oklahoma [Mr. MONROE]. I realize the great amount of good they have done in bringing before the country the plight in which we find ourselves.

I do not know what the Committee on Labor and Public Welfare will do, but I believe that my amendment is in the nature of a compromise, and, before final passage of the bill, I am going to ask that my amendment and the other amendments on the subject be referred to the Committee on Labor and Public Welfare, there to be studied, to the end that, when we meet again, perhaps in September or perhaps in August, an adequate bill may be reported. I hope the committee will at least give consideration to my amendment, as well as to the amendment of the distinguished Senator from South Dakota [Mr. CASE], which he so ably discussed but has now withdrawn; the amendment of the distinguished Senator from Minnesota [Mr. HUMPHREY], which applied only to the local situation; and the other amendments I have mentioned.

But, Mr. President, since I realize the temper and the attitude of the Senate

and of the Congress—and I also appreciate the President's point of view following the Supreme Court decision—I am going to withdraw my amendment. Before withdrawing, however, the amendment I shall be glad to yield time to any Senator who desires to address the Senate.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. HUMPHREY. Mr. President, the Senator from South Carolina has performed a distinct service in pointing out the urgent need of legislation with reference to emergency labor disputes. The service he performed in introducing his bill concentrated our attention upon the subject. It is the intention of the Committee on Labor and Public Welfare to take each and every one of the amendments and hold extensive and exhaustive hearings—

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MAYBANK. I hope they will not be too extensive. Of course, everyone who desires to appear should be heard. We must take action, and take it quickly. We cannot afford to have the steel mills closed for 2 or 3 months.

Mr. HUMPHREY. That is correct. I told the Senator from South Dakota [Mr. CASE] that I felt that his proposal was a constructive one. He has been before our committee with a similar bill. His amendment is an adaptation of the bill which he originally introduced.

The Morse bill, which the Senator from Oregon offered on the floor as an amendment, I will say at this point, is as close to a point of agreement as the committee has been able to come. We have had 5 weeks of hearings. We do not need to hold many more hearings, but it is as difficult to get a quorum in the committee as it is to get a quorum on the Senate floor.

Mr. MAYBANK. The members of the Banking and Currency Committee, on both sides of the aisle, have always cooperated, and when the committee has a meeting we have a quorum. So I wish the Senator from Minnesota good luck.

Mr. HUMPHREY. The Senator from South Carolina has powers of persuasion which exceed those of ordinary men. That is why I am standing so close to him, so that by a process of osmosis I may be able to absorb a little of his persuasive power.

Mr. LEHMAN. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. LEHMAN. Mr. President, I have felt for a long time that it is essential to the security and welfare of this Nation that sound legislation be enacted to give the President the right of seizure, of course, safeguarding the interests of both management and labor, and particularly the interests of the American people as a whole. I am disappointed that we could not agree on a formula within the past 2 or 3 days. Obviously it is impossible to do so.

As a member of the Committee on Labor and Public Welfare I want to say

that undoubtedly we shall give careful and immediate consideration to the various suggestions which have been submitted. As the Senator from Minnesota has already stated, we have been considering the Morse bill for approximately 5 weeks. Many of us have thought it was sound and should be adopted. We also gave consideration to other bills.

The distinguished Senator from South Carolina has suggested that the committee report a bill so that when the Senate meets again, possibly in August or September, we can give consideration to it. I feel that it would be unfortunate if we delayed the consideration of proposed seizure legislation until August or September. We do not know what is going to happen. The difficulty must be resolved.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. MAYBANK. I am only hoping that there will be some bill on the subject before us next week. I feel, as does the Senator from New York, that what we have to do we must do quickly. We cannot afford to delay until August or September.

Mr. LEHMAN. I thank the Senator from South Carolina. I am sure that our minds are in absolute agreement. I think the committee must give immediate consideration to and report a bill with as little delay as may be possible. The Senate must take action even though it means holding the Senate in session longer than is now contemplated. I know of nothing more important before the American people than is the consideration and enactment of adequate legislation on this subject.

Mr. CASE. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from South Dakota.

Mr. CASE. Mr. President, did I correctly understand the Senator from Minnesota to say that the amendments presented on this subject will be considered by his committee without the necessity of reintroducing them as separate bills?

Mr. HUMPHREY. That is my intention.

Mr. CASE. I should like to have my amendment so considered.

Mr. HUMPHREY. I consider the Senator's amendment as an amended version of his original bill, and I think it is a much improved version.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. Can the amendments offered by the Senator from Oregon, the Senator from Minnesota, the Senator from South Dakota, and other Senators be referred to the committee without introducing separate bills?

The VICE PRESIDENT. They should be introduced as separate bills. An amendment to a bill which is pending in committee may be introduced and referred to the committee, but an amendment made to a bill which is before the Senate cannot be referred to a committee.

Mr. MAYBANK. Therefore, Senators should introduce separate bills which would incorporate their amendments?

The VICE PRESIDENT. That would be the more orderly process.

Mr. CASE. Mr. President, may I be recognized so that I may have my amendment so introduced?

Mr. MAYBANK. Mr. President, I yield to the Senator for that purpose.

Mr. CASE. Mr. President, I ask unanimous consent that the amendment which I offered and which was withdrawn may be introduced as a separate bill and be referred to the appropriate committee.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3322) to amend the Defense Production Act of 1950, as amended, introduced by Mr. CASE, was read twice by its title and referred to the Committee on Labor and Public Welfare.

Mr. MAYBANK. Mr. President, I make the same request as to my amendment.

The VICE PRESIDENT. The Senator can introduce it and it will be referred to the appropriate committee. The Senator has not actually withdrawn his amendment, has he?

Mr. MAYBANK. No; I have not.

The VICE PRESIDENT. It does not require unanimous consent. The amendment can be introduced in the form of a bill and automatically go to the committee by reference.

Mr. MAYBANK. Under the circumstances, I withdraw my amendment and introduce it as a bill.

The bill (S. 3323) to amend title IV of the Defense Production Act of 1950, as amended, introduced by Mr. MAYBANK, was read twice by its title and referred to the Committee on Labor and Public Welfare.

The VICE PRESIDENT. There is no amendment now pending.

Mr. NIXON. Mr. President, I call up my amendment, which is identified as "6-11-52-B," and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from California.

The legislative clerk stated the amendment.

Mr. SMITH of New Jersey. Mr. President—

The VICE PRESIDENT. The Senator from California has 15 minutes. Does he yield to the Senator from New Jersey?

Mr. SMITH of New Jersey. Mr. President, I rise to a matter of personal privilege.

The VICE PRESIDENT. The Senator from New Jersey cannot be recognized unless the Senator from California yields to him.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair cannot recognize the Senator from South Carolina for a parliamentary inquiry.

Mr. NIXON. I do not yield for that purpose.

The VICE PRESIDENT. The Chair would suggest to the Senator from Cali-

fornia that he might ask unanimous consent that the Senator from New Jersey may introduce distinguished members of other parliaments, without having the time charged to either side.

Mr. NIXON. I yield for that purpose. The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, reserving the right to object, I wish to ask the Senator from New Jersey and the Senator from California if they can advise me how long they will take, because I should like to keep a very important engagement. Some gentlemen are waiting for me now.

The VICE PRESIDENT. The Senator from California has 15 minutes in his own right. He has yielded to the Senator from New Jersey, in order that he may present distinguished guests. The Chair cannot tell how long it will take.

Mr. MAYBANK. I think I am entitled to know how long it will take, because I have made an engagement in connection with a meeting with certain persons.

Mr. SMITH of New Jersey. I simply wish to call the attention of the Senate to the fact that we have present some very distinguished guests.

Mr. MAYBANK. Mr. President, I will object unless I can have an understanding that there will not be a vote taken in the next 30 minutes. The bill which is the unfinished business has been before us for several days, and I have been here from 10 o'clock in the morning until 10 o'clock at night. I shall object unless I understand that until 12:30 there will not be any votes.

Mr. McFARLAND. Mr. President, I hope the distinguished Senator from South Carolina will not object. I believe the Senator from New Jersey does not intend to use more than 1 or 2 minutes.

Mr. SMITH of New Jersey. I shall take but a short time. However, other Senators may desire to express a word of welcome.

Mr. MAYBANK. Mr. President, I have asked only a simple question: How long will the Senator from New Jersey speak in the introduction of the guests, and how long will the Senator from California speak?

The VICE PRESIDENT. The Senator from California has 15 minutes—no more.

Mr. SMITH of New Jersey. The Senator from New Jersey will take probably not more than 5 minutes in presenting the guests.

Mr. MAYBANK. That would make 20 minutes. I do not object.

RECEPTION OF OVERSEAS DELEGATES TO MORAL REARMAMENT ASSEMBLY

Mr. SMITH of New Jersey. Mr. President, I wish to announce to the Senate that there are in the Capitol today a number of guests. Many of them are in the gallery of the Senate. As delegates, they have been attending the

Moral Rearmament World Assembly at Mackinac Island, Mich. Among the delegates are 13 members of national parliaments. At the moment they are outside the door of the Senate. I should very much like to have unanimous consent to invite them into the Chamber, to be on the floor for the next few minutes while we are expressing our welcome.

The VICE PRESIDENT. Under the rules, it is not necessary to have unanimous consent for that purpose. The members of national parliaments are entitled to come upon the floor of the Senate. The Senator from New Jersey may escort them himself, or the Chair will direct the Secretary of the Senate or the Sergeant at Arms to do so.

Mr. SMITH of New Jersey. Mr. President, I ask that the Secretary of the Senate escort the delegates to the floor.

The VICE PRESIDENT. The Secretary of the Senate will escort the delegates to the floor.

(The members of the delegation were thereupon escorted to the floor of the Senate by the Secretary of the Senate [Leslie L. Biffel].)

Mr. SMITH of New Jersey. Mr. President, I wish to present to my colleagues in the Senate the following members of parliaments of foreign countries:

Mr. Heinrich Hellwege, Minister for Affairs of the Upper House, Bonn; officially representing Dr. Konrad Adenauer, Federal Chancellor of Germany and the German Government.

Sir Douglas Savory, Member of Parliament for Antrim South, Great Britain.

Mr. S. Messel, Member of the Norwegian Parliament.

Mr. E. Stavang, Member of the Norwegian Parliament.

Mr. Christian Kuhlemann, chairman, Foreign Trade Committee, Federal Parliament, Bonn, Germany.

Mrs. Shidzue Kato, Member of the House of Councilors, Japan.

Mr. Isao Matsudaira, Member of the House of Councilors, Japan.

Dr. Yoshio Domori, Member of the House of Councilors, Japan.

Mr. Saichi Yamada, Member of the House of Councilors, Japan.

Mr. Hideo Yamahana, Member of the House of Councilors, Japan.

Mr. Shinkichi Ukeda, Member of the House of Representatives, Japan.

Hon. S. S. Lin, Member of the Commonwealth Legislative Council of Malaya.

Mr. Luang Vichien Patayakorn, Director General of the Department of Culture, Government of Thailand, officially representing the Prime Minister.

Mr. President, in addition to those whose names I have just read, there are in the gallery delegates who have attended the conference. Without reading their names, I ask unanimous consent to have them published in the RECORD at the close of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SMITH of New Jersey. Mr. President, as a Member of the Senate, I am very happy to express a cordial welcome

to these guests of the Senate, who have been engaged in some very important conferences looking toward moral recovery of the world in these terrible times. They bring evidence of spiritual forces that are at work in the world. They come from different countries, the names of some of which I have given—altogether, 33 nations.

At Mackinac there were 1,300 representatives. Some of the problems there considered are of such vital importance that I am happy to bring them to the attention of my colleagues.

In the first place, members of the Moral Rearmament Conference are dealing directly with communism—not talking about it, but talking to Communists, and in many cases bringing Communists over to the ideals of freedom which the delegates are advocating.

Theirs is a program of deep spiritual recovery. They are endeavoring to bring about unity among nations. I am advised that Mr. Robert Schuman, the Foreign Minister of France, and Dr. Konrad Adenauer, Chancellor of Germany, have both given their testimonies to the importance of the service those men and women have rendered in bridging the barrier of a thousand years between France and Germany. They are working on the personal relationship level, which is so important.

They are working in the Far East to bring the democratic forces of Asia into an area of unity, as far as that can be accomplished.

I stress as very important the point that they have been working on the question of class war in industry, and have been successful in bringing about positive peace between management and labor, especially in the docks, the factories, the mines, and mills of Europe, South America, and Asia, and in the airlines and other industries of this country.

They have been studying the problems of labor-management relationships from the standpoint of human conditions and human understanding, with emphasis on the deeper spiritual values in dealings between men. They are emphasizing the very important truth that in controversies of this kind the question is not who is right, but what is right. That emphasis, I think, they have been successful in imparting to those with whom they are dealing.

Finally, Mr. President, they are bringing to the attention of all men the decisive importance of the fight for absolute moral standards and obedience to the guidance of Almighty God in personal and national affairs. They are emphasizing those moral authorities in which at this time of crisis, it seems to me, we should all be particularly concerned.

For myself, I wish to welcome these eminent guests of ours, and I know that every Member of the Senate will be glad to pay tribute to those who have given their time and are devoting their lives to bringing about the important results to which I have alluded.

I might add that they expect to meet in the Hall of the Americas, at the Pan American Union, tonight, where many of

them can be met face to face, and where a number of them will discuss some of the work they have been doing.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am very glad to yield.

Mr. SMATHERS. If I may, I should like to take one moment to add my warm welcome to the members of foreign parliaments who sit here on the floor with us, who come to us from all over the world, as well as those in the galleries, who play such an active part in the moral rearmament program.

The Senator from New Jersey spoke of the fact that these men and women were trying to work out ways and means of solving labor-management disputes. Let me say to the Senator from New Jersey that I have personal knowledge of the valuable work they were able to do in two of the bitterest strikes which ever occurred in the State of Florida. A strike in the aviation industry had been in progress for almost 2 years. It seemed as though it would never be settled. This group of young people moved into the difficult situation in Miami, and in the space of about 3 weeks the strike was settled.

A similar situation arose in connection with a bus dispute. It seemed as though it could not be solved. There was bitterness on both sides. A moral rearmament team moved into that critical problem and, with the methods they have perfected, they were able to bring about a solution.

I am one of those who for a long time have looked upon them with some skepticism and doubt, but I am frank to say, in view of what I have seen them do, and in the light of my own personal observation in recent years, that I know that they are rendering a distinct service to this Nation and to the world.

I thank the Senator from New Jersey for the privilege of allowing me to say these few words.

Mr. SMITH of New Jersey. I thank the Senator for his comments.

EXHIBIT 1

AUSTRIA

Dr. Alois Lugger, chairman, Austrian People's Party in the Tyrol.

BELGIUM

Mr. and Mrs. Alfred Dupont, personnel director, Solvay Chemical Co.

Mr. Philippe Orts, textile industrialist, Verviers, Belgium.

BRAZIL

Rio de Janeiro

Dr. Victor Nuno de Souza Lima, son of the Minister of Transport, cabinet official.

Mr. Luis Jose Alves, assistant to the public relations, Central Railways of Brazil (50,000 workers) and editor of the *Folha Carioca*.

Mr. Anaxillo Evangelista Barbosa, machinist of Central Railways of Brazil.

Mr. Claudemiro Gualberto da Silva Rita, foreman of Central Railways of Brazil.

Mr. Joao Ferreira Guimaraes, official representative of the 8,000 Rio dockers.

Mr. Gervasio Ramos de Nascimento, representative of the 8,000 Rio dockers.

Mr. Oswaldo Garcez de Araujo, president of shipworkers' union (17,000).

Mr. Jorge da Silva, president of the Coffee-workers of the port of Rio (1,300).

Mr. Joao Ribeiro das Chagas, official representative of the National Union of Warehouse Port Workers (80,000).

Mr. Orlando da Silva Martins, official representative of the City Transport Union workers (12,000); utility workers representative (50,000).

Dr. Francisco Dillon de Figueiredo, doctor; represents officially the National Union of Seamen (160,000).

Mr. Galileu de Matos Pastana, assistant to the social service; represents officially the National Union of Seamen (160,000).

Dr. Fernando da Silva Gomez, journalist; represents 45 newspapers.

Mr. Octavio Lourenco, secretary of the Port Controllers of Rio (900).

Dr. Evandro Manhaes, lawyer; official representative of the National Union of Port Workers (120,000).

Official Delegates From the Air Ministry

Maj. (Air Force) Deoclecio Lima de Siqueira.
Maj. (Air Force) Luiz Felipe Perdigao
Medeiros da Fonseca.

Maj. (Air Force) Joao Paulo Moreira
Burnier.

First Sgt. Jose Adolpho Teixeira.

First Sgt. Moacyr Rodrigues dos Santos.

First Sgt. Arthur Rodrigues Alves.

Santos

Dr. and Mrs. Eduardo Gama, director of traffic in the port of Santos (10,000 workers).

Mr. Carlos Wysling, former director of the Chamber of Commerce of Santos; director superintendent of Cia Armazens Gerais.

Mr. Fritz Gut, managing director coffee firm, Max Wirth & Co.

Mr. Alipio Rodrigues, president of 2,500 Union Warehouse workers of Santos.

Mr. Julio Bargas, docker.

Mr. Lima de Campos Filho, docker.

Mr. Carlos Anselmo, trade-union official of National Union of Port Workers.

Mr. Antonio Bispo dos Santos, docker.

Mr. Joaquim Augusto de Oliveira, treasurer of the Port Controllers of Santos (500).

Mr. Durval Janeiro, secretary of the Stevedores Union of Santos (2,500).

Mr. Nelson Lustosa Freire, head of Identification Department of the port of Santos.

Mr. Roberto Correa, vice president of the Social Welfare Association of the port of Santos (7,000).

Santo Andre

Mr. Noemio Spada, official representative of the Workers Association (2,500); municipal councillor for Santo Andre

Mr. Pericles Martins, teacher and office worker.

Mr. Giovanni Rosset, textile shop steward.
Mr. Figueroa, merchant.

Jundiai

Mr. Romeu Marchi, accountant, textile factory, Argos Industrial.

Mr. Antonio Augusto de Oliveira, accountant, textile factory, Lanificio Argos.

Mr. Carlos Cezar Reall, foreman, Argos Industrial.

Sao Paulo

Mr. and Mrs. Ernesto George, president of the Argos Industrial and Lanificio Argos.

Mr. Brenno Silveira, secretary of the Brazilian Institute of Education, UNESCO official of the University of Sao Paulo.

BURMA

Daw Nyein Tha, former principal, Morton Lane High School, Moulmein.

CANADA

G. Cecil Morrison, former bread administrator.

CHINA

Dr. Carson Chang, chairman, Democratic Socialist Party.

Mr. C. K. Tseng, station manager, Civil Air Transport, Tokyo.

DENMARK

Mr. Aage Schultz, metal worker, Odense; former member, Danish Communist Party.

EGYPT

Prince Ismail Izzet Hassan.

FINLAND

Mr. Viljo Lampela, motion-picture director and producer.

Mr. Kai Snellman.

FRANCE

Mr. Henri Deloof, mechanic, Motte-Meillassoux, Roubaix.

Mr. Raymond Duyck, works manager, Motte-Meillassoux, Roubaix.

Mme. Felix Eboué, former senator for Guadeloupe.

Mr. and Mrs. Louis Glaenzer, director, Glaenzer-Spicer, Poissy-sur-Seine.

Mr. Louis Laure.

Mr. Victor Laure

Mrs. Victor Laure, formerly deputy for Marseilles; until 1948 secretary, Socialist Women of France.

Mr. Armand de Malherbe.

Col. Bruno de Malleray.

Mr. and Mrs. Emile Meeschaert, banker, Roubaix.

Mr. and Mrs. Maurice Mercier, national secretary, Textile Workers' Union, Force Ouvrière.

Mr. Louis Naillod, national vice president, Christian Trade Unions.

Mr. Robert Speyser, national vice president, Engineers and Technicians Union.

GERMANY

Mr. Max Bladeck, former chairman, works council, Rheinpreussen Coal Mining Co., Moers; formerly member of state executive, North Rhine Westphalia (Ruhr) German Communist Party.

Dr. and Mrs. Paul Frings, journalist, Cologne.

Miss Rose Grabe, student from the Eastern Zone.

Mr. Rudolf Henschel, secretary, economic department, German Trade Union Federation, Berlin.

Mr. Fritz Hirschner, editor in chief, "Essener Allgemeine Zeitung," Essen (Ruhr).

Mr. Paul Kurowski, member, Works Council, Rheinpreussen Coal Mining Co., Moers; former political official of the West German Communist Party.

Dr. Otto Schmidt, minister of reconstruction, officially representing the state government of North Rhine-Westphalia (Ruhr).

GREAT BRITAIN

Mr. R. M. S. Barrett.

Dr. Ernest Claxton, assistant secretary, British Medical Association.

Mr. Duncan Cororan, shipyard worker.

Mr. Frank Eden, delegate, Birmingham Trades Council; member, National Union of Operative Heating, Domestic and Ventilating Engineers and General Metal Workers, in Dunlop Rubber Co., Fort Dunlop.

Mr. Leo Exton, company director, hotel proprietor.

Mrs. James Haworth, treasurer, Transport Salaried Staffs Association, chairman, Conference Arrangements Committee, Labor Party.

Colonel the Honorable Malise Hore-Ruthven, C. M. G., D. S. O., formerly of "The Black Watch."

Mr. Lionel Jardine, C. I. E., formerly British Resident, Baroda State, India.

Mr. A. Edward Jones, director, Gee & Watson, Ltd., process engravers; chairman, British Direct Mail Advertising Service; Member of council, London Rotary.

Mr. Tom Jones, member, dockers' executive, National Amalgamated Stevedores' and Dockers' Union; docker, Plymouth Wharf, London.

Mr. Leonard G. Lawrence, wharf manager, charterhouse cold store, Plymouth Wharf, London.

Mr. Frank Limb, managing director, Apple-yards Automobile Distributors, Leeds.

Councillor and Mrs. John Moncrieff, mayor of Folkestone; president, Merchant Tailors' Federation.

Mr. Arthur Morrell, shop steward, assembly building, Ford Motor Co., Dagenham.

Mr. John McNally, member, Transport and General Workers' Union; docker, Liverpool; member, Liverpool Portworkers' Committee, 1945-51.

Miss Saidie Patterson, women's organizer, textile section, Transport and General Workers' Union; treasurer, Conference of Women's Organization, Northern Island.

Dr. Edward H. Richards, F. R. C. S., ear, nose, and throat surgeon; secretary, Staffordshire branch, British Medical Association.

Lady Savory.

Mr. Frank Smith, member, national executive, National Union of Mineworkers; general secretary, Leicestershire Miners; chairman, Bosworth Labor Party.

INDIA

Mr. and Mrs. Shanker Hegde, president, All-India Aeroemployees' Federation.

REPUBLIC OF IRELAND

Miss Eleanor Butler, member of the Senate, 1948-51; secretary of the Irish Labor Party, 1948; executive member of the Irish Labor Party, 1949-50.

ITALY

General Count Lloveria di Maria, former military attache, Italian Embassy, Washington.

Mr. Angelo Pasetto, chemical worker, Montecatini Chemical Industries, Milan.

JAPAN

Mr. and Mrs. Taji Fukasaku, president, Japan Lawyers' Association.

Dr. Kiichiro Hasumi, cancer specialist, Tokyo.

Mr. Jiro Ishihara, deputy mayor, Kobe City.

Mr. Kanju Kato, former Minister of Labor, member of the national executive of the Right Wing, Socialist Party.

Mr. Yito Iino, president of the Iino Shipping Lines.

Mr. Jutaro Konishi, assemblyman of the Osaka Prefecture.

Mr. Juichiro Mamiya, member, central executive, National Textile Workers.

Mr. Takasumi Mitsui, president, Mitsui Foundation.

Mr. Shunichiro Nakagawa, labor relations chief, Mitsubishi Electric Co.

Mr. Sen Nishiyama, United States Embassy, Tokyo.

Dr. and Mrs. Ohno, Osaka surgeon.

Mr. Goro Sakurai.

Mr. Keizo Shibusawa, former minister of Finance, former Governor of the Bank of Japan.

Mr. Shozo Shimizu, president, student body, Osaka University.

Mrs. Yukika Shima, daughter of Japan's elder statesman, Yukio Osaki, who gave the cherry trees to Washington.

Mr. Kenzo Takekoshi, president, National Association of Architects.

Mr. Kennosuke Tanaka, Director, National Railways.

Mr. Hiroshi Tsukamoto, airlines section, Nippon Express Co.

Mr. Sozaburo Yamada, president, Tokyo Shipbuilding Co.

Mr. Shinichi Yoda, The Bank of Tokyo.

MALAYA

Hon. K. S. Lim, O. B. E., barrister-at-law; member, Legislative Council.

THE NETHERLANDS

Cmdr. J. van der May, Chief of Personnel, Royal Netherlands Navy.

Mr. W. Vogt, Director, Avro Radio.

SWITZERLAND

Mr. Georges Flechter.
Mr. Henrik Schaefer.

THAILAND

Mr. Nai San Phathonothai, secretary general of the Trades Union Congress.

The VICE PRESIDENT. On behalf of the entire Senate, the Chair welcomes our distinguished guests to the floor of the Senate. Under our rules members of all parliaments in the world are entitled, as a matter of right, to come on to the floor of the Senate, and they are welcome to remain as long as they wish. We are very glad to have you, not only in this Chamber, but in this country. I have a deep conviction that if democracy is to be preserved in the world where it now exists, and if it is to be extended into portions of the world where it does not exist, it will in all likelihood be done by the elected representatives of the people in the various countries who are seeking and would relish free institutions, democratic processes, and the dignity that goes with self-government.

We all know that civilization and democracy cannot be preserved alone by military strength, important as such strength is in the present posture of the world. We know that it cannot be preserved entirely by economic success and economic prosperity. We know that it cannot be preserved alone by intellectual processes, important as are all those things.

I think it might be well to quote a great American President, Woodrow Wilson. He said, "If civilization is ever destroyed it will be destroyed by the destruction of the spirit of man."

Therefore, in that spirit, with the deep conviction of the moral concepts which must actuate people in all countries who are seeking, in a groping fashion, to find their way out of the morass of frustration, chaos, and fear, we cannot overlook the moral and spiritual aspects of civilization. It is in that spirit, therefore, as Presiding Officer of the Senate, that I am glad to welcome members of parliaments who come to us as guests, as well as their friends and associates in the galleries who, under our rules, are not entitled to come in on the floor, but who are welcome as our guests in the galleries.

I hope that your visit with us will be long and mutually profitable to you and to us, and that you may take back with you renewed strength in the processes of democracy, and that we may gain something in the same field.

Personally, I thank you for your appearance here. About 4 years ago I happened to be in Europe and attended one of your meetings at Caux, Switzerland, which I enjoyed very much. You are entitled to remain as long as you wish. We hope that you will enjoy your visit to us and to this country. Thank you very much. [Applause.]

Mr. SMITH of New Jersey. Mr. President, I thank the Senator from California [Mr. Nixon] for yielding to me time to introduce these distinguished guests.

Mr. NIXON. Mr. President, before I discuss the amendment which I wish to

present to the Senate, I desire to join in the remarks previously made concerning the delegation which is visiting us on the floor of the Senate today. There is no question that in the final analysis the great struggle in which we are engaged in the world, between the forces of freedom on the one side, and communism, dictatorship, and totalitarianism on the other side, will be decided in the minds and hearts and souls of men. The moral rearmament movement is one of the greatest factors which is winning that struggle for our side.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The Senator from California [Mr. Nixon] is now recognized for 15 minutes on his amendment, which will again be stated.

The LEGISLATIVE CLERK. On page 12, after line 16, it is proposed to insert the following:

SEC. 302. The Public Housing Administration shall not, after the date of approval of this act, authorize or proceed with the construction of any public housing projects initiated before or after March 1, 1949, in any locality in which such projects have been or may hereafter, at any time prior to such authorization or construction, be rejected or previous approval rescinded by the governing body of the locality through resolution or otherwise or by public vote, nor shall any part of any appropriation be used to pay annual contributions on any housing unit of any project so rejected or with respect to which the governing body of the locality votes by resolution or otherwise, or the locality votes by referendum, to rescind its approval at any time prior to actual commencement of construction, unless in either case such projects have been subsequently approved by the same procedure through which such rejection was expressed; provided that in any such case where such public housing projects have been rejected, the local community shall refund any amounts contributed by the Federal Government.

Mr. NIXON. Mr. President, I wish to modify my amendment, in line 3, after the word "projects" by inserting the words "including the award of any construction contracts."

The VICE PRESIDENT. The Senator may modify his amendment.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. NIXON. I cannot yield at this time. After I complete my remarks I shall be glad to yield.

Mr. President, the purpose of this amendment is very simple and very clear. The independent offices appropriation bill last year was amended to read as follows:

Provided further, That the Public Housing Administration shall not, after the date of approval of this act, authorize the construction of any projects initiated before or after March 1, 1949, in any locality in which such projects have been or may hereafter be rejected by the governing body of the locality or by public vote, unless such projects have been subsequently approved by

the same procedure through which such rejection was expressed.

During the debate on the independent offices appropriation bill, on August 16, 1951, there was a colloquy on the floor of the Senate concerning the effect of this particular provision. In that colloquy the chairman of the subcommittee handling the bill, the senior Senator from South Carolina [Mr. MAYBANK], made the following statement interpreting that section of the bill:

If a community desires, through its governing body, to vote not to have housing projects, it may do so; and * * * they may, if they wish—and I desire to make this perfectly clear, so that there will be no misunderstanding—cancel a contract which has been made for public housing. But, of course, they will be responsible for any money which the Government has put into the project.

A few days ago, when I submitted the amendment before us as an amendment to the independent offices appropriation bill, the Senator from South Carolina objected, on the ground of lack of germaneness. However, during the colloquy which took place between myself and the Senator from South Carolina, he reiterated his position. He stated that it had not changed on the point which he had made last year. I read from the RECORD of June 3, 1952, on that point. I was speaking at the time, and I said:

I wanted to have the RECORD at this point perfectly straight, so that it will be clear that that is still the interpretation of the chairman of the subcommittee, regarding this provision of the bill, as it reads presently, namely, that both subsequent and prior action is to be recognized by the courts. Is that correct?

Mr. MAYBANK. The Senator from California is correct.

Under the circumstances, Mr. President, my colleague from California [Mr. KNOWLAND] and I have been concerned over the interpretation of this particular section of the bill. We are concerned both over its application by the administrative branch of the Government, and its interpretation by the Supreme Court of the State of California, because the Supreme Court of California, in a decision which was handed down concerning the effect of this particular provision as it applied to the city of Los Angeles, stated a few months ago:

It is quite apparent that the local rejection referred to is that by which the city might withhold approval of the project. It deals with the future action of the agency. It does not contemplate a case where, as here, the city has approved the project and the Federal agency has authorized the construction.

Mr. President, I think it is clear from the colloquy which took place both last year and this year concerning the interpretation of this provision that the Supreme Court of the State of California did not interpret the bill according to the legislative intent as expressed in the Senate debate. I think it is clear that if a local authority, whether the city council of a political subdivision, or the voters in a referendum, find that they want to rescind a public housing authorization which had previously been

given that that rescission should be given effect by the courts.

That is exactly what happened in the city of Los Angeles. A referendum was held on June 3, on the public housing project which had been previously authorized by the city council, and which the city council had subsequently attempted to rescind. The question was clearly stated on the ballot, so that the voters could understand what they were doing. On that vote the people of Los Angeles voted by 378,343 to 258,718 to rescind the authorization on which the city council of Los Angeles had given to the public housing project.

The purpose of the amendment, Mr. President, is very simple. It is to give effect to the will of the people of Los Angeles in this particular case and also to give effect to the will of the people in any other city, county, or State, who may decide that they do not want a public housing project which may have been previously authorized.

Mr. KNOWLAND. Mr. President, will my colleague yield?

Mr. NIXON. I yield.

Mr. KNOWLAND. Mr. President, I ask my colleague to yield so that I may ask unanimous consent to have printed in the body of the RECORD at this point the actual wording of the referendum which was submitted to the people of the city of Los Angeles, together with the official explanation which was sent to all registered voters in the city of Los Angeles, as it appeared in the CONGRESSIONAL RECORD of June 9 at page A3688.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

SPECIAL MUNICIPAL ELECTION

B. Shall initiation or reinstitution of a low-rent public housing project or projects, consisting of approximately 10,000 dwelling units, on sites selected by the Housing Authority of the city of Los Angeles, and the development, construction, acquisition, ownership and administration of said project or projects by said authority, be approved, and the proposed resolution declaring the need for and approving the development, construction and ownership of such project or projects within the city, approving application to the Public Housing Administration for preliminary loan, and authorizing cooperation agreement by the city and local authority, be adopted?

LOS ANGELES VOTERS REJECT FEDERAL PUBLIC HOUSING

(Speech of Hon. GORDON L. McDONOUGH, of California, in the House of Representatives, Monday, June 9, 1952)

Mr. McDONOUGH. Mr. Speaker, because public housing has been a matter of controversy and a subject of long debate in the House of Representatives on several occasions. I am sure the Members of the House would be interested in the vote cast by the people of the city of Los Angeles on this question at the primary election on June 3.

The proposition submitted to the people of Los Angeles to vote upon was presented in very understandable terms. A "yes" vote meant that the Los Angeles City Housing Authority would be authorized to continue with its contract with the Federal Government and to build 10,000 low-rent public housing units, and a "no" vote meant that

the people of Los Angeles wanted to terminate any further contract with the Federal Government to build any low-rent Federal housing units in the city of Los Angeles.

The vote of the people was as follows: "No," 387,343; "Yes," 258,718, or a majority of 128,625 of "no" votes over "yes" votes.

In order to further remove any doubt that the people knew exactly what they were voting upon, under the California Election Code, it is permitted to include in the sample ballot to each voter on any proposition submitted to the people to vote upon a statement from the proponents urging support of the proposition and a statement from the opponents urging opposition to the proposition.

The following is the statement submitted to the voters by the opponents of public housing:

"DON'T PAY SOMEBODY ELSE'S RENT, VOTE 'NO' ON PROPOSITION B

"On June 3 the people of Los Angeles are to decide whether they want to saddle themselves with the socialized public-housing scheme rejected and canceled by their city council December 26, 1951.

"Proposition B is the name of the measure that would force upon the taxpayers at least a \$205,000,000 burden to build 10,000 Government-owned and operated housing units.

"Everybody knows we are an overtaxed Nation already. If we are going to spend this kind of money, just where do we get it? At a time when the most patriotic thing we can do is to save Government money, is it justifiable to spend hundreds of millions for public-housing projects? You not only are asked to spend tax money to build public housing, but then you must help pay the rent of the families living in them for the next 40 years.

"Here are the facts:

"1. Public housing is pure socialism: The Government would own the land, build the units, collect the rent, select the favored tenants, decide how much or how little rent the tenants pay, and decide how much of the rent you must pay in tax subsidy. That is socialism, pure and simple.

"2. It will increase taxes by hundreds of millions: The city housing authority official estimate, as of August 15, 1951, set the total cost of \$205,000,00. Now there is an election coming, so city housing authority has revised the figure downward. Nonetheless, here are some of the figures involved:

"They want \$110,000,000 for land and construction.

"They want \$53,968,000 for interest to bondholders.

"They want \$124,320,000 for the 40-year expense of their bureau.

"They want \$67,274,000 subsidy from Los Angeles (tax exemption).

"They want \$137,856,000 Federal subsidy to cover operation losses.

"(All figures are those of the housing authority published August 15, 1951).

"3. These projects will not clear slums: All of us hate slums—so the public-housing bureaucrats advertise their program as slum clearance. Yet only a few of the 10,000 units would actually replace substandard dwellings. These 11 new projects would be built on that averages 80-percent vacant.

"4. Slum clearance under way without public housing: The city department of building and safety reports that approximately 3,500 substandard dwelling units can be rehabilitated annually under present conditions by proper enforcement of the law. Last year 3,500 units were so rehabilitated at the owners' expense. With only 10 new inspectors and 3 other new employees, the department plans to initiate a comprehensive program to eliminate substandard dwelling units at a trifling inspection cost,

compared with the untold millions which public-housing projects would devour.

"5. Adoption of this program would further entrench a dangerous bureaucracy: The city housing authority at present operates some 10,000 units as landlord of 45,000 tenants and maintains more than 500 employees. This bureaucratic empire would instantly double if proposition B passes. Yet the city housing authority is under no direct control by Congress, the State legislature, the board of supervisors or the city council. The city housing authority tells you and your representatives where to get off. It sued, in the courts, to prevent the people from voting on proposition B. In every country where public housing was allowed a good start, public housing ended up by taking over all housing.

"6. Public housing breeds crime and other social evils: Chief of Police W. H. Parker wrote to Samuel Leask, Jr., city administrative officer:

"A high percent of delinquents in this area reside in public-housing projects. It is estimated by the division that 40 percent of the total juvenile investigation time in Hollenbeck division is spent in public-housing projects. By contrast, the Wyvernwood private-housing project shows no arrestees residing in the project, and the slum area known as The Flats also reflects a lower number of resident delinquents. Calls per police car are higher from public-housing projects, the chief said.

"Police calls per 1,000 population for November 1951, were as follows: Private-housing project (Wyvernwood), 0.8; temporary housing, 6.75; Flats (slum area), 7.0; public-housing project, 13.75.

"We find permanent public-housing projects reflecting almost twice as much crime as an adjoining slum area, and 16 times more than, Wyvernwood an adjoining private-housing project.

"7. Cancellation of these projects is legal, moral, and financially practical: The city council canceled the housing agreement in compliance with Public Law 137, passed by Congress August 31, 1951, granting home-rule powers to the governing bodies of Los Angeles and other cities to cancel public-housing agreements. We have no sacred duty to maintain a contract to spend money, particularly when Congress set up the procedure for cancellation.

"Public-housing proponents contend the city will lose money by abandoning the project. The city housing authority has invested some \$12,900,000 of which \$9,000,000 went for land. This land can be sold at a profit on today's market, which will guarantee recovery of the \$9,000,000, and conceivably could recover moneys spent by the housing authority for salaries and other expenses. The legal procedure is to get an outside appraisal, which would constitute the minimum acceptable bid and then sell the land in open auction.

"8. This scheme does not provide low-rent housing for the poor: The lowest income families generally are not accepted in public housing. Families receiving allotments are almost uniformly excluded. In practice, only families with steady jobs are admitted. Maurice Saeta of the housing commission on February 12, 1951, put it in writing that out of 10,123 families, only 29 percent were required to have a minimum income to live in public housing. The city administrative officer reported that 23 percent of the families earned from \$3,000 to \$4,199 a year. A later survey limited to Rodger Young Village, showed nine families earned better than \$600 per month. Yet thousands of other Los Angeles families with identical incomes are required to help pay the rent of the favorites of the housing authority.

"9. Thirty-four height-limit buildings are planned: Concrete and steel buildings 13

stories high are included in the housing authority plans for Rose Hills and other areas. This is what the social planners conceive to be ideal housing for families. Packed into these "tenement towers" will be approximately 15,000 men, women, and children needing playgrounds, schools, sewers, police and fire protection, garbage collection and elevator service—all at your expense.

"No one has been able to explain just why concrete and steel construction should be provided at public expense by taxpayers who themselves live in frame and stucco houses.

"10. We do not need 10,000 new units: Surveys show a vacancy factor of up to 8 percent in Los Angeles. There is more housing available today than in 1940, a year of surplus. Analysis of the 1950 census shows that we have more low-rent dwellings than there are low-income families. One-fifth of our citizens live in dwellings renting for less than \$30, and two-fifths of them live in dwellings renting for less than \$40. Half of them pay rent of \$43 or less.

"The history of public housing is that it is socialistic, it imposes huge tax burdens on the people, it does not clear slums, it gradually displaces the private home, it entrenches dangerous bureaucracies in power, it breeds crime and social evils, and it destroys the spirit of self-reliance which made America great.

"It has been proved that we have no need for such a program at the present time when we have a housing surplus and also have a successful program of slum clearance through rehabilitation of substandard dwellings at owners' expense by enforcement of existing laws and codes.

"Proponents of public housing are attempting to misrepresent the facts and mislead the public through emotional propaganda methods. Under no circumstances should the city of Los Angeles add a \$205,000,000 socialist housing program to the fires of inflation and soaring taxes in the critical year of 1952.

"Vote 'no' on proposition 'B.'

"Issued by:

"Frederick C. Dockweiler; James L. Beebe; J. P. Bradley; Rupert Hughes; Mrs. Leland Atherton Irish; Mrs. Justus A. Kirby; Mrs. James K. Lytle; Russel W. Starr, M. D.; Rev. Jesse Randolph Kellems, D. D."

Here is the statement submitted by the proponents of the proposition:

"DO NOT BE FOOLED INTO A \$13,000,000 TAX INCREASE

"Housing proposition B is deliberately worded to mislead you. Actually, a 'yes' vote costs you nothing; a 'no' vote will boost your tax rate considerably.

"Proposition B reads: 'Shall initiation or reinstitution of a low-rent public-housing project * * * be adopted?' thus leading you to believe that you are merely voting on whether or not to begin a new public-housing program.

"This is not the fact: The low-rent, slum-clearance housing program was begun 2½ years ago. Land has been acquired, some of it under condemnation proceedings; families have been removed; a great many slum structures have been destroyed; approximately \$13,000,000 has been spent—none of it city funds. The program has cost you nothing to date.

"If you vote 'yes' on proposition B—if the program is allowed to proceed in a normal manner—it will continue to cost you nothing.

"If you vote 'no,' all action on the program will cease and the Federal Government will immediately institute suit to get its money back. It will cost you, as a local taxpayer, \$13,000,000 added to your property taxes and/or your city sales taxes.

"There is no question that the city will be liable for full damages under its breach of

contract. Even those opposed to public housing have conceded that.

"There is likewise no doubt that the misleading wording of the ballot question is deliberate. When the resolution to put the matter on the ballot was before the city council, Councilman Timberlake, speaking for the seven councilmen who voted against breaching the contract, asked that the proposition be presented to the voters in its true light: That it be in the form of a bond issue, repaying the Federal Government the money that had already been spent.

"This honest suggestion was shouted down. Indeed, one councilman openly stated: 'We can't put it on like that. The people would never vote for a bond issue.'

"But that is what you are voting on. You are voting on whether or not to assess yourself \$13,000,000 in order that the city may breach a legally binding contract—something no reputable businessman would dream of doing.

"Do not be misled by loose talk that the city can sell the land and recover the money it will lose. The city cannot sell the land. Land that has been assembled for a public purpose, by condemnation and under threat of condemnation, cannot be sold to private speculators for a private profit. No court would allow that. And while litigation over the disposal of the land stretches out for years, you will pay the \$13,000,000.

"Do not be confused: The slum-clearance, low-rent housing program does not compete with legitimate private business. The people cared for in public housing are too poor to afford decent accommodations offered by private landlords. The program will cost you nothing, for the off-site costs provided by the city will be more than repaid by the first year's taxes from the new program. And slum clearance will mean lower taxes for you.

"Remember a 'yes' vote costs you nothing and clears your city's slums; a 'no' vote costs you \$13,000,000—for the privilege of denying homes to poor families.

"Vote 'yes' on proposition B.

"W. J. BASSETT,

"Secretary-Treasurer, Los Angeles Central Labor Council, AFL.

"GEORGE A. BEAVERS, Jr.,

"President, Los Angeles Urban League.

"ALBERT T. LUNCEFORD,

"Secretary-Treasurer, Greater Los Angeles CIO Council.

"WILLARD MCCASLAND,

"Commander, Los Angeles County Council, Veterans of Foreign Wars."

With the above information, every voter was well informed as to just what he was voting on, and the results of the election indicate that the people of the city of Los Angeles definitely do not want any Federal low-cost housing projects subsidized with Federal funds built in the city of Los Angeles.

Los Angeles is the third largest city in the United States, and if public housing is needed anywhere in the Nation, Los Angeles, with its great increase in population, the greatest of any large city in the Nation since the 1940 census, is the type of city that would need it, but the people of the city of Los Angeles definitely said "No," they do not want it.

The following is a statement from the Los Angeles Times which indicates that the vote by the people of the city of Los Angeles on public housing on June 3 was of National-wide interest:

"EYES OF UNITED STATES ON VOTE

"For some weeks it has been conceded that the eyes of the Nation, as far as the future of public housing is concerned, would be on Los Angeles yesterday as it voted upon the highly controversial issue. Predictions have

been made that the further development of subsidized housing schemes throughout the country would probably be vitally affected by the verdict of the voters here.

"Dissension began after the city council voted unanimously on August 8, 1949, to enter into an agreement with the federally sponsored city housing authority for construction of the 10,000 units. This agreement was represented to be a cooperation agreement.

"Attached to the ordinance approving the contract was an emergency clause which made it effective immediately. There was no move to submit the action to a vote of the people and there were no public hearings held regarding the move.

"Following a rising tide of opposition, the city council last December 26 voted 8 to 7 to cancel the contracts after a bitter and stormy parliamentary battle."

Following the vote on June 3, several civic leaders and city councilmen express themselves as to what the vote of the people indicated. I submit herewith some of these public statements:

"City councilmen and civic leaders who were in the forefront of the hotly controversial battle to defeat proposition B, the public-housing scheme, last night were unanimous in their acclaim of the vote repudiating the Federal project.

"Harold A. Henry, president of the city council and a leader in opposing the scheme, led the parade of comment with:

"On the basis of returns up to this hour, it appears that the people of Los Angeles have rejected the proposed federally subsidized housing program."

"Verdict conclusive

"The city council submitted this question to the people for decision in accordance with State law. The verdict by the voters should be conclusive and no official or Government bureau should attempt to nullify it or set it aside.

"It represents a vote of confidence in the city council in halting this program and moving to solve the problem in the American way under our free-enterprise system."

"Considered mandate

"Other comments on the proposition's defeat included:

"City Councilman John C. Holland: 'The people have weighed Government-owned and operated public housing and found it wanting. I consider this vote a mandate to the mayor and the city council to move full speed ahead in the slum-clearance program proposed as a substitute for the public-housing scheme.'

"City Councilman Charles Naarro: 'Mayor Bowron has been saying that no matter which way the vote turned out, he would personally go to Washington and negotiate a settlement with the Federal Government. The mayor has been one of the strongest advocates of public housing and I, for one, believe that the city council should participate in negotiating for the people.'

"Wants council action

"The majority members of the council are the ones who fought to save the city from this mess and we take it for granted that the mayor would not think of any such trip to Washington without at least two of the majority members of the council participating in it."

"Attorney James L. Beebe, civic leader who moderated the anti-public-housing conferences at the chamber of commerce: 'Determination has been expressed by the people to back their city council in its cancellation of the 10,000-unit federally subsidized public-housing project. It now becomes the duty of Mayor Bowron and every city councilman and the city housing authority to execute this mandate of the people. The

way is now clear for the renegotiation of this contract to the end of its total abandonment.'

"Congress action urged"

"Donald B. Ayers, president of the Los Angeles Realty Board: 'If the public-housing bureaucracy refuses to accept the mandate of the people, Congress should take immediate action which will protect the rights and wishes of local communities. The voters of Los Angeles are to be congratulated for their opposition to this costly and socialistic scheme administered by uncontrolled bureaucrats. The Los Angeles Realty Board pledges its full support to the program now under way by the building and safety and health departments of the city to rehabilitate slum and substandard dwellings.'

"Attorney Frederick C. Dockweiler, chairman of the Committee Against Socialist Housing: 'It now becomes the duty of the mayor, city council, city housing authority, and the Public Housing Administration in Washington to execute the will of the people by negotiating the abandonment of this project. It becomes also the duty of the proper city agencies to proceed with the slum-clearance program announced last week by the department of building and safety. The Committee Against Socialist Housing pledges its continued efforts for slum clearance by private enterprise.'

I also submit herewith an article from a recent edition of the Christian Science Monitor which is an excellent review on this whole controversial issue:

"LOS ANGELES VOTERS SPIKE PUBLIC HOUSING PROGRAM"

"(By Kimmis Hendrick)"

"LOS ANGELES.—By popular vote the people of this city overwhelmingly have repudiated their most ambitious public-housing program.

"This does not necessarily mean that Los Angeles turns its back forever on public housing. But it does mean that one of the country's largest and perhaps its fastest-growing city emphatically has reopened the debate on the concept's essential merits.

"Before the question was voted on here, it had been referred to the Supreme Court of the United States. In all likelihood, the awaited decision by that Court, not the voting, will settle at least the immediate issue.

"Eleven sites approved"

"That issue is the right of the city council to cancel a cooperation agreement it signed with the Los Angeles Housing Authority in 1949.

"On that agreement the authority proceeded to obtain Federal financing for a \$110,000,000 building program. So far, 11 sites have been approved, obtained, and cleared.

"Should the program be stopped, it would leave the housing authority operating other projects which it has developed since early in World War II and against which no objections currently have been voiced.

"The California Supreme Court has ruled that the 1949 cooperation agreement is a binding contract which the city council cannot cancel. Its status therefore is in suspension pending a ruling by the Nation's highest tribunal.

"Public-housing opponents say the latter could be influenced by the Los Angeles vote.

"Explanations offered"

"Whatever happens, Los Angeles long will be looked upon by students of political science as a fascinating study in what makes a city adopt a program enthusiastically and then repudiate it vigorously a bare 5 years later.

"One obvious explanation is that the 1949 action by the city council did not reflect the people's attitude toward public housing.

"But such an explanation calls attention to numerous others. One is the determination

with which the whole public-housing concept has been lately attacked by a national real-estate lobby. It became evident last year that Los Angeles was to be made the country's most significant battleground for this offensive.

"Although the program was adopted on the national level largely due to the efforts of Senator ROBERT A. TAFT, Republican, of Ohio, who called it an essential subsidy to free enterprise, Los Angeles critics characterize it precisely to the contrary.

"Wide publicity employed"

"They used every available means of publicity for calling it a socialistic burden on taxpayers, and sought to identify it in public thought with corrupt bureaucracy, and even communism.

"Advocates found it difficult, or apparently impossible, to convince the public that low-rent public housing is a cure for slums and for the huge tax burden imposed by slum conditions.

"It is argued here that opposition to the city housing authority's newest and biggest program developed at about the time the private real-estate industry began to sense the end of the postwar building boom.

"This could mean it would have to face public-financed competition at the low-rent level.

"The view was expressed that private enterprise ought to do the whole slum clearance job. Many who supported the public-housing program in the recent election, including Mayor Fletcher Bowron, have said this would be the ideal answer.

"Like Senator TAFT, however, they came to feel that this was neither a likely nor a feasible course.

"Amendment sought"

"One upshot of the heavy local controversy over the question has been agreement by the city council, the mayor, and various city departments that Los Angeles can effect much slum clearance by strict enforcement of safety and sanitation laws.

"Another is the indication that the legislature will be asked to amend its act constituting housing authorities to make them more responsive to local policy and government.

"It is felt that the Los Angeles Housing Authority's determined insistence on its virtual autonomy, perhaps more than anything else, explains the opposition to it that developed in the city council."

Mr. Speaker, I believe that the results of the vote of the people of the city of Los Angeles on the highly controversial question of Federal low-cost public housing should be very revealing to the Members of the House of Representatives, and should serve as a guide to them in their future considerations on this controversial subject.

Mr. NIXON. I thank my colleague for making the material available to the Members of the Senate.

Mr. President, what we are attempting to do through the amendment is to give effect to the intent of Congress as expressed in the debate last year and as reiterated by the senior Senator from South Carolina, the chairman of the subcommittee, in debate on this amendment a few days ago. It seems to me that no Member of the Senate under the circumstances could fail to support the amendment, because when the Senate passed the independent offices appropriation bill last year and when it passed it this year we all were aware of the fact that the local option provision to which I have referred was to apply both to those cases where a city council or a local authority decided that

it did not want public housing in advance of an authorization and to those cases where a city council or local authority by way of referendum had decided they did not want public housing after it had been authorized and the housing project was initiated.

Mr. President, I make one further point, which I think is conclusive insofar as this particular matter is concerned, and that is that our amendment provides specifically that any funds which may have been advanced for the purpose of initiating a project must be repaid by the local governing agency when it rescinds the authority which has been granted. So the Federal Government, in other words, loses no money in case a previous authorization is rescinded by the city council or by the voters by referendum, as it was in this case.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. NIXON. I yield on the Senator's own time.

Mr. SPARKMAN. I should like to ask a question.

Mr. NIXON. I shall be glad to yield on the Senator's own time.

Mr. SPARKMAN. I have no time.

Mr. NIXON. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. Six minutes.

Mr. NIXON. Mr. President, I yield 6 minutes to my colleague, the senior Senator from California [Mr. KNOWLAND].

The VICE PRESIDENT. The senior Senator from California is recognized for 6 minutes.

Mr. KNOWLAND. Mr. President, to reiterate what my junior colleague from California has stated, on June 3 the people of the city of Los Angeles voted by a majority of 128,625 votes that they did not desire to proceed with the construction of a public-housing project of some 10,000 units, which had been previously approved by the city council.

Briefly, Mr. President, under a resolution adopted by the city council on June 2, 1938, the housing authority of the city of Los Angeles came into being. On August 8, 1949, the city council, by ordinance, declared that there was a shortage of proper housing in excess of 10,000 housing units. As a result, an application was made to the public-housing authority for a preliminary loan to make plans and surveys by an ordinance of the city, which was authorized to enter into a cooperative agreement with the housing authority.

Since that time a preliminary loan contract has been entered into between the Los Angeles Housing Authority and the Federal Administration, and I understand that certain construction contracts have been awarded but that construction has not yet started.

The California Supreme Court has recently handed down a decision which in effect states that the city is not authorized to abrogate the contract and has ordered the city to proceed with the project.

On December 3, 1951, the City Council of the City of Los Angeles, by a vote of 8 to 7, adopted a motion that the housing authority be requested to desist from

taking further action on the housing program pending a report from the city administrator, and asked advice of the city attorney as to how to stop the housing program until it could be submitted to the electors of the city. On December 26, 1951, the city council took action to rescind the prior approval of the low-rent housing project and to abrogate the agreement which had been entered into between the city of Los Angeles, the Los Angeles Housing Authority, and the Public Housing Administrator.

As I stated earlier, Mr. President, the people of the city of Los Angeles have upheld the city council by a vote of 387,343 to 258,718.

My colleague has mentioned the statement made by the chairman of the Committee on Banking and Currency in which he said:

If a community desires, through its governing body, to vote not to have housing projects, it may do so; and they may if they wish—and I desire to make this perfectly clear, so that there will be no misunderstanding—cancel a contract which has been made for public housing.

Mr. MAYBANK. Mr. President, will the Senator yield on my time?

Mr. KNOWLAND. I am speaking on my colleague's time.

Mr. MAYBANK. Will the Senator from California yield on my time?

Mr. KNOWLAND. I should like to finish my statement.

Mr. MAYBANK. I did not suggest that they could enter into a \$12,000,000 contract and cancel it.

Mr. KNOWLAND. I do not yield for that purpose. The statement concludes:

Of course they will be responsible for any money which the Government has put into the project.

Subsequently the Senator from South Carolina inserted in the RECORD, at page 6607 of the CONGRESSIONAL RECORD of June 4, 1952, a copy of the correspondence between Mayor Fletcher Bowron and himself regarding the ability of a municipality to withdraw from a public-housing project.

In the case of the city of Los Angeles, Mr. President, between twelve million and thirteen million dollars of money has been expended in obtaining land, clearing land, and for the payment of salaries and services. The amendment presently under consideration provides for repayment of indebtedness and to that extent the Federal Government will not suffer any financial damage. It seems to me to be unreasonable, when the city council, supported by the people of a community, states in very positive terms that they do not desire to go through with the project that they should be denied the right to make restitution and withdraw from the contract.

Mr. President, we hear a great deal of discussion about States' rights and local rights. We hear a great deal of discussion from the other side of the aisle and on this side of the aisle about the will of the people being able to express itself. Here is a clear case in which the people of a great city, through their elected representatives, under our representative system of government, by

the action of the official city council, have taken action. The question was submitted to referendum. The people themselves by democratic process by an overwhelming majority said that they want to stop a project which had been previously approved. It seems to me that, unless the amendment were adopted, the Senate of the United States and the Federal Government would set itself up over and above the will of the people of a community and force them to go ahead with a project which they themselves have determined they do not care to proceed with.

Mr. President, this amendment will not relieve the community of any financial liability to the Federal Government. However, certain local and State problems will have to be worked out before final action can be taken to implement the decision of the people of Los Angeles.

I make a plea to the Senate today that, even though some technical objections may be raised to the germaneness of the amendment, I believe that the amendment is germane to the general situation we are discussing, namely, the relationship of the Federal Government to the economy and the life of the Nation.

In view of all the circumstances which have been presented to the Senate by both my colleague [Mr. Nixon] and me—and we represent in the Senate the State of California—I hope the Senate will adopt the amendment and will make it a part of the pending bill.

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. MAYBANK. Mr. President, no one has greater appreciation than I have for the distinguished Senators from California. However, in reality what they are asking us to do is to vote to have the Federal Government interfere in a local dispute between two local public bodies. I shall discuss the exact facts in the case. I have just received a telephone call about this matter from the mayor of Los Angeles.

I do not intend to get mixed up in a local dispute, and I trust that the Senate will decide not to do so, either. I hope the Senate will agree with me, after I have presented the facts which I have obtained.

First, however, I now yield several minutes to the Senator from Iowa [Mr. GILLETTE].

VISIT TO THE SENATE BY MR. AND MRS. THOMAS F. SULLIVAN OF WATERLOO, IOWA

Mr. GILLETTE. Mr. President, I ask for 1 minute.

The VICE PRESIDENT. The Senator from Iowa is recognized for 1 minute.

Mr. GILLETTE. Mr. President, I believe every Senator remembers very vividly the tragedy of 10 years ago, when the United States warship *Juneau* was sunk in the Pacific war, and there went down with it five brothers from Waterloo, Iowa, who were serving on that warship.

Mr. President, many distinguished visitors have entered this Chamber, but I believe the Senate Chamber has never been visited by anyone more entitled to recognition than are the mother and father of those five young men. Mr. and Mrs. Thomas F. Sullivan, of Waterloo, Iowa, gave their sons to the United States. Mr. and Mrs. Sullivan are in the gallery at this time, and I should like to have them stand, so that the Members of the Senate can recognize them.

[Prolonged applause, Members of the Senate rising.]

Mr. GILLETTE. I thank the Senator from South Carolina for yielding to me.

Mr. MAYBANK. Mr. President, I have been only too happy to yield to the Senator from Iowa, and I desire to join him in conveying our most sincere respects to Mr. and Mrs. Sullivan.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

The Senate resumed the consideration of the bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. McFARLAND. Mr. President—

Mr. MAYBANK. Mr. President, I yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I plead with the Senators from California to withdraw the amendment. The amendment clearly is not germane to this bill.

Mr. MAYBANK. Mr. President, will the Senator from Arizona yield to me at this time?

Mr. McFARLAND. Yes.

Mr. MAYBANK. I merely wish to suggest that I shall make a point of order against the amendment, but I do not wish to do so until the proper time, because I wish to have the Senate understand what it is doing.

Mr. McFARLAND. Very well.

Mr. President, I simply wish to say to our good friends, the two Senators from California, that I think they do their cause an injustice when they offer this amendment to this bill, as it is not germane and has nothing to do with the bill pending.

When we obtain unanimous-consent agreements to the effect that only germane amendments may be submitted if we do not abide by those agreements, virtually anything could "come in the door" so to speak, under such agreements limiting debate.

So I hope the Senators from California will recognize that we must proceed in an orderly manner, and that it is important that we do so; and I trust they will withdraw their amendment. If this matter has not been given consideration by the Banking and Currency Committee, I hope it will be; but certainly it will not receive the proper consideration, in my opinion, by being submitted on the floor, as an amendment to the pending bill, under a unanimous-consent agreement limiting debate on each amendment to 15 minutes to a side.

So I hope the Senators from California will not insist upon the amendment.

Mr. MAYBANK. Mr. President, for the RECORD, I wish to have it understood that although this amendment appears to be general in nature, it is directed primarily to a single local situation in Los Angeles, Calif. I make that statement with the deepest respect and admiration for both Senators from California.

The Federal law relating to low-rent public housing made specific provisions to the effect that the governing body of each locality would be responsible for determining whether low-rent public housing was needed in that community, and that such determination should be made by the local governing body before the Federal Government entered into any contracts for low-rent public housing in any community.

In the case of Los Angeles, these requirements of laws were fully met. The City Council of Los Angeles by resolution approved the application of the local housing authority for a preliminary loan for its low-rent public housing program. Thereafter, the City Council of Los Angeles entered into a contract with the local housing authority providing for the required local cooperation, and thereafter the local housing authority entered into a loan and annual contributions contract with the Public Housing Administration of the United States.

After the local public housing program, which twice previously had been approved by the city council, was commenced, the city council, by a one-vote margin, voted to rescind its previous approval of the program and to terminate the contract for the local cooperation previously entered into.

The Supreme Court of California held that such action by the city council to terminate a valid contract by unilateral action and without the consent of the other party to the contract, was not authorized under the laws of the State of California and the Constitution of the United States. In this connection I want to call attention again to my colloquy with the late Senator Wherry last year. The Senator from California has referred to it several times. I said that, under the language in last year's independent offices appropriation bill, a contract could be canceled and the money paid back to the Federal Government. I did not mean—and I have consistently pointed this out to the Senators—that a contract could be canceled by one party to the contract. It would have to be a mutual cancellation—an agreement by both parties to terminate their contract and to pay back the Federal Government.

The city council also provided that the question as to whether the program of low-rent public housing previously approved by the city council and contracted for should proceed, was to be submitted to the voters at the June 3 election. The attorney general of California ruled that, in view of the previous approvals of the city council and the valid contracts entered into in reliance thereon, and the decision of the Supreme Court of California, such referendum would be

of no legal force or effect, but that since the ballots had already been printed and there was not sufficient time for reprinting the ballots prior to the June 3 election, the proposition could not be removed from the ballot. The vote was about 378,000 to 258,000 against low-rent public housing.

There is no question but that if the city council had sought to ascertain the wishes of the voters before giving the required approvals and entering into valid contracts, the city would be entirely free to refuse to go ahead with any public housing. I think the city council should have sought to ascertain the wishes of the voters; but it did so too late, in my judgment.

In the situation which now prevails and under the decisions of the Supreme Court of California, the city council cannot, by unilateral action, terminate its valid contract.

Mr. KNOWLAND. Mr. President, will the Senator from South Carolina yield at this point?

Mr. MAYBANK. I shall be glad to yield to my colleague after I finish this statement.

At the same time, however, the city and the local housing authority have full power to mutually agree to terminate or to modify the existing contract in such manner as will most readily carry out the wishes of the citizens of Los Angeles as expressed in the June 3 referendum. In other words, the local housing authority and the city council can get together.

Similarly, the local housing authority and the Public Housing Administration have full authority to mutually agree on such modification of the present valid loan and annual contributions contract as would most readily carry out the wishes of the citizens of Los Angeles as expressed at the June 3 election, although, of course, any such agreement could not relieve either the local housing authority or the city of Los Angeles from their respective obligations concerning the repayment to the Federal Government of moneys advanced under such contract prior to its modification.

Therefore, it seems perfectly clear that this is a purely local situation where all of the parties involved have full authority and power under existing laws to take whatever action may be mutually agreed to in order to resolve satisfactorily the local controversy. Since it is a purely local situation, and I wish to emphasize this, and since the basic Federal legislation specifically places the primary responsibility for solving local situations with the local communities, where it belongs, the Congress of the United States should not enact national legislation to deal with a purely local situation.

Mr. KNOWLAND. Mr. President, will the Senator from South Carolina yield to me at this time?

Mr. MAYBANK. I am glad to yield.

Mr. KNOWLAND. I wish to make a plea to the distinguished Senator from South Carolina who heretofore has stood on this floor in the interest of States'

rights: Here is a case in which the elected representatives of the people of that State have asked for an abrogation of the action taken by the city council.

Mr. MAYBANK. If the Senator from California will yield at this point, let me say that the voters of that city have not asked the Congress of the United States to relieve them from two previous actions taken by the city council.

Mr. KNOWLAND. Mr. President, with all due respect for my friend from South Carolina, I submit that the spokesmen of the State of California in this Chamber are the junior Senator from California and myself; and I have just been renominated in California by both of the great political parties.

Mr. MAYBANK. As I told the distinguished Senator from California, I marveled at the votes he got. But this is a local dispute that should be settled locally first before bringing it to the Federal Government or the Congress.

Mr. KNOWLAND. I want to say I think the Senator is establishing a very dangerous precedent.

Mr. MAYBANK. No; Mr. President.

Mr. KNOWLAND. It is a precedent which is violative of States' rights and of the will of the local people.

Mr. MAYBANK. No, Mr. President, the Supreme Court of California acted, as the Senator from California knows.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield to the Senator from Alabama.

Mr. SPARKMAN. Is there any controversy whatever as between the Federal Government and the city of Los Angeles?

Mr. MAYBANK. There is none.

Mr. SPARKMAN. Is it not true that the controversy which exists is between the city council of the city of Los Angeles and the housing board of the city of Los Angeles, which is a State agency?

Mr. MAYBANK. That is exactly the case. The Federal Government is not involved at all. The city council voted for it twice. On a third vote, they reversed their previous votes. The people voted against it. I love to stand by the people, as I always have, but I do not think we should put ourselves in the position of going back on the rulings of the Supreme Court of California and the action of the council of the city of Los Angeles. They should be allowed to settle their own disputes without interference from the Federal Government.

Mr. SPARKMAN. Mr. President, if the Senator from South Carolina will yield to me at that point, since the question of States' rights has come up, I know the Senator from South Carolina is a believer in States' rights, and so am I.

Mr. MAYBANK. I am a believer in States' rights, that is why I wanted to make this statement.

Mr. SPARKMAN. But is not this the situation in effect: The very able and distinguished and good Senators from California—

Mr. MAYBANK. No better Senators are made, I may say.

Mr. SPARKMAN. The Senators from California come here to ask the Federal

Government to intervene in a purely local dispute. Is not that true?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I ask the attention of the Senator from South Carolina. Is not that true?

Mr. MAYBANK. Mr. President, how much time have I remaining?

The VICE PRESIDENT. The Senator from Alabama has asked the Senator from South Carolina a question.

Mr. SPARKMAN. I asked whether it is not true that what the able Senators from California have done is, in effect, to ask the Federal Government to intervene in a purely local dispute.

Mr. MAYBANK. That is my understanding.

Mr. SPARKMAN. Did not the Supreme Court of California say it was a local dispute?

Mr. MAYBANK. That is what it said.

Mr. SPARKMAN. And did not that court point out that the city council and the city housing authority should work out the problem between them?

Mr. MAYBANK. That is correct. And the Federal Government would agree to any sensible agreement reached by them, I am sure.

Mr. SPARKMAN. Is it not also true that the attorney general of the State of California has also ruled on the matter? Is it not the effect of this amendment that the Federal Government shall upset the ruling of the Supreme Court of California, and upset the ruling of the attorney general of the State and of everyone else who has had anything to do with it?

Mr. MAYBANK. Except the last vote of the city council.

Mr. President, I make a point of order against the amendment.

The VICE PRESIDENT. The Senator will state the ground of the point of order.

Mr. MAYBANK. It is on the ground that the amendment is not germane to the pending bill extending the Defense Production Act.

The VICE PRESIDENT. Under the unanimous-consent agreement, no debate is allowable on the point of order.

Mr. KNOWLAND. I ask for the yeas and nays.

The VICE PRESIDENT. Just a moment. There are no yeas and nays on the point of order. The Chair passes on the question, and from the decision of the Chair the Senator may take an appeal. The Chair will hear the Senator from California briefly on the point of order, and only on the point of order. The Chair has no function to pass on the merits of the amendment; the only question is on the germaneness of the amendment to the bill which is pending before the Senate.

Mr. KNOWLAND. Mr. President, I call the attention of the Chair to the fact that the bill we are considering, in title II, provides for amendments to the Housing and Rent Act of 1947, as amended. I also call the attention of the Chair to the fact that Public Law 96, Eighty-second Congress, chapter 275, first session, Senate bill 1717, an act to amend

and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, as amended, on page 15, provides—

Mr. MAYBANK. Mr. President, if the Senator from California, for whom I express my appreciation, will yield, rent control is only temporary. It was changed the other day, to make it expire March 1.

The Public Housing Act is a permanent law and "housing" in the "Housing and Rent Act" does not refer to the Housing Act of 1949 which includes the provision for public housing.

Mr. KNOWLAND. Continuing, I read from page 15, as follows:

Notwithstanding the provisions of section 202 (c) the term "controlled housing accommodations" as applied to any such critical defense housing area shall include all housing accommodations in the area, without exception. In establishing any maximum rent for any housing accommodations under this subsection, the President shall give due consideration to the rents prevailing.

Then, on page 18 of the same Defense Production Act, it is provided as follows:

Sec. 206. Section 202 (a) of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(a) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing."

Since obviously it is impossible to build either public housing or private housing without materials, and since this act deals with the control of materials, I think it is a reasonable assumption that this amendment is germane under the general provisions of the act, and that the reason, as the Senator from South Carolina knows, the reason for including a provision as to germaneness in the unanimous-consent agreement was that the Senate itself has no rule of germaneness, except in the case of appropriation bills and cloture motions and it was desired to prevent something entirely extraneous, such as an anti-poll-tax measure, or something else, from being added to the bill. This is certainly within the general scope of what we are dealing with here.

Mr. MAYBANK. We have no poll-tax amendment. I have said nothing about the poll tax.

The VICE PRESIDENT. The Chair is ready to rule. The Chair has examined the amendment and the bill to which the amendment is offered. The only question for the Chair to pass on is, Is this amendment germane to the bill now under consideration? It is not a question of whether the amendment would be germane to some other act of Congress, which is now the law. The bill under consideration extends the Defense Production Act and the rent-control provisions of the Housing Act of 1947. It does not deal with housing projects or with the construction of housing projects. It only extends the provisions of the 1947 Act, which deal with rent control and rent decontrol. The Chair thinks it is not germane to the bill in

that respect, and therefore sustains the point of order.

Mr. NIXON. Mr. President, I appeal from the decision of the Chair.

The VICE PRESIDENT. The question is, Shall the ruling of the Chair stand as the judgment of the Senate?

Mr. KNOWLAND. I ask for the yeas and nays.

The VICE PRESIDENT. On the appeal, 15 minutes to a side are available, if any Senator wishes to use the time. Otherwise, the yeas and nays having been requested and sufficiently seconded, the clerk will call the roll.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will still call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hickenlooper	Moody
Bennett	Hill	Morse
Benton	Hoey	Mundt
Bridges	Holland	Neely
Butler, Md.	Humphrey	Nixon
Butler, Nebr.	Hunt	O'Connor
Capehart	Ives	O'Mahoney
Case	Jenner	Pastore
Chavez	Johnson, Tex.	Robertson
Clements	Johnston, S. C.	Saltonstall
Connally	Kem	Schoeppel
Cordon	Kerr	Seaton
Douglas	Kilgore	Smathers
Dworshak	Knowland	Smith, Maine
Eastland	Lehman	Smith, N. J.
Ellender	Long	Smith, N. C.
Ferguson	Magnuson	Sparkman
Flanders	Malone	Thye
Frear	Martin	Tobey
Fulbright	Maybank	Underwood
George	McCarthy	Watkins
Gillette	McClellan	Welker
Green	McFarland	Wiley
Hayden	McKellar	Williams
Hendrickson	Millikin	
Hennings	Monroney	

The VICE PRESIDENT. A quorum is present.

Mr. NIXON. Mr. President, may I be recognized?

The VICE PRESIDENT. The Senator from California is recognized for 15 minutes.

Mr. NIXON. Mr. President, I shall not use 15 minutes, but I shall take some time for the purpose of explaining to the Members of the Senate the technical question which is now before the Senate. The vote will come upon the decision of the Chair that the amendment which has been offered by the junior Senator from California is not germane to the bill pending. The question before the Senate is whether the decision of the Chair, to the effect that the amendment is not germane, shall be sustained. Of course, those Senators who believe the amendment is germane to the bill will vote "nay"; those who believe it is not germane will vote "yea."

So that Senators who were not on the floor when the debate took place a few minutes ago will understand the issue involved, I think it is necessary to explain, in a few words, just what the amendment does.

The people of the city of Los Angeles, in a referendum on June 3, by a vote of 278,343 against 258,718, a majority of more than 120,000, decided to rescind a public-housing contract which had been entered into by the City Council of Los

Angeles with the Public Housing Authority of the Federal Government.

The question is whether the wishes of the people of the city of Los Angeles are to be respected in this matter. There are four other areas in the country at the present time awaiting a decision in the case which affects the city of Los Angeles, so that they may consider action to rescind public-housing contracts which have been previously entered into. So, it is not a matter which concerns only the city of Los Angeles and the State of California; it also concerns several other States, and, therefore, concerns the national interest, as well.

It is the contention of those of us who support the amendment that all the amendment proposes to do is to give effect to the legislative intent which was expressed by the senior Senator from South Carolina [Mr. MAYBANK] in the debate on the independent offices appropriation bill last year. The legislative intent was, we think, clearly expressed by the words of the Senator from South Carolina when he said, "a community may" and I desire to make this perfectly clear "cancel a contract for public housing, but they will be responsible for any money which the Government has put into the project."

This amendment provides for carrying out this expression of legislative intent. If a State or local government desires to cancel a contract which has been entered into for public housing, it will be able to do so either through referendum of all the people or through action of the city council, and that action by the local government will be given force and effect by the Public Housing Authority.

The amendment also provides that if cancellation takes place the local authority will refund the money that has been advanced for the construction project.

Mr. CASE. Mr. President, will the Senator from California yield?

Mr. NIXON. I yield to the Senator from South Dakota.

Mr. CASE. Mr. President, will the cancellation of the contract release certain materials so that they will be available for other purposes, conceivably defense production purposes?

Mr. NIXON. That is correct. Therefore, it bears on the question of germaneness.

Mr. CASE. It seems to me it will release some critical materials that must properly be considered to a bill dealing with defense produce.

Mr. NIXON. That is the contention we make on the question of germaneness, because the production and allocation of critical materials is, of course, one of the major subjects covered by the proposed legislation before us.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. NIXON. I yield.

Mr. KNOWLAND. During the earlier discussion by the Senator from South Carolina, he appeared to make a great deal of the fact that the City Council of Los Angeles, while it had taken action asking for abrogation of the contract, which was later supported by a vote of

the people, had done so only by a one-vote margin.

Is it not true that in our representative form of government many bills passed by either House of Congress by a one-vote margin, and no one challenges the validity of such action? Is it not true that the submerged lands of the State of Texas were taken away from that State by a one-vote margin in the Supreme Court of the United States?

Is it not true that there are many instances in our representative system of government where a one-vote margin has been the determining factor?

I cannot see the validity of the argument of the Senator from South Carolina that margin makes any difference one way or the other, whether it was a 1-vote or a 10-vote margin.

Mr. NIXON. The Senator is exactly correct. And in addition the people of Los Angeles, in a referendum, voted by a margin of 120,000 votes, a majority of 3 to 2, in an election in which the issues were very clearly stated on the ballot, to rescind the public-housing contract which the City Council of Los Angeles had first approved, and then had been unable to rescind, due to the fact that the public housing authority would not agree to such rescission.

Much has been made of the point that what should be done in this instance is not to have Congress act but let the Public Housing Authority and the city council work this out by mutual agreement. The difficulty is that the City Council of Los Angeles tried to get the Public Housing Authority to agree to rescind the contract because the city council on reconsideration of the issue recognized that the people of the city of Los Angeles did not want the public housing project. But the Public Housing Authority has refused to agree mutually with the City Council of Los Angeles for its rescission.

Under the circumstances, the question of germaneness should be decided, I respectfully submit, against the decision made by the Chair, for several reasons. I think that when we have a bill which deals, as does this bill, with the control of rents for public housing projects, certainly an amendment which deals with whether we are going to have a public housing project or not is germane. I think that when we have a bill which deals with materials which would go into public housing projects, and the allocation of such materials, an amendment which will determine whether or not we are going to have a public housing project requiring such materials is germane.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. NIXON. I yield.

Mr. FERGUSON. Does not the question of germaneness arise solely because there is a unanimous-consent agreement which requires amendments to be germane in connection with a limitation of debate?

Mr. NIXON. The Senator is correct.

Mr. FERGUSON. The question of germaneness would not arise except for the agreement.

Mr. NIXON. This is not similar to the issue of germaneness raised against

legislation upon an appropriation bill. This is a case where, if there were no unanimous-consent agreement and no limitation of debate, the amendment would unquestionably be germane.

Mr. FERGUSON. That is correct. Usually the wording as to germaneness is used in agreements limiting debate so as to make it impossible to propose civil-rights legislation or similar measures to a bill.

Mr. NIXON. That is exactly correct. That was the purpose of putting the provision as to germaneness in the unanimous-consent request. I do not believe the senior Senator from South Carolina could claim that this amendment even remotely involves anti-poll-tax or anti-lynching or civil-rights legislation.

I call the attention of the Senator from South Carolina to the fact that the major issue here involved is solely the question of whether Congress is going to recognize and give force and effect to the will of the people of the State of California and of a municipality in the State of California.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. NIXON. I yield to my colleague.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Will the Senator yield to the Senator from Michigan for a parliamentary inquiry?

Mr. NIXON. I yield for that purpose.

Mr. FERGUSON. On the question of germaneness, is it not true that there is unlimited debate?

The VICE PRESIDENT. There is not. Under the unanimous-consent agreement with respect to the appeal, it is specifically provided that the 15-minute limitation applies.

Mr. FERGUSON. Then the order contains a provision that the limitation of debate applies to the question of germaneness?

The VICE PRESIDENT. It does.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. NIXON. I yield.

Mr. KNOWLAND. I should like to make one final plea to my colleagues on the other side of the aisle, particularly those who state that they believe in the rights of the States. I point out again that one of the issues in the senatorial campaign that has just taken place in California was the question of States rights and the encroachment of a bureaucratic Federal Government that fails to recognize the desires of the people of a State and the people of a locality not only as expressed by city councils but also by the voters of the community.

When the people of a great locality and the two United States Senators representing a great State come before the Senate and ask to have this action taken, I appeal to Senators not to establish a precedent by turning down their plea on the basis of upholding a Federal bureaucracy which is flouting the will of the people of that community and a State.

I appeal to Senators on the other side of the aisle to give us support because no man knows when he may be called upon to stand on the floor of the Senate

with a problem and desire the Senate to support his plea. I would not hesitate for a moment to give my support if any other Senator should come before this body and plead for help in a case where a city council and the people of a locality desired certain action and both United States Senators advocated it.

Mr. NIXON. Mr. President, I can conclude in just a few words. What we are trying to do through our amendment is, first of all, to give effect to the interpretation of the public housing provisions of the law made last year by the chairman of the subcommittee, the Senator from South Carolina [Mr. MAYBANK], that when a State or local government acts to rescind a public housing contract the Federal Government shall agree to that rescission.

What we are doing, further, is giving effect to the will of the people of a locality, clearly expressed in a referendum where the issues were clearly stated.

The question before us, indirectly involved, of course, in the ruling of the Chair, is whether or not Congress believes the Federal Government should force down the throats of people of a local community a public housing project which they do not want, a contract which they have voted to rescind and on which they are willing to reimburse the Federal Government the sum of money that has been expended on the project.

It seems to me that the issue is clear; and under the circumstances Members on both sides of the aisle, regardless of how they may feel about public housing or its merits, because that is not what is involved here, should vote to recognize the clearly expressed intent of the law and the will of the people.

Mr. MAYBANK. I merely wish to say to the Senator from California that no one has any less respect for bureaucratic methods than has the Senator from South Carolina. I do not believe that either of my distinguished friends and great Senators can point to my having ever voted against local or States' rights. The Supreme Court of California, Mr. President, said that the Housing Authority was correct. The attorney general of California said that the ballots that were to be cast by the people were not in order and there was not time to reprint them.

There was a row between the city housing authority and the city council. I wish to say to my friends that with what little influence I have as chairman of the Banking Committee and with the Public Housing Agency—and it might not be much—I shall try to straighten out the matter. But I am not going to stand in the Senate and see the distinguished President of the Senate overruled on a point of germaneness as to a question on which the Supreme Court of California has ruled and the Attorney General of California has ruled, merely because there has been a row between the City Council of Los Angeles and the city housing authority.

We might as well pass a law that will change the lights from green to red in California for the housing development, so that traffic might be run according

to traffic rules which are different than in any other locality.

This is a local matter, and I am for local matters. But I am for local matters only before the Supreme Court, the Attorney General, and others rule on them. This has to do with Los Angeles; not with California, nor with any other of the many cities in that great State which have public housing projects. It is not San Francisco. It is not Sacramento. This situation involves a local row in Los Angeles, which I regret. I regret that the Committee on Banking and Currency and I have been drawn into it by letters, telephone calls, and telegrams.

I hope that the ruling of the distinguished Presiding Officer will be sustained, because I do not see how the amendment could be considered germane.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WELKER. Mr. President, I have listened with interest to the debate with respect to the ruling of the Supreme Court of California—

The VICE PRESIDENT. The Senator from South Carolina has not yielded to the Senator from Idaho.

Mr. MAYBANK. I yielded to the Senator from Arizona.

Mr. McFARLAND. Mr. President, what is the parliamentary situation?

The VICE PRESIDENT. The Chair ruled that the amendment offered by the Senator from California [Mr. NIXON], was not germane to the bill.

Mr. McFARLAND. I understand that; but how much time is left?

The VICE PRESIDENT. The Senator from California has 3 minutes left. The Senator from South Carolina has 12 minutes.

Mr. MAYBANK. Mr. President, I shall be glad to yield my time to the Senator from Arizona. First I should like to answer the question of the Senator from Idaho, who started to ask me a question.

Mr. McFARLAND. Very well.

Mr. WELKER. Mr. President, I have been interested in the remarks of the Senator from South Carolina with respect to the ruling of the Supreme Court of California. What is the difference between the ruling of the Supreme Court of California in this particular matter and the ruling of the Supreme Court of the United States with respect to the tidelands dispute?

Mr. MAYBANK. The Senator from Idaho knows more about tidelands than I do. Of course, I come from a State which borders on the ocean. The people of my State think that possibly oil will be discovered some day in the tidelands area. I doubt if that ever happens. The people of my State believe in States' rights. The State of California has a great deal of oil, as has the State of Texas.

I voted against the Supreme Court in the tidelands case because of the stipulations which were entered into at the time the great State of Texas came into the Union, and the constitutional pro-

visions, which have been well set forth on many occasions by the distinguished Senators from Texas, as well as by the senior Senator from Florida [Mr. HOLLAND]. I understand that Texas could have had more Senators than it has. I know something about the history of the Lone Star State. I have been in that great State on many occasions. However, I do not see what that has to do with the germaneness of this amendment.

Mr. President, I yield the remainder of my time to the Senator from Arizona.

Mr. McFARLAND. Mr. President, this discussion is certainly very interesting and instructive, but it is all directed to other matters than those which concern the pending legislation. The Senators from California have both made very persuasive arguments in favor of their amendment. However, their argument has been on the merits of the amendment. It has not been on the question of germaneness, as I see it.

When the Chair makes a ruling on a matter of this kind he should be upheld unless he is wrong. We should not pass upon the question of whether the amendment is a good amendment or a bad amendment. Senators have a right to depend upon the rules of the Senate. Otherwise, some question might arise which they might wish to discuss for 2 or 3 hours or perhaps 2 or 3 days, and they would be cut off by a limitation of debate.

Mr. President, I cannot too strenuously insist on the orderly procedure of the Senate, and the Chair being upheld in this appeal. So far as I am concerned, after listening to the arguments which have been made I do not know which side is right and which is wrong. If we were voting on the merits, I would have to vote against the amendment, because I do not think it has been given proper consideration or can be given proper consideration under the present circumstances.

The Senator from South Carolina [Mr. MAYBANK] and the Senator from Alabama [Mr. SPARKMAN] say that this is a local question, a quarrel between local authorities. The Senator from California [Mr. KNOWLAND] talked about bureaucrats. Perhaps the bureaucrats did not rule in favor of the side which the Senators from California consider to be right. But that is not the question before us. I think we ought to vote to sustain the ruling of the Chair and get down to business and pass this bill. We have been on it too long already.

SEVERAL SENATORS. Vote! Vote! Vote!

The VICE PRESIDENT. In order that Senators may understand what they are voting on, the Chair wishes to make a brief statement, not in the nature of an argument one way or the other. The Chair has no pride of opinion with respect to his rulings.

The Senator from California [Mr. NIXON] offered an amendment to the bill dealing with a housing project in Los Angeles. The pending bill is a measure extending the Defense Production Act and the Rent Control Act. The bill does not deal with housing projects.

Under the unanimous-consent agreement entered into, amendments not germane to the bill were not to be received. The Chair ruled that this amendment, regardless of its merits—and the Chair so stated at the time—is not germane to the bill, and therefore sustained the point of order made by the Senator from South Carolina [Mr. MAYBANK].

The only question before the Senate, therefore, is whether the ruling of the Chair was correct. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered. Senators who favor the decision of the Chair standing as the judgment of the Senate will vote "yea" when their names are called. Senators who do not believe that the decision of the Chair should stand as the judgment of the Senate will vote "nay."

The clerk will call the roll.

The Chief Clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. JOHNSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The Senator from Illinois [Mr. DIRKSEN] is detained on official business.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] would each vote "nay."

The result was announced—yeas 44, nays 32, as follows:

YEAS—44

Anderson	Fulbright	Humphrey
Benton	George	Hunt
Chavez	Gillette	Johnson, Tex.
Clements	Green	Johnston, S. C.
Connally	Hayden	Kerr
Douglas	Hennings	Kilgore
Eastland	Hill	Lehman
Ellender	Hoey	Long
Frear	Holland	Magnuson

Maybank
McClellan
McFarland
McKellar
Monroney
Moody

Morse
Neely
O'Connor
O'Mahoney
Pastore
Robertson

Smathers
Smith, N. O.
Sparkman
Tobey
Underwood

NAYS—32

Bennett
Bridges
Butler, Md.
Butler, Nebr.
Capehart
Case
Cordon
Dworshak
Ferguson
Flanders
Hendrickson

Hickenlooper
Ives
Jenner
Kem
Knowland
Malone
Martin
McCarthy
Millikin
Mundt
Nixon

Saltonstall
Schoeppel
Seaton
Smith, Maine
Smith, N. J.
Thye
Watkins
Welker
Wiley
Williams

NOT VOTING—20

Aiken
Brewster
Bricker
Byrd
Cain
Carlson
Dirksen

Duff
Ecton
Johnson, Colo.
Kefauver
Langer
Lodge
McCarran

McMahon
Murray
Russell
Stennis
Taft
Young

So the decision of the Chair was sustained.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on agreeing to the committee amendment as amended.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

DISTRIBUTION OF THE UNITED STATES MARKETS AND PRODUCTION—ADDRESS BY GEN. DOUGLAS MAC ARTHUR

Mr. MALONE. Mr. President, I move that the bill extending the Defense Production Act be recommitted to the Committee on Banking and Currency.

The bill as now amended approves a world cartel under the International Materials Conference, set up and operated without approval by Congress, as a means of distributing the markets and the production of our country among the nations of the world.

It presumes to operate on a world basis, but since this country is furnishing the only new money and the only substantial markets in the game, we are actually the only nation whose economy is being carved up to average the living standards of the world.

UTTERLY DESTROYS THE WORKINGMEN AND INVESTORS

It drives the final nail into the coffin of the working men and investors of the United States, through the simple medium of giving or withholding the materials needed for necessary production.

ESSENCE OF ARROGANCE

Mr. President, the British publicity director made a statement on June 10, appearing in the New York Journal of Commerce which is the very essence of arrogance. In that statement he gives this country the choice, in so many words, either of continuing the division of the markets of the United States with Britain through the so-called Reciprocal Trade Act, or to continue giving Britain the money to make up their trade

balances, under the lend-lease, UNRRA, direct gift loans to Britain, the Marshall plan, ECA, point 4, or the Mutual Security Act. He condescends to ask which we prefer; that is the effect of his statement.

He severely criticized our manufacturers for daring to suggest that American workingmen and investors should be protected from the sweatshop labor of Europe and Asia.

His exact words were "whether the United States preferred to have dollars supplied [to Britain] by an already overloaded [American] taxpayer, or by a satisfied American buyer of British goods."

At last the real objective of the State Department's three-part free-trade program is openly admitted and a division of our markets, built up over a century of time, demanded by European manufacturers—after we have furnished the money to build up the industrial European structure to not only compete with our own labor and investors—but to brazenly sell to our potential enemies for their use in fighting world war III with us.

I now ask unanimous consent to have the article from the New York Journal of Commerce printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LINKS FREE TRADE, WESTERN SURVIVAL

The president of the Advertising Association of Great Britain yesterday said the survival of the western world depends on the freely flowing exchange of goods and services.

Sir Miles Thomas, who is also chairman of the British Overseas Airways Corp., criticized "the tendency of some United States manufacturers of competitive or related lines to seek home protection against competition."

Addressing the forty-eighth annual convention of the Advertising Federation of America, Thomas asked whether the United States "preferred to have dollars supplied by an already overloaded taxpayer or by a satisfied American buyer of British goods."

He said the failure of British firms to do more advertising in the United States was in part due to the uncertainty as to the tariff changes which the British exporter might find.

Stating that the British in international trade do not want "crumbs from the rich man's table," Thomas warned that "peace will never be secured through the lowering of economic standards on the part of those countries to whom America has already been generous."

NINETEEN-YEAR PROGRAM—ONE ECONOMIC WORLD

Mr. MALONE. Mr. President, that statement by that British official is the final insult to the intelligence of the people of the United States. His statement relates to a situation. His statement refers to the 19-year program of the administration which I have debated over a period of 5½ years on the Senate floor. I have shown over that period that we have deliberately headed toward a "one economic world." Now the British claim it as a right—either our money or our markets.

SWEATSHOP LABOR COMPETITION

In short beginning with the 1939 Reciprocal Trade Act, under which we gave broad authority to the Secretary of State to destroy American industry at will—we deliberately set out to destroy the American workingmen and American investors through free and unlimited imports of the products of foreign industries in which labor is paid at sweatshop wages, as compared to American industries in which our labor is paid \$10 to \$12 to \$15 a day. In contrast, much of the foreign labor is paid at the rate of 5 cents to \$2.50 per day. The purpose of those who advocate such a program is to permit the goods manufactured in the United States to be displaced by the goods manufactured by the sweatshop labor of European and Asiatic countries. Such a situation would virtually be free trade.

UNLIMITED IMPORTS—SAME AS UNLIMITED IMMIGRATION

I point out that anyone who favors free trade—in short, the importation, without restraint, into the United States of goods manufactured by the low-cost labor of the world cannot be opposed to unlimited immigration.

The effect is exactly the same.

THIS BRITISH GIVE US A CHOICE

Mr. President, Britain now says we can take our choice between either continuing to make up, in cash, Britain's trade-balance deficits each year or continuing to throw open our markets to the goods produced by their low-cost labor.

NOW A WPA CABINET MEMBER

That entire situation is bolstered by a statement made by Mr. Hoffman in his published book recommending a Cabinet post for the distributor of American taxpayers' money throughout the world as a permanent program.

Mr. President, quoting Mr. Hoffman:

I should like to recommend most urgently to the American people and to Congress that an overseas economic administration be formed to administer all aid and technical assistance programs abroad; that this administration have a large measure of control over the policies of such lending agencies as the Export-Import Bank; that United States representatives to all international economic organizations be responsible to it; and that this administration have equal rank with the other departments of the Government such as State, Commerce, Interior, and that its administrator have Cabinet status.

TO HASTEN THE DISTRIBUTION OF WEALTH

Mr. Hoffman proposes that that new Cabinet post be made a permanent one, for the purpose of hastening the distribution of the United States wealth—and leveling the standard of living of the workers throughout the world.

Mr. President, I have pointed out the danger of the Defense Production Act, as amended, through its approval of the work of the International Materials Conference, which has been organized without the authority of Congress, and which obviously was to take the place of the proposed International Trade Organization, which was denied a report to the Senate floor by the Senate Finance Committee.

INDIA ACCEPTS OUR CASH AND BRAGS OF COMMUNISM

Now we have arrived at that set-up. In practically every newspaper we pick up today we find a statement to the effect that another large sum of money is being given by us to another foreign country. Mr. President, every day the press dispatches carry announcements of further distribution of our wealth to the nations of the world. For example, this morning it was announced that \$25,000,000 will be contributed by our taxpayers to a point 4 program for India. The article states that that program was announced yesterday by the State Department, and that it calls for community development projects in 16,500 Indian villages with a population of 12,000,000 persons.

We are told that that project is the largest single point 4 project under the administration's plan for global aid to underdeveloped world areas.

Mr. President, directly in the face of that contribution the former India Ambassador to the United States states in another dispatch that the Communists in China are there to stay. We are told, Mr. President, that the people of India must deal with Communist China and that we must accept Communist China as a settled way of life.

Mr. President, another news dispatch informs us that the name of an important area in India has been changed to a Communist name.

All of this, Mr. President—it is needless for me to repeat at this time, in the face of more than \$50,000,000,000 of lend-lease and approximately \$40,000,000,000 distributed among the foreign nations of Europe during and since World War II.

Mr. President, at the moment everyone knows more Communist votes have been cast in Italy in recent elections than in 1947, before the Marshall plan.

Mr. President, it is time for us to call a halt; it is time for us to reassess the situation and to begin to consider the taxpayers of the United States of America.

A GREAT AMERICAN

Mr. President, a great American was removed from his command in the Far East for daring to tell a President the truth about a senseless, bloody war in Korea. He was discharged for daring to suggest that we win the war in the only way it could be won, and save Asia from Communist domination.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article written for the American Legion Monthly of January 1952, by Gen. Douglas MacArthur, entitled "The Citizen and His Role In Our National Military Policy."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CITIZEN AND HIS ROLE IN OUR NATIONAL MILITARY POLICY

(By General of the Army
Douglas MacArthur)

One of the greatest contributions the American Legion has made to the Nation has been in the strengthening of the potentialities of the citizen soldier. Since the Minute

Men of 1776 formed the ranks of the Continental Army and brought victory to its arms in the American Revolution, the security of the United States has rested more than all else upon the competence, the indomitable will and the resolute patriotism of the citizen soldier. The professional has had his role—and it has been a major one—providing trained leadership, initial security against surprise attack and the nucleus to an expanding force under conditions of national emergency. But in all of our wars, from the Revolution to Korea, the citizen soldier has met the full shocks of battle, has contributed all but a fraction of the dead and maimed and has accepted the responsibility for victory.

Yet, despite all of this, he has never received either from our political or military leadership full credit for his role in safeguarding the security of the Nation, nor the support in peace which would better prepare him to carry his responsibilities in war.

The tendency has existed—as it still now exists—to regard him as an auxiliary rather than the main pillar supporting our national military strength. Only in rare instances have his views been sought or considered in the shaping of high policy governing the conduct of war or plans to secure the peace. Indeed, only in the most exceptional cases has he been called to share the authority of higher command or staff administration.

The need for a closer integration of the civilian defense components with the Regular services was clearly understood by the American Legion following the close of World War I, and its efforts largely resulted in the reexamination of the then long-existing military policy of the United States. There followed enactment of the National Defense Act of June 4, 1920, providing for one army composed of the Regulars, the National Guard and the Organized Reserves. This was a long step forward, but experience demonstrates that it has not resulted in providing for the country the added security both intended and needed. Its results have been largely undecisive. We still enter wars tragically unprepared, and theretofore have found ourselves entirely lacking in that degree of military strength essential to preserve the peace. At war's end we still demobilize in haste and divest ourselves of accumulated war matériel with reckless abandon. We still lack a realistic appraisal of future potentialities, and saddle our people with wholly uncalled for burdens to cover past errors by replacing anew the power we have squandered and dissipated in the afterglow of victory. There could be no more serious indictment of our political and military leadership than this failure to profit from the clear lessons of experience. It is a failure which following World War II, still vivid in the American mind, lost us the fruits of victory and brought to us a sense of insecurity hardly surpassed in midst of war itself.

Now our military policy again requires revision. Under Selective Service and other statutes, we have called up large increments of our citizen soldiery with which to prosecute the Korean war and to bolster our own defense and the defense of many other lands. We have adopted the principle of universal military training, and the outlook is toward maintaining for many years—even in peace—an armed readiness for war.

All this, while intended and designed to strengthen freedom's defense, carries within itself the very germs to freedom's destruction. For it etches the pattern to a military state which, historically under the control of professional military thinking in constant search for means toward efficiency, has found in freedom possibly its greatest single impediment, to brush it aside as inimicable to established military policy. To avoid this historic pitfall, it is essential that civilian control

over the citizen army be extended and intensified. Particularly is this true in the administration of the program of universal military training, if the youth of our land is to avoid being corrupted into a legion of subserviency to the so-called military mind.

This calls for a reassessment of the role of the citizen soldier now to become the major element of our Military Establishment during peace as well as during war. It calls for a realistic appreciation of the potential in professional competence which the citizen soldier can bring to the fulfillment of our military policy and aims. It calls for the elimination of arbitrary restrictions upon the advance of the citizen soldier in the ranks of military leadership, for which he may be trained or is already reasonably qualified. It calls for a much broadened opportunity for the professional preparation of the citizen soldier to permit his integration into the higher staff studies and planning designed to avert war if possible, to prosecute it to early victory if not.

This requires a basic change in attitudes. It requires recognition of the fact long understood but covertly denied that our Army, as befits a republic, is a citizen army. It requires that leadership from the top down be selected upon merit, carefully avoiding arbitrary class discrimination. It requires that the citizen soldier, if otherwise professionally qualified, have the opportunity to voice his views in the formulation of military and related political policy—a recognition that none have any monopoly upon the attributes to military leadership. It requires that we carefully avoid yielding to professional ambition at the expense of the primacy of the national interest.

Unless these principles are recognized and adhered to, we shall find that our citizen army lacks the esprit essential to the building of invincible force—that its officers lack the incentive to advance their professional competence—that the people lack faith in the integrity of their military arm.

This poses possibly the American Legion's greatest challenge. Its membership for the most part have been and are citizen soldiers of the Republic. They have learned, some from bitter experience, of the restrictions inherent in the long prevailing relationship between the Army's several components. They must insist upon that degree of efficiency and morale essential to maximize the strength of the new citizen army, which alone can come from close integration, with leadership and rank selected solely upon the basis of merit.

The American Legion is in best position to guide this moral development. It must alert itself against political efforts already noticeable to suppress the voice and opinion of the citizen soldier, whether active or inactive. It must insist that the role of the citizen army be to serve no special interests, but rather the common welfare and protection of all of the people.

Our country is facing one of the grave crises in American history—not so much from external threat, although the forces of evil which our own political and military blunders have helped so much to build, must by no means be ignored—but from internal pressures which threaten the very survival of our liberties. These pressures have already made sharp inroads into our free way of life and impaired much of the incentive which has encouraged development of those basic virtues and traits of character from which has emerged our traditional American initiative, American energy and that indomitable American will which in past has preserved our moral balance and produced our material strength.

It is essential that the traditional role of the Army in these distressing times be carefully preserved—that it be not used as an instrument of tyranny or oppression—a

form of pretorian guard—by those seeking to strengthen and entrench personal political power—but that it be used instead as a force of free men dedicated to its sworn purpose of “defending the Constitution of the United States against all enemies, foreign and domestic.”

It is imperative that the citizen army now in the making be not corrupted by the same influences which have tended to corrupt the principle of representative government—that it be sustained on that high moral plane which befits the noble purpose it is organized to serve. This can only be if the service of the citizen soldier is held to a level of dignity and opportunity which commands his fullest measure of devotion.

To this purpose, the American Legion should enlist its wisdom and undeviating interest. It should utilize its full influence to the end that our military policy be so oriented as to insure a citizen army cast in the mold of our exalted traditions and dedicated to the primacy of the people's service.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the text of an address by Gen. Douglas MacArthur, delivered before the joint session of the Michigan Legislature at Lansing, Mich.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

From this rostrum located at the very heart of our country's industrial strength, I cannot fail to pay tribute to the vision and courage, the imagination and will, the initiative and energy which have gone into the leadership this State has given our commercial growth as a Nation and our material progress as a people.

Few men have had so poignant an opportunity to see and evaluate our great resource of industrial power. In the violence of our last three wars abroad, when our country's very destiny hung in the balance, I have seen the sinews of battle pour from your factories in massive quantities to bring victory to American colors where otherwise defeat might well have been. This has not sprung so much from great advantage in raw resource, nor, indeed, from any complete monopoly in wisdom and scientific knowledge, but more than all else, it has come from the character of this mighty blend of the universe known as the American people.

I have seen that character indelibly etched upon the faces of the millions I have met from north to south, from east to west; a spiritual character which seeks the supremacy of right over wrong; a determined character which will not yield the inalienable right of personal liberty; an aggressive character which has surmounted all obstacles in the forging upon this continent of a dynamic civilization which is at once the wonder, the inspiration, and the envy of the world.

The basic character of the American people is the energizing force behind America's past, the stabilizing influence to America's present, and the main hope of America's future.

Now it faces possibly its greatest modern test if our heritage of faith is to be preserved and our liberties survive. In this time of faltering leadership, it is the people themselves who must meet this challenge and rechart the Nation's course. For Lincoln's admonition has been proved and reproved through successive generations—that the people are wiser than their leaders.

Because of that which I have seen and heard since my return to this country more than a year ago, I have been impelled as a patriotic duty of simple citizenship—and a disagreeable duty it has been—to expose for

public consideration the failures and weaknesses, as I view them, which have brought our once righteous and invincible Nation to fiscal instability, political insecurity, and moral jeopardy at home and to universal doubt abroad.

Those voices which have been raised in opposition to what I have said have avoided for the most part the merit of just argument. Instead, with narrow-minded petulance, they either chide my right to wear the uniform in which I have served for over 53 years, or imply I must supinely submit myself to a prevarication of truth by defending rather than criticizing those who have guided the Nation into its present tragic circumstances.

They even contend that my advocacy of a return of this Nation to constitutional direction, of a restoration of those noble and well-tested principles and ideals which we were formerly so proud to call American tradition, of a revitalization of the moral fiber which once commanded full faith in our public institutions, is merely the pleading of partisan politics—that it renders mine the voice of a biased politician.

There is no politics in me, nor none intended in what I say. I plead nothing but Americanism.

We have strayed far, indeed, from the course of constitutional liberty if it be seriously contended that patriotism has become a partisan issue in contemporary American life. Yet, only recently, the indifference, if not the contempt, held by some in high authority for the Constitution and the wisdom of its architects, and the high principles and moral codes which in past have guided and insured our national progress, was graphically emphasized by reference to the advocacy of their restoration to American life as an antiquated and outmoded point of view—“a dinosaur point of view” was the actual sarcasm employed.

They loosely charge reaction to all who seek a rededication to the course of America's past greatness, and yet the course they seek to substitute follows meticulously the oppressive despotism from which our forefathers sought the sanctuary of political independence. They are thus the real reactionaries in this speech of American history.

While none will dispute the need for a progressive and continuous revaluation of our procedures to meet new conditions, nor the absorption of sound and enlightened ideas designed to advance the general welfare, such a callous indifference to fundamental principles long and successfully standing as the bulwark to American progress finds support in neither statesmanship nor logic. Indeed, the masses of the people in their innate wisdom have sensed and resented the tragic mishandling of their public affairs and desperately sought a reorientation toward effective security, reasonable stability, and honest administration.

There is little need here to restate the tragic circumstances to which the country has been reduced by misdirection of public policy or to recount the errors through commission or omission which have brought about these circumstances. We cannot relive the past. All that we can do is from its lessons of failure redesign the present in order that we may provide needed safeguards for the future.

Nothing threatens us more acutely than our financial irresponsibility and reckless spendthrift policies which jeopardize all thrift and frugality. Our leaders seek to justify the high, unreasonable and burdensome cost of government on the grounds of its complexity under modern conditions. This is fallacious reasoning.

Government has indeed become complex, but it is largely a self-induced complexity. It springs from its increasingly arbitrary nature and the labyrinth of governmental agencies

created in the endless effort toward centralization and the imposition of new and expanding Federal controls upon community and citizen.

A return to a diffusion of the political power so wisely ordained by the Constitution, leaving to the community the management of its local affairs, and to the citizen the management of his personal life, would largely relieve this complexity.

We would at once revert to something of the directness of the past, when the primary test of sound administration lay in the simple determination of that which was right, and that which was wrong. We would regain the Jeffersonian standard that the least government is easily the best government. Restore simplicity in public administration and you will at once not only drastically reduce the financial burden upon the people, but you will raise the standard of individual life and regain the level of community and personal dignity.

But, financially we must do much more than that. If the incentive to carry forward the dynamic progress this nation has registered in past is to continue and insure accelerating progress in future, the entire burden of taxation must be further materially reduced. Indeed, a reasonable limit must be placed upon the very exercise of the power to tax, easily the most abused and, as history has shown, the most dangerous of all sovereign powers. This power must be applied only for the purpose of defraying the legitimate expense of a frugal government, not with the ulterior motive of regulating and controlling our private lives and efforts.

It must be reorientated away from the Karl Marx Communist aim of redistributing the wealth and of sharing the fruits of private enterprise, not only internally, but externally.

We must avoid confiscating incomes and draining resources to the point that the private ownership of property will practically disappear from our economic system. We have so burdened our people with taxation that they are no longer able to build for old age and family security, and are rapidly losing the energizing incentive to work.

We are so heavily mortgaging the industry of our next generation that the heritage which we pass on will be but a hollow mockery of that which we ourselves received. We have so inflated the cost of the necessities of life that those depending upon social-security benefits, old-age pensions, and other fixed incomes are being reduced to desperate circumstances.

Indeed, it is part of the general pattern of misguided policy that our country is now geared to an arms economy which was bred in an artificially induced psychosis of war hysteria and nurtured upon the incessant propaganda of fear. While such an economy may produce a sense of seeming prosperity for the moment, it rests on an illusionary foundation of complete unreliability and renders among our political leaders almost a greater fear of peace than is their fear of war. A day of reckoning and adjustment is inevitably ahead when we find that the resources with which we might have cushioned the shock of readjustment and reconversion have been recklessly expended. Then, it will be crystal clear that the material cost and toll of so uneasy a peace has been almost as severe as that produced by war itself.

While we must rebuild the military strength irresponsibly dissipated at war's end, and honor our commitments to others who honor theirs to us, we must regain some degree of calmness, consistency, and common sense. We must reorient our economic policy toward reason and stability, or every man, woman, and child in America will share the bitter consequences. For on our present course, with neither forward planning nor sound and reasonable objectives, our economic structure could collapse with our

great industrial centers becoming ghost towns almost overnight, and bitter, disillusioned, and resentful men forced to pound the streets in search of means by which to keep body and soul together.

Such an exhaustion of our economic health is what the leaders of the Kremlin most desire. It is what their disciples strive to achieve—these disciples who have infiltrated our press, radio, and television, our industrial plants, our banking institutions, our legal fraternity, our educational centers, our religious temples and every facet of American life, including Government itself. It is our gravest danger and it is internal, not external. As Lincoln once said:

"If this Nation is ever destroyed, it will be from within, not from without."

We must not underestimate the peril. It must not be brushed off lightly. It must not be scoffed at as our present leadership has been prone to do by hurling childish epithets, such as "red herring," "character assassin," "scandal monger," "witch hunt," "political gangster," and like vulgar terms designed to confuse or conceal the real issues and intimidate those who, recognizing the gravity of the danger, would expose it to the light of public scrutiny and understanding. For it is upon the shaking foundation stones of a complacent citizenry that minority pressures become controlling forces and liberty yields to tyranny.

Talk of imminent threat to our national security through the application of external force is pure nonsense. Our threat is from the insidious forces working from within which have already so drastically altered the character of our free institutions—those institutions which formerly we hailed as something beyond question or challenge—those institutions we proudly called the American way of life. They seek through covert manipulation of the civil power and the media of public information and education to pervert the truth, impair respect for moral values, suppress human freedom and representative government and, in the end, destroy our faith in our religious teachings. They remember what Thomas Jefferson said, "The Bible is the cornerstone of liberty," and will have none of it. These evil forces, with neither spiritual base nor moral standard, rally the abnormal as well as the subnormal elements among our citizenry and apply internal pressure against all things we hold decent and all things we hold right—the type of pressure which has caused many Christian nations abroad to fall and their own cherished freedoms to languish in the shackles of complete suppression. As it has happened there, it can happen here.

Our need for patriotic fervor and religious devotion was never more impelling. There can be no compromise with atheistic communism—no halfway in the preservation of freedom and religion. It must be all or nothing. We must unite in the high purpose that the liberties etched upon the design of our life by our forefathers be unimpaired, and that we maintain the moral courage and spiritual leadership to preserve inviolate that mighty bulwark of all freedom, our Christian faith. For, as Daniel Webster once said:

"If we abide by the principles taught in the Bible, our country will prosper and go on prospering; but if we and our posterity neglect its instructions and authority, no man can tell how suddenly a catastrophe may overwhelm us and bury all our glory in profound obscurity."

While many of our leaders seemingly have not as yet alerted themselves against this internal threat to our liberties, they do now acknowledge at long last that there is no immediate threat to our national security from the application of external force—that there is even no present danger to the units defending Western Europe from vastly superior Soviet and Soviet satellite forces to the east. This is not due to any material change

in the military situation, as the relativity in air and ground forces in Europe is still so overwhelmingly to our disadvantage that no professional soldier would estimate our capability to even hold against determined attack with the force there in being.

But our leaders no longer issue alarming warnings that our great cities are about to be laid waste. They are coming perhaps to understand that the Communist technique is to reduce peoples by internal pressures, subversive infiltration, and psychological propaganda rather than by the much more costly and hazardous application of direct military force. Once this is fully understood the conclusion may not be avoided that with the inability for many years to mount sufficient force in Western Europe to match the superiority of Soviet force in Eastern Europe, peace and security in the west will rest in final analysis upon a spiritually and physically strong America.

We must preserve and conserve our industrial potential to counter any major threat against the general peace, with the invincible determination to meet any force hurled at us with adequate counterforce. This requires that we husband our own resources and carefully avoid their dissipation in line with Soviet hopes—that those resources be so applied as to maintain a spiritual and temporal power adequate to cope with the responsibilities of leadership and insure not only the security of our own Nation, but encourage maintenance of the universal peace.

Through the increasing centralization of the political authority in the Federal Government and the long tenure of one group in public office, the disease of personal power has become deeply rooted. The effort to perpetuate that power through the patronage of money against which Thomas Jefferson so clearly warned has made undeniable progress in corrupting the body politic.

It is now even proposed that our two-party political system be abandoned for all practical purposes and that both parties unite under the leadership of the same individual. Could there be a more shocking proposal?

It would destroy representative government and, by completely silencing all opposition, reduce us to a despotism. We would be entirely dependent upon the paternalistic will of one man, and liberty as we have known it would disappear. The people would no longer be the master of their government, but its servant. The hypocritical call for unity is always by those in power who seek by an appeal to the opposition's patriotism to silence all objection to that which they may have in mind to do.

Indeed, so open and menacing have the efforts become in our country to stifle opposition, suppress the issues and enforce arbitrary and bi-partisan acceptance of entrenched public policy that we now find some of the leaders of one party openly endorsing their own selection as the nominee of the opposition party. They encourage segments of their rank and file to infiltrate the opposition's ranks to influence the selection of its nominee for the presidency.

We find many who traditionally have supported and identified themselves with one of the major political parties now throwing the full weight of their resources for persuasion and propaganda into the effort to influence and coerce the leaders and rank and file of the other in its nominee selection.

This is a practice heretofore unknown to American politics. It strikes at the very roots of our two-party system of government. It represents a political device, which, if successfully employed, would closely parallel the totalitarian practice of naming a single candidate for the public vote.

This form of political conniving is destructive to the very essence of true repre-

sentative government and sets the stage for the emergence upon the American scene of the ugly threat of a military state.

The gravity of this danger cannot be overemphasized. The history of the world shows that republics and democracies have generally lost their liberties by way of passing from civilian to a quasi-military status. Nothing is more conducive to arbitrary rule than the military junta. It would be a tragic development indeed if this generation was forced to look to the rigidity of military dominance and discipline to redeem it from the tragic failure of a civilian administration. It might well destroy our historic and wise concept which holds to the supremacy of the civil power.

In foreign affairs our policies—or more truthfully our lack of policies—have been weak and vacillating and largely dictated from abroad. From the acknowledged leadership of the world 6 years ago, we have drifted into an equivocal position in which our main influence seems to be confined to that of paymaster.

Our leaders are unable to survey the world as a unit, but have become so infatuated with the one area of Western Europe that they have largely ignored the Communist assaults in many other sectors of the globe. However important Western Europe most assuredly is, this is a form of extreme isolationism—a term ironically enough with which they attempt to castigate all who oppose them. It is an isolationism which can only lead to confusion and bewilderment and blinds its disciples even to the impelling needs and interests of our own people.

Thus, we have but recently witnessed the stark reality of tragedy and distress brought to thousands of American homes over the area of eight States by the inundation of floodwaters from the Missouri and Mississippi Rivers. Such tragedy could and should have been avoided.

I recall over 40 years ago working as an engineer officer on plans for the control of just such flood conditions. Such plans have long been perfected and engineers, both military and civilian, time and time again have appealed for the funds needed for the control measures indicated. But such funds were never forthcoming for so essential a protection of our own people, even though we remitted funds in far greater amounts to the peoples of Western Europe for purposes which included the consummation of similar protective projects. Nor is it a case involving merely existing American surplus or superabundance as every dollar we send abroad must be extracted from the sweat and toil, sacrifice and venture, of all of the American people, not only of this generation, but of the generations yet to follow. This is but one of the many cases wherein policy has furthered the interests of others at the expense of our own.

In one sector of the world we oppose colonialism; in another we support it. In one sector we bristle; in another we appease. There is no continuity of purpose, no stability or determination of spirit. Our European preoccupation is so great we almost entirely ignore the enemy in other areas and even allow continental Asia to go by inertia and default—Asia, which encompasses half of the population of the world and more than half of its raw resources. As it was so quaintly put, "Let us wait until the dust settles."

In Korea, where victory was in our grasp, we go from bad to worse. Our Armed Forces, there, and the world has seen no braver, have been deprived of the soldier's greatest incentive—the will for victory. They have been forced to accept the defeat-

ist attitude of mere defense. A mortal blow has thus been given to our military code and practice, the disastrous results of which in the future may be so far-reaching in our defense forces as to be beyond all calculation.

No need to blame our enemy for this sad commentary, for he has but taken full advantage of our own deplorable indecision and of our own rejection of victory, our historic military goal. Rather than revile him, we would do better to refortify the spirit which animates our fight, recrystallize that indomitable determination which evolved our great tradition, and regain faith in the invincibility of our cause.

Sooner or later a vital decision will have to be made. Will the United Nations, when no longer dealing merely with theory and propaganda, but actually facing fire and sword, finally sustain the integrity of the principle of collective security and thus justify the universal faith; or will they fail the dying gasps of those countless thousands who perished in that far-off land in their name?

This is a fundamental question as the answer in Korea will have a major influence everywhere. Indeed, by what other standard may we measure the determination of our European alliance to support the principle of collective security there if not by its record in Korea?

By what accomplishment may we justify the generous contribution we are making of our own material sustenance and the offer of the blood of our sons in support of the principle of collective security in Western Europe, if not by the record in Korea?

And if an uneasy cease-fire eventually does come in Korea, what then? No answer has been forthcoming, but the dreadful fear is growing in many patriotic hearts that the decision will finally be scuttle the Pacific—a yielding to the iron curtain of all of our traditional friends and alliances and the raw resources of that half of the globe so vital in the balance of world power. Then would our Pacific coastal areas—California, Oregon, and Washington—be forced to assume the hazards of a defense frontier and curtail existing commercial advantages as major gateways to international trade.

Everywhere the long arm of foreign influence dominates and controls even against our own national interests. Our will, our courage, and our initiative seem almost paralyzed.

If I could voice but one solemn warning in the lengthening shadows of life, I would point to the jeopardy of our independence by the high-handed and reckless course of foreign-dominated national policy, and urge thoughtful reflection upon General Washington's stern and realistic order at another crisis in America's past:

"Let none but Americans stand guard tonight."

TRIBUTE TO BRITAIN FOR PROTECTION

Mr. MALONE. Mr. President, we are told that we are world leaders, and, therefore, that we must pay the price.

I simply point out in closing that for 100 years prior to World War I, the British were supposed to control the world. Let us consider how they controlled it and acted as a world power. Britain made other nations pay tribute to her for her protection. At the present time we are protecting the British, Dutch, French, and Belgian colonial systems through the Atlantic Pact. Mr. President, our method of acting as a world power is to support the foreign nations through assessing our taxpayers.

SUPPORT NATIONS WE DEFEAT

Mr. President, every time we win a war, we add a few more nations to the list of those whom we must support. We are now headed, we are told, toward a fight with Russia; and if we have a war with Russia and win it, then I suppose that we shall follow the usual procedure and put Russia on our pay roll. How silly can we get.

So I close, Mr. President, by saying it is time that the taxpayers of America be considered. We are bleeding them white. For what? To build up industrial competition for ourselves in Europe, and in addition provide them with the material to sell the necessary processed and manufactured goods to Russia, China, and the iron curtain nations to fight world war III with us.

Mr. MAYBANK. Mr. President, I should like to have the attention of the majority leader. I do not know whether it is intended to have the yeas and nays ordered, but I merely want to say that we have struggled long and hard in the Committee on Banking and Currency in bringing this bill to the Senate. Weeks and months of hearings were held. I want to pay tribute to the staff of the committee who worked long and arduously. First, I mention Mr. McMurray, chief of staff of the committee. I want also to pay tribute to the legislative counsel, who was so generous in his advice on many occasions, Mr. Charles Boots.

I desire to pay tribute to the staff director of the committee, who has worked, not only all day but half the night. I merely wanted to make this statement in connection with the bill that was reported by the committee, to pay tribute to members of the staff and others who have worked with me, not only today, not only during the 8 days that the bill has been before the Senate, but also during the hearings.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I will yield, but I first want to complete this statement. I appreciate very much what the staff director, the other professional staff and the clerk of the committee have done, what Mr. Boots has done, and what the other members of the committee have done. I would be unfaithful to my duty did I not pay tribute to the staff, whose members continued their work into the early morning hours.

Mr. FREAR. If the Senator will yield, I assume he can also include the members of the staff of his own office, who I know have worked hard on the bill.

Mr. MAYBANK. Of course—and the staff of the Senator from Delaware, as well.

But what I wanted to say, Mr. President, was that I have voted against certain amendments which have been proposed providing for the exemption of farm products. I understood there would be no difference over the change in the farm parity program from 75 percent to 90 percent, that is, to making

it 90 percent as provided by the amendment adopted by the Banking and Currency Committee of the House on yesterday. I have talked to Representative BROWN, from the great State of Georgia, and others about the amendment. I do not want any misunderstanding in the Senate about my intention to agree to the House amendment relating to farm parity programs. I want to make that perfectly clear.

Unless some one desires to object to that, I have nothing more to say.

Mr. MCFARLAND. I hope we can vote on this bill.

Mr. MAYBANK. We should vote.

Mr. MCFARLAND. I join the distinguished Senator from South Carolina in the praises he has uttered, but I hope we may now vote.

Mr. MAYBANK. I only did that because we have had a long, hard job, and a very long hearing. I hope the Senator will agree with me about that.

Mr. MCFARLAND. Yes; I agree with the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada to recommit the pending bill to the Committee on Banking and Currency.

Mr. WILEY rose.

The PRESIDING OFFICER. For what purpose does the Senator from Wisconsin rise?

Mr. WILEY. I desire simply to take 1 minute to place certain matters in the RECORD.

The PRESIDING OFFICER. Does either side yield time to the Senator from Wisconsin?

Mr. MAYBANK. Mr. President, I hope the Senator from Wisconsin will merely ask unanimous consent to place the matter in the RECORD. I am unable to yield time to him, since we have been here so long. I know that both the distinguished majority leader and the distinguished member of the Foreign Relations Committee know what stress we have been under. I suggest that the Senator from Wisconsin merely ask that the matter to which he refers be placed in the RECORD by unanimous consent and that his remarks be printed in the RECORD.

Mr. WILEY. I may say that the Foreign Relations Committee has been in session almost continuously.

Mr. MAYBANK. I have nothing but the highest regard for the members of the Foreign Relations Committee.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Wisconsin?

Mr. MAYBANK. I yield for nothing but a vote.

The PRESIDING OFFICER. The Senator from South Carolina declines to yield.

The question is on agreeing to the motion of the Senator from Nevada to recommit the bill (S. 2594) to the Committee on Banking and Currency.

The motion was rejected.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. DIRKSEN and Mr. MAYBANK asked for the yeas and nays.

Mr. KEM. Mr. President, I have been seeking recognition for some time past.

The PRESIDING OFFICER. At the proper time, the Senator from Missouri will be recognized. The yeas and nays have been requested. Is the request sufficiently seconded?

The yeas and nays were ordered.

The PRESIDING OFFICER. One hour of debate is allowed on the bill, 30 minutes to each side, the time to be controlled by the Senator from South Carolina [Mr. MAYBANK] and the minority leader.

Mr. KEM. Mr. President, I should like to be recognized for a short statement.

Mr. MAYBANK. Mr. President, I hope the distinguished Senator from Missouri will make his statement after the vote is taken.

Mr. CAPEHART. Mr. President, we are now up to the vote on the final passage of the bill, and Senators are entitled to 30 minutes' debate, 15 minutes for those who favor the bill and 15 minutes for those who are opposed to it. I am opposed to the bill. Does the Senator from Missouri oppose the bill?

Mr. KEM. Mr. President, I should like one of the Senators to yield me not more than 5 minutes.

Mr. CAPEHART. Mr. President, I yield 5 minutes to the able Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 5 minutes.

Mr. KEM. Mr. President, so long as the administration continues to involve us in one emergency after another, controls of various types are likely to be imposed.

Perpetual emergency means perpetual controls.

We have learned from experience that price controls strike only at the effects of inflation, not at its basic causes.

The principal cause of present inflation is extravagant Government spending. I do not foresee an end to reckless squandering of the people's money so long as the Federal Government is controlled by those who embrace big Government as an end to be desired and adhere to the socialistic principles of the Truman program.

Mr. HUMPHREY subsequently said: Mr. President, I was momentarily absent from the Chamber when the yeas and nays were ordered on the passage of the Defense Production Act amendments, and I ask unanimous consent to insert in the RECORD, prior to the vote, a brief statement which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

So far as the disputes functions of the Wage Stabilization Board are concerned, I would have preferred the Douglas amendment to the Ives amendment. However, the Ives amendment as explained by the Senator from New York, an explanation with which I now agree, seems to be the best that we can get at this time. That is why I voted for the Ives amendment and that is one reason why I will be able to vote for the bill as a whole.

SEVERAL MEMBERS. Vote! Vote!

The PRESIDING OFFICER. The question is on the passage of the bill.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Iowa [Mr. GILLETTE], the Senator from Colorado [Mr. JOHNSON], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent because of illness.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate on official business, having been appointed a delegate from the United States to the International Labor Organization Conference.

I announce further that the Senator from Nevada [Mr. MCCARRAN] is paired on this vote with the Senator from Mississippi [Mr. STENNIS]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Mississippi would vote "yea."

I announce further that if present and voting, the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from West Virginia [Mr. KILGORE], the Senator from Connecticut [Mr. MCMAHON], the Senator from Montana [Mr. MURRAY], and the Senator from Georgia [Mr. RUSSELL] would each vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Washington [Mr. CAIN], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Kansas [Mr. CARLSON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Montana [Mr. ECTON] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

If present and voting, the Senator from Vermont [Mr. AIKEN] would vote "yea."

On this vote the Senator from Maine [Mr. BREWSTER] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Washington would vote "nay."

On this vote the Senator from Ohio [Mr. BRICKER] is paired with the Senator from Montana [Mr. ECTON]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from Montana would vote "nay."

On this vote the Senator from Massachusetts [Mr. LODGE] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Kansas would vote "nay."

On this vote the Senator from Ohio [Mr. TAFT] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 58, nays 18, as follows:

YEAS—58

Anderson	Hoey	Neely
Benton	Holland	Nixon
Butler, Md.	Humphrey	O'Connor
Byrd	Hunt	O'Mahoney
Chavez	Ives	Pastore
Clements	Johnson, Tex.	Robertson
Connally	Johnston, S. C.	Saltonstall
Douglas	Kem	Seaton
Eastland	Kerr	Smathers
Ellender	Lehman	Smith, Maine
Ferguson	Long	Smith, N. J.
Flanders	Magnuson	Smith, N. C.
Frear	Martin	Sparkman
Fulbright	Maybank	Thye
George	McClellan	Tobey
Green	McFarland	Underwood
Hayden	McKellar	Watkins
Hendrickson	Monroney	Wiley
Hennings	Moody	
Hill	Morse	

NAYS—18

Bennett	Dirksen	McCarthy
Bridges	Dworshak	Millikin
Butler, Nebr.	Hickenlooper	Mundt
Capehart	Jenner	Schoepfel
Case	Knowland	Welker
Cordon	Malone	Williams

NOT VOTING—20

Aiken	Gillette	McMahon
Brewster	Johnson, Colo.	Murray
Bricker	Kefauver	Russell
Cain	Kilgore	Stennis
Carlson	Langer	Taft
Duff	Lodge	Young
Eaton	McCarran	

So the bill (S. 2594) was passed.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed to make all necessary clerical and technical changes, including changes of section numbers and cross-references, in the engrossed bill (S. 2594) to extend the provisions of the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE STEEL DISPUTE

Mr. MORSE. Mr. President, I hold in my hand a press release dated June 10, 1952, issued by Mr. Ernest T. Weir, chairman of the National Steel Corp., in which he states:

President Truman, in a statement today, gave no recognition to the fact that only one real issue remains in the Steel case.

That is the issue which would require steel companies to impose compulsory union membership on employees who do not want to join the union. The steel companies can never be parties to such an action.

I shall ask that the whole statement be incorporated in the RECORD, but I wish to make one comment.

I understand, in the first place, that the National Steel Corp., of which Mr. Weir is president, is not even a party to the steel controversy. But it is nevertheless very interesting to have a press release from Mr. Weir.

In the second place, it is not my understanding that the union-shop issue is the

only issue remaining unsettled in the steel case. It appears that there is not complete understanding on economic issues for the reason that apparently Mr. Fairless was not able to get a settlement of the steel dispute as to wages, hours, and conditions of employment at the meeting at the White House, as indicated by the press release issued in advance.

Therefore, Mr. President, I ask the chairman of the Committee on Labor and Public Welfare to call before the committee at a very early date the representatives of industry and labor and the White House spokesman, Mr. Steelman, in connection with this controversy, for testimony on the issues involved. We are entitled to know whether this is an accurate statement of the situation. If it is, I cannot understand the failure of the union to get the strike settled.

I ask unanimous consent to have the press release printed in the RECORD as a part of my remarks.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

STATEMENT OF ERNEST T. WEIR, CHAIRMAN, NATIONAL STEEL CORP.

President Truman, in his statement today, gave no recognition to the fact that only one real issue remains in the Steel case.

That is the issue which would require steel companies to impose compulsory union membership on employees who do not want to join the union. The steel industry can never be a party to such an action.

We in the steel industry certainly believe that any employee has every right to become a union member by his own free choice. But we do not believe that steel companies or anyone else, including the President of the United States, has the right to force on him the alternative of joining a union or losing his job.

The wage increase and other benefits included in the third and final offer of the steel companies yesterday amount to a total cost of 24.6 cents per hour. This is more than 80 percent of the total amount recommended by the Wage Stabilization Board. This would be the largest wage advance in the history of the steel industry.

Obviously, the only reason that the union has rejected this offer, which goes so far toward meeting its economic demands, is because the steel companies refuse to become parties to the imposition of compulsory union membership.

In view of these facts, it is my opinion that the real reason behind Mr. Truman's request for statutory authority to seize the steel industry is to obtain the power for Government to grant the union's demand for this imposition of compulsory union membership.

In today's statement, as on previous occasions, President Truman chose to ignore the fact that one of the main provisions of the Taft-Hartley Act calls for a secret ballot vote by employees on whether they wish to accept the companies' final offer.

I believe that this is the democratic process which should be employed rather than the autocratic course of Government seizure.

MR. EISENHOWER'S ATTITUDE CONCERNING THE ST. LAWRENCE SEAWAY

Mr. THYE. Mr. President, many questions have been raised concerning the answer to a question asked of Dwight Eisenhower with reference to the St.

Lawrence seaway. Because of those many questions I addressed a telegram to him on June 10, and on June 11 I received a reply to the question which I raised in my telegram. I ask unanimous consent to have the two telegrams inserted in the body of the RECORD at this point as a part of my remarks.

Mr. CONNALLY. Mr. President, reserving the right to object, why not put the telegrams in the Appendix? I do not think the body of the RECORD should be encumbered with matters not pertinent to the present business of the Senate.

Mr. THYE. Mr. President, I will say to the senior Senator from Texas that, instead, I shall read these telegrams.

Mr. CONNALLY. Very well. That is all right.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I yield.

Mr. KNOWLAND. Mr. President, I think it is not an unreasonable request that the Senator from Minnesota has made. It concerns a telegram which a Senator of the United States addressed to a well known and distinguished American public servant, and it certainly seems to me it would be most unusual, under those circumstances, if the Senator were not permitted to have the material included in the body of the RECORD. After all, he is a United States Senator from the State of Minnesota, and I think the matter is pertinent to the public business of the Senate.

Mr. THYE. Mr. President, I thought the objection raised by the senior Senator from Texas was so unreasonable that I did not even want to make a reply, and for that reason I shall proceed to read two very brief telegrams into the RECORD. It will take only a few minutes to read the two telegrams. I endeavored to be brief by asking that they be inserted in the body of the RECORD, without taking time to read them, but inasmuch as the senior Senator from Texas has objected, I shall take time to read the telegrams.

First, Mr. President, I read the telegram which I addressed to Gen. Dwight D. Eisenhower on June 10, 1952:

JUNE 10, 1952.

Gen. DWIGHT D. EISENHOWER,
The President's House, Columbia University,
Morningside Drive, New York, N. Y.:

Your quoted comment at Abilene concerning St. Lawrence seaway is being interpreted as favoring an all-Canadian project without full United States participation in construction and development. My understanding is that you favor joint action by our two Governments. I would appreciate a clarifying wire from you which I may place in the CONGRESSIONAL RECORD.

EDWARD J. THYE,
United States Senator.

This is the reply which I received, addressed to me by General Eisenhower:

NEW YORK, N. Y., June 11, 1952.
The Honorable EDWARD J. THYE:
Senate Office Building,
Washington, D. C.:

Misunderstanding due to mistake in stenographic transcript of Abilene conference. What I said was that I would hate to see the United States excluded from such an agree-

ment since it is my understanding that Canada is going ahead with the St. Lawrence seaway project anyway.

Sincerely,

DWIGHT D. EISENHOWER.

REVISION OF LAWS RELATING TO IMMIGRATION, NATURALIZATION, AND NATIONALITY—CORRECTION OF BILL

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 226, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5678) to revise the laws relating to immigration, naturalization, and nationality; and for other purposes, the Clerk of the House is authorized and directed to make the following corrections:

In section 263 (b) of the bill strike out "(14)" wherever it appears in the subsection and insert "(15)."

Mr. EASTLAND. Mr. President, the concurrent resolution is merely to correct a typographical error. I ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution was considered and agreed to.

LEGISLATIVE PROGRAM

Mr. McFARLAND. Mr. President, if I may have the attention of the Senate, I should like to announce the legislative program.

Last week I stated that the next bill to be taken up would be S. 2968, the civil-service retirement bill, which provides for an increase in the retirement pay of retired Federal employees. The increase is very much needed, and I hope the Senate may speedily pass such legislation.

However, there is a House joint resolution which should come up before the civil-service retirement bill, namely, House Joint Resolution 477, to extend the emergency powers of the President.

After we have disposed of House Joint Resolution 477, dealing with emergency powers of the President, we shall take up S. 2968, to which I have just referred.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. MAYBANK. I call the attention of the Senator from Arizona to Calendar No. 1551, H. R. 6909, an act to amend section 14 (b) of the Federal Reserve Act, as amended. That bill has to do with the expiration of authority under existing law for the Treasury to buy certain obligations of the United States in the market. The Secretary of the Treasury has called me on the telephone with reference to the bill, which was unanimously approved by the Committee on Banking and Currency. There is no opposition to it, and I hope the bill may be disposed of after we have concluded action on the War Powers Act.

Mr. McFARLAND. If there is no opposition, it can be passed in half a minute.

Mr. MAYBANK. It can be passed immediately.

Mr. EASTLAND. Mr. President, I object. I desire to have considered a conference report.

Mr. MAYBANK. I will ask later that we take up H. R. 6909, if the Senator will agree to let me ask unanimous consent to do so. That would follow action on the War Powers Act.

Mr. McFARLAND. Mr. President, Senators are desirous of knowing when we are going to vote on various legislative proposals, and when we shall begin consideration of the St. Lawrence seaway measure, Senate Joint Resolution 27. In order that the Senate may know what to count on, I believe we can very easily dispose this afternoon of the first two bills I have mentioned. Then we might take up the St. Lawrence seaway measure on Friday and debate it on Friday. If the Senators who are interested in it feel that they need to debate it an extra day, they could even debate it on Saturday. But I feel that on Tuesday we should start to vote on Senate Joint Resolution 27. In order that that may be done, and in order that Senators may know how to make plans, I ask unanimous consent that the St. Lawrence seaway measure follow the retirement bill, and that on next Tuesday there be a limitation of debate, starting at 12 o'clock, as follows: 2 hours on each amendment, 1 hour to a side, the time to be controlled by the proponent of any amendment, and the minority leader, or any Senator he may designate; 2 hours of debate on the bill, the time to be controlled by the Senator from Rhode Island [Mr. GREEN] and the distinguished minority leader, or any Senator he may designate.

Mr. KNOWLAND. Mr. President, at this time I shall have to object to the unanimous-consent agreement.

The PRESIDING OFFICER. Objection is heard.

Mr. FERGUSON. Could not the Senator from Arizona propose a longer time? Two hours seems short.

Mr. McFARLAND. There can be 3 days of debate. The vote would be taken next Tuesday, not before.

Mr. FERGUSON. Yes; but there are two other bills coming up.

Mr. McFARLAND. I merely want to say to Senators who are interested in the proposed St. Lawrence seaway measure—

Mr. FERGUSON. I am very much interested in it.

Mr. McFARLAND. That it will be necessary to lay it aside whenever an appropriation bill is ready. The St. Lawrence seaway measure may not be finished unless we can get an agreement of some kind relating to it.

Mr. FERGUSON. I want to have it finished. I would rather have a vote on it without debate than not to have a vote at all.

Mr. McFARLAND. There has already been objection on the Senator's side of the aisle anyway. I have done my duty in trying to get the measure up and have it considered.

Mr. McKELLAR. Mr. President, I believe the civil functions appropriation bill will certainly be reported and ready

to be debated and passed by Tuesday. I think unquestionably it will be ready by Tuesday.

Mr. McFARLAND. That is the reason why I suggested a limitation on the debate starting on Tuesday on Senate Joint Resolution 27.

I hope the Committee on Appropriations will act speedily on appropriation bills. It is more important to act on appropriation bills than it is to act on the St. Lawrence seaway measure. I hope the Committee on Appropriations will speedily report the bills it is now considering in order that they may be passed.

Mr. McCLELLAN. I trust the majority leader will bear in mind the three reorganization plans that have been acted upon by the committee. Reports are in process of preparation. We hope to have them ready to file this afternoon. Tomorrow, after a conference with the majority leader, I should like to be able to designate some day next week when they may be taken up.

Mr. McFARLAND. Reorganization plans are privileged.

Mr. McCLELLAN. I know that.

Mr. McFARLAND. It was my understanding that the Senator desired to take them up next Wednesday, because they will have to be passed upon. If the civil functions bill is not disposed of speedily, of course, that is another matter. We would have had time, under the proposed unanimous consent agreement, to vote on the St. Lawrence seaway measure on Tuesday and take up the reorganization plans on Wednesday.

Mr. McCLELLAN. Mr. President, with respect to the reorganization plans, debate is limited by statute. Under the statute there is a special rule governing debate upon such plans or resolutions of disapproval. Ten hours are allowed on each plan. However, it is the purpose of the chairman of the committee to make a unanimous consent request for a much shorter time, in the hope that we may set aside a day for the three plans, and dispose of all three of them.

Mr. McFARLAND. I will say to my good friend from Arkansas that so far as I am concerned, he is entitled to bring up the reorganization plans at any time they are ready, and at his convenience. There is a time limit on them, and they must be disposed of. So whatever the Senate is engaged upon when they are ready will have to be laid aside.

Mr. McCLELLAN. Tomorrow I shall undertake to announce a day certain when the plans will be ready.

Mr. FERGUSON. Mr. President, I hope the Senator from Arizona will renew his unanimous consent request after the war powers bill and other measures have been disposed of.

Mr. McFARLAND. I do not expect to be here. Perhaps some other Senator can renew it for me.

Mr. FERGUSON. I hope it will be renewed.

Mr. McFARLAND. I think now is the time to agree to it. It would not interfere with the war-powers measure. It will be disposed of. After the conference report comes back on that measure, it

pressing weeks. I do not know what is likely to develop, but I have bracketed for the week this legislation:

On Tuesday the Private Calendar will be called.

Then S. 658, a bill amending the Communications Act of 1934, which was displaced. S. 2198, making airmail theft a felony. House Resolution 653, authorizing the Committee on Interstate and Foreign Commerce to file reports with the Clerk of the House when the House is not in session. Extension of control legislation, National Production Act, if it is reported out and a rule obtained, will be brought up next week, or just as quickly as possible after a rule is reported out. My understanding is that the next meeting of the Committee on Rules is on Tuesday.

The next meeting of the Committee on Rules will be on Tuesday, so the inference that could be drawn from that would be that the bill would not be considered on Monday or Tuesday in any event. Assuming the bill is reported out of the standing committee and a rule is reported by the Rules Committee, it would not be before Wednesday that the bill would be taken up. I am making this statement now so that Members can govern themselves accordingly. Even if the bill is available for consideration before Wednesday, it will not be taken up before Wednesday.

I make the ordinary reservation that any further program will be announced later, and that conference reports may be brought up at any time.

Mr. MARTIN of Massachusetts. I thank the gentleman.

COMMITTEE ON BANKING AND CURRENCY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight on Monday next to file a report on the bill H. R. 6546, the National Production Act.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CONTINUING THE EFFECTIVENESS OF CERTAIN STATUTORY PROVISIONS

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 481) to continue the effectiveness of certain statutory provisions until June 30, 1952.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, I realize this is a precautionary measure so that in case the House is in recess when the Senate passes the bill these statutory provisions may continue in effect.

Mr. FEIGHAN. Yes. This will give us 15 additional days for the Senate to act.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution to continue the effectiveness of certain statutory provisions until June 1, 1952," approved April 14, 1952 (Public Law 313, 82d Cong.), as amended, is amended by striking out "June 15, 1952" wherever it appears in such joint resolution, as amended, and inserting in lieu thereof "June 30, 1952."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Reserving the right to object, Mr. Speaker, does this mean that we are not going to work tomorrow, and will take up the social-security bill on Monday, with 40 minutes of debate?

Mr. McCORMACK. All I can say to my friend is that there is no legislation in order for tomorrow. Monday is the only day the social-security bill can be taken up under suspension of the rules.

Mr. GROSS. So the T and T Club goes into operation again, and we are practically gagged Monday when the social-security bill comes up.

Mr. McCORMACK. I do not know anything about the T and T Club. That is a misnomer. My friend has the right to his own opinion. However, we have no legislation for tomorrow. We are caught up with everything. If the gentleman wants to object, he is perfectly within his rights.

Mr. GROSS. No, I am not going to object, but I do not think it is very good legislative procedure to take up a bill of the magnitude of the social-security bill with 40 minutes of debate, when we have nothing to do tomorrow. This bill should have been scheduled for tomorrow.

Mr. McCORMACK. We could not bring it up tomorrow because no rule has been reported on it. Monday is the only day on which the Speaker can recognize Members for suspensions. That is why this bill has to come up Monday.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, this is the bill carrying the \$5-a-month payment for certain groups?

Mr. McCORMACK. One of the provisions is to increase the payments to annuitants by \$5.

Mr. HOFFMAN of Michigan. If we put this bill through, will it get the Republican Party off the hook you hung them on when the bill was here before?

Mr. McCORMACK. I do not want to get into that. I think men voted in good faith. I do not know how my friend voted, but I certainly would not impugn his motives, no matter how sharply I disagree with his judgment. I am smiling, too.

Mr. HOFFMAN of Michigan. When I said "you," I did not mean you individually, I meant your party. We were hung higher than a kite on the thing, you know.

Mr. McCORMACK. If that is the gentleman's view, I am not going to challenge him.

Mr. HOFFMAN of Michigan. Well, we will vote for it when it comes along this time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZATION TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MEXICAN-AMERICAN FARM LABOR AGREEMENT

(Mr. POAGE asked and was given permission to address the House for 1 minute.)

Mr. POAGE. Mr. Speaker, I take this time to announce to the House that at 1 o'clock this afternoon President Aleman of Mexico signed the amendments to the Mexican-American Farm Labor Agreement, which among other things provide that there shall be no unilateral determination of a blacklist; in other words, that the United States will have a hand in making such determinations, which has not been the case in the past. The amendments make a number of other changes in the agreement. I think these amendments substantially improve the existing agreement. It is not yet all that I would like, but we are surely making progress toward a fair and workable agreement. The agreement would have expired at the end of this month had it not been for these amendments. As it is, the amended agreement is extended until the 31st day of December 1952, which is the termination date of our law, but with the privilege of either nation terminating it on 30 days notice. I felt the House would be glad to know

we have an improved and more workable arrangement with Mexico.

Only as we are able to make this agreement fair and workable can we expect to eliminate the evils of wetback labor. I realize that the negotiation of such an agreement is a difficult undertaking. We cannot hope to attain a perfect instrument in a month or a year, but I do want to express my appreciation to all of those who have tried to make this agreement workable. These include representatives of the Department of Labor, of the State Department, of the Congress, of the Mexican Government, of the labor organizations, and particularly of the agricultural and livestock producers. They worked hard and long. They deserve our thanks.

SPECIAL ORDER GRANTED

Mr. FLOOD asked and was given permission to address the House today for 30 minutes, following any special orders heretofore entered.

CORRECTION OF ROLL CALL

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on roll call No. 102, I am shown as not voting. I was present and voted "yea." I ask unanimous consent that the Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. O'KONSKI asked and was given permission to address the House for 30 minutes on Tuesday next, following the conclusion of any special orders heretofore granted.

Mr. TOLLEFSON asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

AIRCRAFT CARRIER

Mrs. ROGERS of Massachusetts. Mr. Speaker, first of all I would like to state that there is an error in the report of the Committee on Armed Forces regarding its bill. It speaks of the Massachusetts allotment of Fort Devens as being in Worcester, Mass. Fort Devens is not at Worcester, Mass., but is at Ayer, Mass., in my district.

Then the next item is the Watertown arsenal. The report mentions it as being located in Waltham, Mass. It is not located in Waltham, but at Watertown, Mass., in my district.

AIRCRAFT CARRIER

Mr. Speaker, I wish to speak about the second aircraft carrier that was not put in any appropriation bill in the House,

but I am sure will be inserted as part of an appropriation in the other body. I hear very favorable reports regarding it, and I have every confidence that the other body will appropriate for the second aircraft carrier, and that the House will agree to it.

Mr. Speaker, I ask unanimous consent that I may extend my remarks regarding the carrier. Certainly, it might have been included in this bill. This bill authorizes for construction of facilities, and an aircraft carrier is a tremendous but important facility, a mobile air base and very vital to our national defense. The carrier carries the flag of the United States wherever it goes. It is always ours. It can go everywhere and no one knows today where the enemy will strike.

As there are to be additional airfields constructed in foreign countries, there is great need for an additional carrier.

WHY WE NEED THE NEW CARRIER AND THE CARRIER REPLACEMENT PROGRAM

Very recently the leaders of the Government have expressed their concern about the present world situation. The Secretary of State has stated firmly that the United States has stated its final terms in regard to an armistice in Korea. The Secretary of Defense has inferred that the Communist leaders are not acting in good faith. Because of this failure, it is believed peace is much farther away from final achievement. In view of these warnings which have been expressed by these two top level officials of Government, how can this Congress refuse the Navy, its greatly needed new carrier of the Forrestal class. I have talked at length regarding the urgent necessity for this carrier. I have stated several times the precise reasons this carrier must be constructed.

In the consideration of these reasons it is most important to bear in mind that 5 years ago when the National Security Act of 1947 was enacted by the Congress, the Navy was assigned in this law the responsibility of controlling the sea and through naval aviation the air over the sea. In connection with this law the Navy also was assigned specific primary missions. The Navy's primary missions are:

First. To protect our sea and air communications.

Second. To support and sustain the operations our Army, Navy and Air Force overseas.

Third. To secure the sources of our raw materials necessary for the prosecution of war.

Fourth. Defend the United States, its Territories and areas for which the United States is responsible.

Fifth. Maintain control of the sea and the air over the sea.

This is a grave responsibility. The Nation's economic survival and security depends upon the Navy's ability to accomplish these tasks. Contrary to some popular opinions, the Soviet Union, today, has a capability of seriously challenging our control of the seas. It is time that the American people know this. The principle threats come from high speed, deep diving submarines and the aircraft.

To understand the serious nature of this problem, let us look at a map of the Soviet Union and the surrounding areas. Because of its geographical location, and because of the initial advantage accruing to an aggressor nation, the Soviet Union, today, is in a position to attack our shipping in the Atlantic, Mediterranean, the Persian Gulf, Indian Ocean and the Pacific Ocean. It is possible for the Soviet Union to deny us control of the sea without so much as launching a surface ship. Our economic survival and the ability to project and sustain our military forces overseas is directly dependent upon our ability to overcome these two threats.

The provision of mobile bases in the form of modern aircraft carriers capable of handling fighter aircraft, superior to the enemy's, is vital to the accomplishment of the Navy's responsibilities. Time does not stand still in Russian technological progress. Unless the Navy is permitted to carry out an orderly replacement program for our World War II carriers, your Navy will soon become inferior in the air to the Soviet Union. The newer carriers are necessary to operate the planes, with performance superior to the Soviets, now being developed.

The Forrestal-type carrier is not a super carrier, but merely a larger mobile air base at sea essential to the operations of larger-type aircraft now in production. The increase in the size and weight of aircraft carriers to date has not kept pace with the increased size and weight of the airplane.

There are seven major reasons why we must build these large modern aircraft carriers. These reasons are briefly:

First. The increased weight of the aircraft.

Second. The need for increased fuel capacity due to jet propulsion.

Third. The need for more catapults for launching modern fighters.

Fourth. The need for more aviation ordnance space.

Fifth. The increased over-all dimensions of modern aircraft.

Sixth. The increase in aircraft landing speeds.

Seventh. The need for better protection against torpedoes, bombs, and other weapons.

CONCLUSIONS

First. The offensive power of aircraft is so great that in order to control the seas a nation must first control the air over the seas. Since this task can only be accomplished from ships, the Congress has assigned the responsibility of controlling the air over the seas to the Navy. The carrier aircraft is the only instrument capable of creating that favorable air situation over the seas which will permit us to use the seas to our advantage. The task cannot be done by defensive measures, alone. It must be done by offensive operations. The modern carrier is the backbone of those offensive operations.

Second. Today, the fighter aircraft is the dominant weapon for control of the seas. If the Navy is to continue to be

82D CONGRESS
2D SESSION

H. R. 8210

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1952

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Defense Production Act
4 Amendments of 1952".

5 TITLE I—AMENDMENTS TO DEFENSE PRODUC-
6 TION ACT OF 1950, AS AMENDED

7 SEC. 101. Section 101 of the Defense Production Act
8 of 1950, as amended, is hereby amended by adding at the
9 end thereof the following new sentence: "Nor shall any re-
10 striction or other limitation be established or maintained

1 upon the species, type, or grade of livestock killed by any
2 slaughterer, nor upon the types of slaughtering operations,
3 including religious rituals, employed by any slaughterer;
4 nor shall any requirements or regulations be established or
5 maintained relating to the allocation or distribution of meat
6 or meat products unless, and for the period for which, the
7 Secretary of Agriculture shall have determined and certi-
8 fied to the President that the over-all supply of meat and
9 meat products is inadequate to meet the civilian or military
10 needs therefor: *Provided*, That nothing in this Act shall be
11 construed to prohibit the President from requiring the grad-
12 ing and grade marking of meat and meat products.”

13 SEC. 102. Section 104 of the Defense Production Act
14 of 1950, as amended, is amended to read as follows:

15 “SEC. 104. Import controls of fats and oils (including
16 oil-bearing materials, fatty acids, and soap and soap powder,
17 but excluding petroleum and petroleum products and coco-
18 nuts and coconut products), peanuts, butter, cheese and other
19 dairy products, and rice and rice products are necessary for
20 the protection of the essential security interests and economy
21 of the United States in the existing emergency in interna-
22 tional relations, and imports into the United States of any
23 such commodity or product, by types or varieties, shall be
24 limited to such quantities as the Secretary of Agriculture finds
25 would not (a) impair or reduce the domestic production of

1 any such commodity or product below present production
2 levels, or below such higher levels as the Secretary of Agri-
3 culture may deem necessary in view of domestic and inter-
4 national conditions, or (b) interfere with the orderly domestic
5 storing and marketing of any such commodity or product,
6 or (c) result in any unnecessary burden or expenditures
7 under any Government price support program: *Provided,*
8 *however,* That the Secretary of Agriculture after establishing
9 import limitations, may permit additional imports of each
10 type and variety of the commodities specified in this section,
11 not to exceed 10 per centum of the import limitation with
12 respect to each type and variety which he may deem neces-
13 sary, taking into consideration the broad effects upon inter-
14 national relationships and trade. The President shall exer-
15 cise the authority and powers conferred by this section.”

16 SEC. 103. The first sentence of section 302 of the De-
17 fense Production Act of 1950, as amended, is amended by
18 inserting before the period at the end thereof the following:
19 “, and manufacture of newsprint”.

20 SEC. 104. (a) Paragraph (3) of subsection (d) of
21 section 402 of the Defense Production Act of 1950, as
22 amended, is amended by inserting in the fifth sentence
23 thereof after “(1) the Agricultural Act of 1949,” the fol-
24 lowing: “except that under any price support program an-
25 nounced while this title is in effect the level of support to

1 cooperators shall be 90 per centum of the parity price, or
2 such higher level as may be established under section 402 of
3 that Act, for any crop of any basic agricultural commodity
4 with respect to which producers have not disapproved mar-
5 keting quotas,”.

6 (b) Paragraph (3) of subsection (d) of section 402
7 of the Defense Production Act of 1950, as amended, is
8 amended by adding at the end thereof the following: “No
9 ceiling prices for milk products for fluid consumption shall
10 be established or maintained for dairies in any milk mar-
11 keting area which are below the higher of (1) the level of
12 prices prevailing during the period January 1, 1950, to
13 June 30, 1950, or during such other nearest representative
14 period determined under section 402 (c) adjusted for all
15 increases and decreases in the cost of (A) direct labor, in-
16 cluding distribution labor and commissions, (B) cans, con-
17 tainers, and cases, and (C) raw milk and other agricultural
18 commodities up to the legal minima as determined by the
19 Secretary of Agriculture, or (2) the level of prices which
20 permits the dairies in the area the level of earnings assured
21 under the Industry Earning Standard now published by
22 the Office of Price Stabilization. Where a State regulatory
23 body is authorized to establish both minimum and maximum
24 prices for sales of fluid milk, ceiling prices established for
25 such sales under this title shall (1) not be less than the

1 minimum prices, or (2) be equal to the maximum prices,
2 established by such regulatory body, as the case may be.
3 No ceiling shall be established or maintained under this
4 title for fresh fruits or vegetables.”

5 SEC. 105 (a) Paragraph (v) of subsection (e) of sec-
6 tion 402 of the Defense Production Act of 1950, as amended,
7 is amended to read as follows:

8 “(v) Rates charged by any common carrier or other
9 public utility, including rates charged by any person subject
10 to the Shipping Act, 1916 (Public Law 260, Sixty-fourth
11 Congress), as amended;”.

12 (b) Subsection (e) of section 402 of the Defense Pro-
13 duction Act of 1950, as amended, is amended by adding at
14 the end thereof the following new paragraph:

15 “(viii) Prices charged and wages paid by bowling
16 alleys.”

17 (c) Subsection (e) of section 402 of the Defense Pro-
18 duction Act of 1950, as amended, is amended by adding at
19 the end thereof the following new paragraph:

20 “(ix) Wages paid for agricultural labor.”

21 (d) Subsection (e) of section 402 of the Defense Pro-
22 duction Act of 1950, as amended, is amended by adding at
23 the end thereof the following new paragraph:

24 “(x) Wages, salaries, or other compensation of persons
25 employed in small-business enterprises as defined in this para-

1 graph: *Provided, however,* That the President may from
2 time to time exclude from this exemption such enterprises on
3 the basis of industries, types of business, occupations, or areas,
4 if their exemption would be unstabilizing with respect to
5 wages, salaries, or other compensation, prices, or manpower,
6 or would otherwise be contrary to the purposes of this Act.
7 A small-business enterprise, for the purpose of this para-
8 graph, is any enterprise in which a total of eight or less
9 persons are employed in all its establishments, branches,
10 units, or affiliates. This paragraph shall become effective
11 thirty days after its enactment.”

12 SEC. 106. The first sentence of section 402 (k) of the
13 Defense Production Act of 1950, as amended, is amended to
14 read as follows: “No rule, regulation, order or amendment
15 thereto shall be issued or remain in effect under this title,
16 which shall deny to sellers of materials at retail or wholesale
17 their customary percentage margins over costs of the mate-
18 rials or their customary charges during the period May 24,
19 1950, to June 24, 1950, or on such other nearest repre-
20 sentative date determined under section 402 (c), as shown
21 by their records during such period, except as to any one
22 specific item of a line of material sold by such sellers which
23 is in short supply as evidenced by specific government action
24 to encourage production of the item in question.”

25 SEC. 107. Section 402 (k) of the Defense Production

1 Act of 1950, as amended, is further amended by adding at
2 the end of the first sentence thereof before the period the
3 following proviso: “: *Provided, however,* That if the anti-
4 trust laws of any State have been construed to prohibit
5 adherence by sellers of materials for wholesale or retail
6 to uniform suggested retail resale prices, the President shall
7 issue regulations giving full consideration to the customary
8 percentage margins of such sellers during the period herein-
9 before set forth”.

10 SEC. 108. Section 402 of the Defense Production Act
11 of 1950, as amended, is further amended by adding at the
12 end thereof the following new subsection:

13 “(1) No rule, regulation, order, or amendment thereto
14 issued under this title shall fix a ceiling on the price paid
15 or received on the sale or delivery of any material in any
16 State below the minimum sales price of such material fixed
17 by the State law (other than any so-called ‘fair trade law’)
18 or regulation now in effect.”

19 SEC. 109. (a) (1) The first sentence of subsection (a)
20 of section 407 of the Defense Production Act of 1950, as
21 amended, is amended by striking out “relating to price con-
22 trols under this title” and inserting in lieu thereof “relating
23 to price controls under this title or rent controls under the
24 Housing and Rent Act of 1947, as amended”; and by strik-

1 ing out “relating to price controls” after “any such regula-
2 tion or order”.

3 (2) Subsection (b) of section 407 of the Defense Pro-
4 duction Act of 1950, as amended, is amended by inserting
5 after “this title” the following: “and the Housing and Rent
6 Act of 1947, as amended,”; and by inserting after “section
7 705 of this Act” the following: “, or section 206 of the Hous-
8 ing and Rent Act of 1947, as amended, as the case may be”.

9 (b) Section 408 of the Defense Production Act of 1950,
10 as amended, is amended—

11 (1) by striking out “any regulation or order relat-
12 ing to price controls issued under this title” wherever
13 appearing therein and inserting in lieu thereof the fol-
14 lowing: “any such regulation or order”;

15 (2) by striking out “relating to price controls” in
16 the last sentence of subsection (d) ; and by adding after
17 “this title” in such sentence the following: “or the Hous-
18 ing and Rent Act of 1947, as amended,”; and

19 (3) by adding after “section 409 or 706 of this
20 Act” wherever appearing therein the following: “, sec-
21 tion 205 or 206 of the Housing and Rent Act of 1947,
22 as amended,”; and by adding after “section 409 (a)
23 or 706 (a) of this Act” in the third sentence of para-
24 graph (2) of subsection (e) the following: “or section

1 206 (b) of the Housing and Rent Act of 1947, as
2 amended,”.

3 SEC. 110. Title IV of the Defense Production Act of
4 1950, as amended, is amended by adding at the end thereof
5 the following new section:

6 “SEC. 411. No person shall be required under this Act
7 to furnish any reports or other information with respect to
8 sales of materials or services at prices which are 7 per
9 centum or more below ceiling, if such person certifies to
10 the President that such sales were made at such prices.”

11 SEC. 111. (a) Title VI of the Defense Production Act
12 of 1950, as amended, is hereby repealed. The table of
13 contents in the first section of the Defense Production Act
14 of 1950, as amended, is amended by striking out “Title VI.
15 Control of consumer and real estate credit.” and inserting
16 in lieu thereof “Title VI. [Repealed]”.

17 (b) Section 708 of the Defense Production Act of 1950,
18 as amended, is amended by adding at the end thereof the
19 following new subsection:

20 “(f) After the date of enactment of the Defense Pro-
21 duction Act Amendments of 1952, no voluntary program
22 or agreement for the control of credit shall be approved or
23 carried out under this section.”

24 SEC. 112. The first sentence of section 707 of the De-

1 fense Production Act of 1950, as amended, is amended by
2 striking out the word "his".

3 SEC. 113. Section 717 of the Defense Production Act
4 of 1950, as amended, is amended by adding at the end
5 thereof the following new subsection:

6 “(d) No action for the recovery of any cooperative pay-
7 ment made to a cooperative association by a Market Adminis-
8 trator under an invalid provision of a milk marketing order
9 issued by the Secretary of Agriculture pursuant to the Agri-
10 cultural Marketing Agreement Act of 1937 shall be main-
11 tained unless such action is brought by producers specifically
12 named as party plaintiffs to recover their respective share
13 of such payments within ninety days after the date of enact-
14 ment of the Defense Production Act Amendments of 1952
15 with respect to any cause of action heretofore accrued and
16 not otherwise barred, or within ninety days after accrual
17 with respect to future payments, and unless each claimant
18 shall allege and prove (1) that he objected at the hearing to
19 the provisions of the order under which such payments were
20 made, and (2) that he either refused to accept payments com-
21 puted with such deduction or accepted them under protest
22 to either the Secretary or the Administrator. The district
23 courts of the United States shall have exclusive original juris-
24 diction of all such actions regardless of the amount involved.
25 This subsection shall not apply to funds held in escrow pur-

1 suant to court order. Notwithstanding any other provision
2 of this Act, no termination date shall be applicable to this
3 subsection.”

4 SEC. 114. (a) Paragraph (4) of subsection (a) of
5 section 714 of the Defense Production Act of 1950, as
6 amended, is amended by striking out “1952” and inserting
7 in lieu thereof “1953”.

8 (b) Subsection (a) of section 717 of the Defense Pro-
9 duction Act of 1950, as amended, is amended by striking
10 out “1952” and inserting in lieu thereof “1953”.

11 TITLE II—AMENDMENTS TO HOUSING AND RENT

12 ACT OF 1947, AS AMENDED

13 SEC. 201. (a) Subsection (e) of section 4 of the Hous-
14 ing and Rent Act of 1947, as amended, is amended by
15 striking out “June 30, 1952” and inserting in lieu thereof
16 “June 30, 1953”.

17 (b) Subsection (f) of section 204 of the Housing
18 and Rent Act of 1947, as amended, is amended by striking
19 out “June 30, 1952” and inserting in lieu thereof “June 30,
20 1953”.

21 SEC. 202. Section 204 of the Housing and Rent Act
22 of 1947, as amended, is amended by adding at the end
23 thereof the following new subsection:

24 “(p) Consistent with the other provisions of this Act
25 all affected agencies, departments, and establishments of the
26 Federal Government shall, by July 15, 1952, establish and

1 administer rents and service charges for quarters supplied
2 to Federal employees and members of the Uniformed Services
3 furnished quarters on a rental basis in accordance with reg-
4 ulations promulgated by the Bureau of the Budget.”

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

By Mr. SPENCE

JUNE 16, 1952

Referred to the Committee on Banking and Currency

DEFENSE PRODUCTION ACT
AMENDMENTS OF 1952

R E P O R T

FROM THE

COMMITTEE ON BANKING AND CURRENCY

TO ACCOMPANY

H. R. 8210

A BILL TO AMEND AND EXTEND THE DEFENSE
PRODUCTION ACT OF 1950, AS AMENDED, AND THE
HOUSING AND RENT ACT OF 1947, AS AMENDED



JUNE 16, 1952.—Committed to the Committee of the Whole
House on the State of the Union and ordered to be printed

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DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

JUNE 16, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 8210]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

INTRODUCTORY STATEMENT

In 1950, following the North Korean attack on the Republic of Korea, the United States launched a program for mobilization of its military and economic strength to carry out its policy of opposing acts of aggression and promoting peace. The Congress provided the statutory foundation for this effort in the Defense Production Act of 1950. The defense-mobilization program has been described in previous reports of your committee and of the Joint Committee on Defense Production authorized by the act for the purpose of reviewing the execution of programs established under it.

The Defense Production Act will expire on June 30, 1952. Your committee has held extensive hearings on the desirability of extending and amending that legislation. At these hearings which were conducted on H. R. 6546, and were held during the period April 21 to May 28, comprehensive testimony was received from Government officials conducting the mobilization program and from spokesmen for many private groups and organizations representing all segments of the economy.

NEED FOR EXTENSION OF THE DEFENSE PRODUCTION ACT

One aspect of mobilization was presented clearly and without dispute in the testimony. The basic and controlling fact bearing on the extension of the act is that the Nation is only about half way through its program of rapid build-up of its armed strength and its industrial mobilization base and continuing tensions in the international situation require that this build-up be completed.

The program was originally conceived as covering the 3 years 1951-53, inclusive. By leveling somewhat the peaks and declines of production, it has been modified to a so-called plateau pattern covering 4 years. The year of making ready was 1951. This year, 1952, is to be one of acceleration of military production. The delivery levels scheduled to be attained near the end of 1952 are then to be maintained during 1953 and 1954.

Deliveries as a whole are scheduled to climb to about \$10 billion a quarter by the end of this year, and remain at that level for the next 2 years. Of the approximately \$94 billion available to date for military procurement, about three-fourths has been obligated in contracts with industry and orders to Government arsenals and shipyards. The \$38 billion estimated for military procurement and construction in the 1953 budget brings to \$132 billion the total now appropriated and requested for these purposes. Against this, an estimated \$26 billion has been delivered.

Thus, depending on legislative action on the 1953 budget, there will remain in excess of \$100 billion to be converted into delivered items of military production. Last year, \$20 billion were expended on our military rearmament. During the current fiscal year, we will spend about \$43 billion, and during 1953, depending on legislative action now pending, about \$60 billion.

This vast sum should be thought of in terms of its effects upon our national economy. It means millions upon millions of components, subcomponents, and assemblies moving through the production system. For the necessary raw materials, it means the military and atomic energy programs will in the coming fiscal year take by themselves a fifth of all our steel, a third of all our copper, and two-fifths of all our aluminum; and already are taking from one-half to nine-tenths of such metals as magnesium, nickel, cobalt, and columbite. It means intensification, with Government assistance, of the research, exploration, and development needed to increase our supplies. It means additional private expenditure over the next year or two of about \$13 billion for expansion of production capacity for electric power, chemicals, machinery, steel, petroleum, machine tools, and transportation equipment. It means corresponding amounts of purchasing power going into our economy. In sum, it means a vast increase in military and civilian demand, seeking a supply—of materials, facilities, housing, food, and other items—which is not yet sufficiently expanded to absorb it without dislocation and inflation. It means pressure upon materials, away from defense needs and toward more profitable and long-range civilian customers; and potential upward pressure upon prices, wages, and rents. This pressure must be contained until the combined expansion in supply and reduction in defense-created demand create a better balance.

Until this better balance is achieved, it is clear, in the opinion of your committee, that the powers contained in the Defense Production Act will continue to be needed in order to insure completion of the last half of the defense mobilization program, which is the key to our security as a nation.

PRODUCTION

MILITARY REQUIREMENTS

Present military goals call for an Air Force of 143 wings, an Army of 21 full-strength divisions, a Navy with 408 active combat ships and 16 large carrier air groups, and a Marine Corps of 3 divisions.

The production of guns and planes and tanks to meet these goals must increase until the spring of 1953, and then be maintained throughout 1953 and 1954.

In the first quarter of 1952 deliveries of these military "hard goods" reached \$5.1 billion, or six times the rate of the first quarter after the invasion of Korea. This is two-thirds of the way from the rate of mid-1950 to the peak rates scheduled for military production as a whole. Many individual items must rise much faster. Production of combat aircraft, for example, is scheduled to increase during the year to 2.5 times the rate of December 1951. These high levels of production mean that military and AEC programs will call for 20 percent of all our steel, over 30 percent of all our copper, and 40 percent of all our aluminum during this coming year. In certain other metals and minerals, the requirements of the military program are far greater. The military and AEC programs are taking 55 percent of the total current consumption of magnesium, of nickel 70 percent, and of columbite 95 percent. And these fractions do not reflect the additional indirect military demands which will be required for plant maintenance and expansion, power development, machine tools, transportation equipment, strategic stockpiling, and other defense supporting activities.

Another aspect of this problem is the supply of raw materials for stockpile. We have completed only 33 percent of the objectives which have been established. Because of immediate demands, the rate of deliveries on many stockpile items has been slowed or halted and, in some cases, withdrawals from the stockpile have been made. As supplies are increased, more and more of these increases must be channeled to the stockpile. There are compelling reasons, in many cases, for completing some stockpile objectives in the shortest possible time—which means adding to the stockpile at rates faster than prior to Korea—even though an accelerated rate of stockpile deliveries delays a return to unrestricted levels of civilian production.

These programs cannot be accomplished except by using the legal powers provided by the Defense Production Act.

PRIORITIES AND ALLOCATIONS

Under the authority granted in title I of the act, a system of priorities and allocations is in operation which diverts the necessary portion of flow of basic materials from normal civilian uses into defense production, and at the same time provides for allotment of the remainder among nondefense uses with a minimum of hardship, espe-

cially to small business. The basic purpose of such controls as the controlled materials plan is to bring down the legally effective demand to the approximate level of supply through the system of allotments. Enormous quantities of materials are necessary to accomplish defense objectives, and the diversion, as indicated above, is stringent in many instances.

The allotments under the CMP from the fourth quarter of last year through the third quarter of this year are shown in the following summary as of April 22, 1952. It should be noted that because of rounding, the totals of individual allotment figures given above do not always equal the figure given for "Total allotments." Allotments exceed estimated supply, as experience has shown there is inevitable nonuse of some CMP tickets due to changes in plans and other reasons.

Carbon steel

[Thousands of tons]

	Fourth quarter, 1951	First quarter, 1952	Second quarter, 1952	Third quarter, 1952
Supply.....	19,264	19,385	20,093	19,946
Total allotments.....	21,710	21,780	22,763	23,488
Defense.....	1,816	2,149	2,112	2,129
Construction.....	4,890	5,189	5,365	5,460
Machinery and equipment.....	3,463	3,160	3,691	3,857
Transportation equipment.....	2,148	1,899	1,987	2,022
Components.....	1,364	1,170	1,232	1,202
Containers.....	1,633	1,710	1,602	1,546
Exports.....	1,065	1,017	1,386	1,435
All other.....	1,337	1,540	1,649	1,688
Consumer goods.....	936	927	1,050	1,212
Motor vehicles.....	3,056	2,714	2,688	2,938

Copper

[Millions of pounds]

	Fourth quarter, 1951	First quarter, 1952	Second quarter, 1952	Third quarter, 1952
Supply.....	1,166	1,342	1,391	1,301
Total allotments.....	1,301	1,494	1,482	1,512
Defense.....	214	309	282	269
Construction.....	214	244	232	228
Machinery and equipment.....	279	275	297	316
Transportation equipment.....	95	107	105	105
Components.....	194	221	231	237
Containers.....	(¹)	(¹)	(¹)	(¹)
Exports.....	13	16	18	14
All other.....	61	115	131	139
Consumers' goods.....	86	78	74	82
Motor vehicles.....	145	129	111	122

¹ Less than 1 million.

Aluminum

[Millions of pounds]

	Fourth quarter, 1951	First quarter, 1952	Second quarter, 1952	Third quarter, 1952
Supply.....	598	646	705	710
Total allotments.....	663	714	749	803
Defense.....	180	281	248	235
Construction.....	98	98	136	148
Machinery and equipment.....	75	63	78	88
Transportation equipment.....	15	15	15	18
Components.....	62	32	36	38
Containers.....	22	19	23	24
Exports.....	5	4	4	4
All other.....	36	50	70	85
Consumer goods.....	79	73	75	97
Motor vehicles.....	91	78	64	66

As CMP has taken hold and holders of allotment tickets became assured of obtaining their share of steel, copper, and aluminum at any time during the allotment period, pressure on the mills has eased. Some increases in supply and decreases in military demand have made possible additional allotments to less essential users. In the second quarter of this year it was possible to distribute to the civilian economy about 1.5 percent more of the total supply of copper and 3 percent more of the supply of aluminum. But the current softening in demand is neither large nor uniform. For instance, when the general category "steel" is divided into its types, this variation in the supply-demand balance is apparent. Sheet steel, at the time of the hearings, was generally in good supply. Light structural steel was in fairly good supply. On the other hand, heavy seamless tubing, used in a variety of military and defense supporting activities, was and will be in short supply. There was a shortage of heavy plate, used in ship and atomic energy construction, and this shortage will continue. Those types of steel, particularly bar steel, which go into the ammunition program, are extremely tight. The whole range of alloy steels presents the most acute shortage situation.

In addition to granting increased allotments, it has been possible for the Defense Production Administration and the National Production Authority to relax or revoke controls selectively in many areas, under the flexible powers granted in the act, in response to changing conditions. Your committee believes that the policy of relaxation or removal of controls wherever and whenever possible should be vigorously pursued. The evidence presented to your committee shows, however, that the relaxation or revocations already accomplished do not demonstrate that all controls can be abandoned, or that the period ahead can be one of movement entirely in the direction of decontrol. As various stages of the mobilization effort are reached, some shortages are removed, but are replaced by others in different areas. While plant expansion is being emphasized, construction materials are very short. When the new plants come into production, construction materials ease off and raw materials for actual manufacture grow tight. It has been necessary to institute new materials controls in recent months as defense demands have shifted. The following table of materials-controls actions for the first quarter of 1952 shows this pattern.

REMOVAL AND RELAXATION OF CONTROLS ALREADY EFFECTED BY NPA

1. Sole leather, M-34, revoked July 31, 1951: Rescheduling of military procurement and increase in domestic and foreign hides assured adequate supplies.

2. Deerskins, M-29, revoked October 1, 1951: Decline in military demands for combat gloves resulted in revocation of order which reserved deerskins for military uses.

3. Glass containers, M-51, simplification and use, revoked December 29, 1951: Sound demand estimates for 1952 indicated that a sufficient level of production could be achieved despite increased use stemming from limitations imposed in active container areas.

4. Sulfuric acid, M-45, schedule 3, revoked December 29, 1951: Under this schedule sulfuric acid had been subject to full allocation in 11 Western States. On the same date NPA Order M-94 was issued, retaining a minimum control over sulfuric acid. This order simply requires that each producer of sulfuric acid who is also a user of this material must maintain the same ratio between his monthly production and use of acid which he maintained during the calendar year 1950. Thus sulfuric acid has been substantially decontrolled.

5. Plastic type nylon, M-45, schedule 4, revoked January 15, 1952: Installation of additional facilities during the summer of 1951 and the overcoming of raw material shortage in October 1951 resulted in a supply sufficient to meet all demands.

6. Methyl chloride, M-45, schedule 8, revoked January 15, 1952: Increased efficiency of operations and installation of new production facilities during the fall of 1951 overcame the estimated shortage (at the time of issuance of order) of 500,000 pounds per month. Supply and demand balance achieved.

7. Poly tetra-fluor ethylene, M-45, schedule 2, revoked February 20, 1952: The sole producers' limited supply capacity was increased slightly during the summer of 1951 and military demands dropped because of design changes incorporating other materials. Future Munitions Board schedules remain at low levels.

8. Storage batteries, M-93, revoked February 26, 1952: Increase in lead supplies due to break in world prices and settlement of strike, together with suspension of import duty has resulted in a great easing of the supply.

9. Cattle hides, calfskins, and kips, M-35, revoked February 29, 1952: Military and civilian demand had fallen sharply and supplies increased. Allocations were increased to 100 percent or more of base since September while purchases sharply declined.

10. Horsehides, cabrettas, sheepskins, sherlings, and kangaroo skins, M-62, revoked February 29, 1952: Decline in military and civilian demand plus soft supply situation and inventory holdings indicated necessity for revocation.

11. Steel strapping, M-59, revoked March 25, 1952: The order was originally issued May 1, 1951, to conserve steel by preventing certain uses of strapping on light packages. Increase in supplies of steel strapping and substantial achievement of the order's objectives made revocation possible.

12. Chemical wood pulp, M-72, revoked April 8, 1952: The supply of chemical wood pulp has eased sufficiently to permit revocation of the order.

13. Cans, M-25, amendment, effective February 23, 1951: Permitted the use of tin in packing some products not previously permitted, including hams, spaghetti with meat balls and a few other items.

Amendment, effective January 22, 1952, increased the quantity of cans that may be used to pack four low-cost basic food products (spaghetti and macaroni, chile with beans, nonseasonal soups and dried soaked beans) and two essential nonfood products (baby powder and mechanics' hand-paste soap).

Amendment, effective March 13, 1952, permitted canners and packers to use quota-free cans made from certain off-quality material which was specially allotted to can manufacturers by supplemental allotment.

14. Construction, revision of CMP Regulation 6, effective March 6, 1952: Relaxed limitations on construction by (1) increasing the amount of steel that may be obtained by self-authorization for smaller commercial, school, and other nonindustrial constructions; (2) increasing the amount of steel that may be obtained by self-authorization for road and highway construction; and (3) permitting use of foreign and used steel in addition to quantity which builder may obtain by allotment or self-authorization, provided that he will not thereby require greater amounts of copper or aluminum controlled materials than those for which he has received an allotment.

15. Small users of controlled materials, direction 1 to CMP Regulation 1: Effective June 8, 1951, permitted manufacturers who use only small quantities of steel, copper, and aluminum to self-authorize their purchase orders in amounts

up to 5 tons of carbon steel, one-half ton of alloy steel (except stainless), 500 pounds of copper and 500 pounds of aluminum.

Amendment to direction 1, effective November 23, 1951, permitted a manufacturer, beginning with the second quarter of 1952, to self-authorize his orders for controlled materials in amounts up to 30 tons of carbon steel, 8 tons of alloy steel (except stainless), 500 pounds of stainless steel, 3,000 pounds of copper, and 2,000 pounds of aluminum, provided he does not self-authorize for a quantity in excess of his average quarterly use during 1950.

Amendment, effective April 30, 1952, increased the self-authorization limits, beginning with the third quarter of 1952, to 60 tons for carbon steel, 16 tons for alloy steel (except stainless), and 4,000 pounds for aluminum.

16. Rubber, M-2: Amendment, effective July 17, 1951, removed the ban on spare tires for new passenger automobiles and raised the permitted use of rubber by small users from 25,000 to 150,000 pounds per quarter.

Amendment, effective January 1, 1952, eliminated control over total quantities of new rubber which can be consumed. This action was due to increased production of synthetic rubber and to improvement of inventories of finished rubber goods. Manufacturing specifications in the order continued to maintain a given ratio between natural and synthetic consumption. GR-1, butyl synthetic continues under allocation.

Amendment, effective February 4, 1952, removed the 30-day inventory limitation governing purchases of synthetic (GR-S) rubber and increased by about 20 percent the amount of high tenacity yarn which may be used by rubber manufacturers.

Amendment, effective March 26, 1952, removed restrictions on the manufacture of white sidewall tires and increased the amounts of natural rubber which may be used in the manufacture of automotive tires.

Amendment, effective April 21, 1952, removed all controls on rubber, except for the restriction on the use of pale crepe and sole crepe in the manufacture of pneumatic tires, shoes, soles, and heels, and the continued limitation on the purchase of cold GR-S.

17. Cadmium, M-19: Amendment, effective July 30, 1951, added about nine new classes of permitted items, relaxing specifications on a few more, and permitting 60 percent base period use in production of pigments instead of 40 percent.

Amendment, effective March 13, 1952, relaxed the use controls of the order to permit the civilian economy to share directly in the improved supply-requirements balance on cadmium. Amendment allowed unrestricted use of cadmium in certain items or processes and to fill orders bearing military and atomic energy ratings. For other items, a 70-percent base period use was permitted instead of 60 percent.

18. Bismuth, M-48: Amendment, effective August 10, 1951, increased permitted use of bismuth to 100 percent of base period usage, instead of 60 percent.

Amendment, effective January 15, 1952, rescinded the previous restrictions over the use of bismuth, both in regard to type and quantity of use, and the set-aside provision. Inventory limitations relaxed to permit a 60-day inventory or a "practicable minimum working inventory," whichever is less.

19. Cotton duck, M-53: Amendment, effective September 17, 1951, permitted looms, which had been reserved exclusively since April 8, 1951, for the production of flat duck, to be used to manufacture other fabrics.

20. Carded cotton yarn, M-23: Amendment effective November 6, 1951, permitted yarn manufacturers to use their spindles to produce any type of carded cotton yarn. Previously, M-23 required that spindles producing yarn in one classification could not be used to produce yarns in another classification.

21. Non-nickel-bearing stainless steel: Direction 9 to CMP Regulation 1, effective January 28, 1952, removed non-nickel-bearing stainless steel from the category of controlled materials under CMP, thus permitting it to be purchased without an authorized controlled material order.

22. Lead, M-38: Amendment effective March 3, 1952, removed limitations on use of lead. Inventory control was retained. Order M-76 covering distribution of pig lead will be continued but allocations are being increased and system liberalized.

23. Quebracho, M-57: Amendment, effective March 26, 1952, removed the restriction which had limited the use of quebracho in oil well drilling to 60 percent of base period consumption.

24. Steel shipping drums, M-57, revoked April 29, 1952: This order was originally issued July 6, 1951, to distribute critically short supplies of steel shipping drums equitably. It limited the use of new shipping drums to an amount equal

to 90 percent of the tonnage of such drums used in 1950; limited inventories of new and used drums to a 45-day supply; and prohibited the packing of certain products in new or used drums. Now that sheet steel is available in adequate quantities and the number of drums manufactured is sufficient to take care of all requirements, M-75 is no longer necessary.

25. Sebacic acid, M-45, schedule 7, revoked April 30, 1952: As a result of increased production capacity, supplies of sebacic acid are now meeting current requirements. Plans for further expansion of sebacic acid production are expected to take care of estimated future increases in demand.

Your committee is of the opinion that so long as the mobilization programs divert from civilian use such substantial percentages of total supply, and until supply reaches more of a balance with total military and civilian requirements, the Government must have continued authority for materials and facilities control. Flexible but effective controls can insure that military, defense-supporting, and essential civilian needs are met, and that there is a fair division of the remaining supply among less essential needs.

EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

Our ability to resist aggression is not measured only by our stocks of planes, ships, and other weapons. It is measured also by our basic economic strength in productive capacity and our supply of the basic raw materials of industry, including strategic and critical metals and minerals.

By the use of the tools provided by the Defense Production Act, productive capacity and the output of machine tools, aluminum, electric power, petroleum, copper, magnesium, zinc, and many other materials have been substantially increased. Further new capacity in these and other basic industries will be coming into production continuously throughout the coming year.

The defense expansion program undertaken by private industry is now well under way and extends over virtually the whole of the industrial economy. However, only approximately one-half of the program has been accomplished to date. At the end of 1953 it is anticipated that there will have been another 9-percent increase in the country's crude oil production capacity and a 7-percent increase in refining capacity. Capacity for the production of chemicals will be up 12 percent. There will be a further increase of 9 million ingot tons in the capacity of the steel industry by the end of 1953. The aluminum industry is scheduled to add 415,000 short tons of primary capacity in 1952 to the 50,000 tons previously added since the Korean invasion. In 1953, approximately 200,000 additional tons are planned. In the field of transportation, 90,000 new freight cars and 2,000 Diesel locomotives will be produced during 1952 alone. Electric generating capacity by the end of 1954 will be 57 percent larger than it was at the end of 1950. In the same period domestic copper production is expected to increase 20 percent.

It was estimated by Government officials that out of a total contemplated cost of approximately \$19.6 billion for new facilities, aided by the issuance of certificates of necessity, approximately \$6 billion was in place as of March 31, 1952. As of December 31, 1951, the railroad operating equipment program was the closest to completion, with 77 percent in place. Plant expansion for the production of industrial organic chemicals followed with a reported 57 percent in place. Next

in order were the electric light and power program with 50 percent; the Great Lakes transportation program, with 49 percent; and the machinery programs, electric and nonelectric with 48 percent and 47 percent respectively. Plants for the production of aircraft, aircraft parts, engines, and accessories were approximately 42 percent in place. The steel works and rolling mills expansion program was about 41 percent in place, and the aluminum expansion program about 26 percent.

To make possible this necessary expansion, and to provide raw materials for the necessary finished products for both military and civilian needs, expansion of our basic resources is imperative, especially in minerals and metals such as copper, chrome, cobalt, fluorspar, iron ore, lead, nickel, manganese, titanium, tungsten, and zinc. Under the defense program, known reserves of metals and minerals are being exploited at a rapid rate, at the same time that demands for nondefense uses are increasing. Using the powers granted under the Defense Production Act and the internal revenue law, the Government has engaged in a program of expanding domestic sources wherever possible.

In some cases, firms need long-term financial assistance not available from private lenders; for others, a guaranty that if they invest in additional facilities they will have a market for part of the production at a feasible price is sufficient; still others can undertake the expansion if they can amortize it for tax purposes more rapidly than would normally be allowed. In those cases where we are dependent upon foreign supply, such as tin, nickel, and cobalt, steps are being taken to stimulate additional production in other areas of the free world. As of May 1, 1952, the Defense Materials Procurement Agency had approved 369 applications for assistance. The following summaries with respect to copper, chrome, cobalt, fluorspar, iron ore, lead, nickel, manganese ore, titanium, tungsten, and zinc, give examples of the way in which this program is working:

Copper: Six commitment-to-purchase contracts, 1 loan, and 12 certificates of necessity are expected to result in an additional 400,000 short tons of copper for the period 1951-56, inclusive, with a maximum annual expansion by 1956 of 165,200 tons. Five maintenance-of-production contracts have been approved to maintain output from existing operations during 1952 and 1953 that otherwise would have had to shut down, because of unusually high production costs. Pre-Korea copper consumption in the United States ran about 2,000,000 short tons a year.

Chrome: One purchase depot has been established to buy chrome ore at an overmarket price and one commitment-to-purchase contract has been negotiated for 900,000 short tons of chrome ore for the period 1952-56. Pre-Korea consumption of chrome was about 950,000 short tons.

Cobalt: Seven domestic and foreign contracts, with advances against production, and one certificate of necessity are expected to result in an additional 22,313,000 pounds of cobalt during the 1951-56 period with a maximum annual assisted production of 5,126,000 pounds by 1954. Pre-Korea consumption was about 10,000,000 pounds a year.

Fluorspar (acid-grade): Expanded production of 240,000 short tons over the 1952-56 period is expected to result from two guaranteed

floor-price contracts and four certificates of necessity. Maximum annual production resulting from these commitments is estimated at 60,000 short tons in 1955. Pre-Korea consumption—about 155,000 short tons.

Iron ore: Expanded production of 41,000,000 long tons of iron ore annually by 1955, and 7,800,000 long tons of taconite annually by 1956, is expected to result from 106 certificates of necessity. Pre-Korea consumption—about 103,000,000 long tons.

Lead: Expanded supply of lead is the result of 1 commitment-to-purchase contract from a foreign source and 22 certificates of necessity, some of which are primarily assistance to zinc production. Maximum annual expansion of production by 1955 is estimated at 50,000 short tons with a total accumulative increase for 1951-56 of 194,600 short tons of lead. Pre-Korea consumption—about 1,250,000 short tons.

Nickel: Four commitment-to-purchase contracts, domestic and foreign, and one certificate of necessity are expected to result in a total of 112,750 short tons of nickel during the 1951-56 period, with maximum annual expansion in production by 1956 of 28,900 tons. Some of this assistance is responsible also for part of the expanded cobalt production. Potential production now under review would add approximately 45,800 tons annually by 1956. Pre-Korea consumption—about 101,000 short tons.

Manganese ore: Three purchase depots have been established, at Butte and Philipsburg, Mont., and at Deming, N. Mex., and one in Wenden, Ariz., is being set up to assist production from small properties in these areas. Other assistance to manganese producers includes nine accelerated tax amortization certificates, one commitment-to-purchase contract, numerous small purchase and resale contracts with advances against production, and one loan. Total expanded production resulting from this assistance over the 1951-56 period is estimated at 1,070,000 long tons with a maximum annual expanded production of 247,000 tons by 1953. Pre-Korea consumption—about 1,850,000 long tons.

Titanium: Production of this presently high-cost "wonder metal" has been assisted by three certificates of necessity and one commitment-to-purchase contract with an advance against production, and a revolving fund of \$5,000,000 has been established for short-term purchase and resale of sponge. This assistance is expected to result in 19,150 short tons additional primary titanium over the 1951-56 period with a maximum annual production of 4,510 short tons by 1954. Plans for still greater expansion to start in 1953 are under consideration. Pre-Korea consumption—about 140 short tons.

Tungsten: Tungsten production has expanded following the assurance of a guaranteed price of \$63 per short ton unit of tungsten trioxide authorized May 10, 1951, under a domestic purchase program. This action plus other domestic assistance, three certificates of necessity, three loans, and one commitment-to-purchase contract, will increase the total supply of tungsten substantially. Pre-Korea consumption—about 12,500,000 pounds.

Zinc: Total expanded production of zinc through Government assistance is estimated at 856,600 short tons over the 1951-56 period with a maximum annual expansion of 214,500 tons by 1954. Assistance has been given by three loans, 34 certificates of necessity, and

eight commitment-to-purchase contracts. Pre-Korea consumption—about 1,100,000 short tons.

Assuming normal production, Government officials felt it probable that programs now in effect for increasing scarce materials will be able to satisfy all needs for some materials by 1953 and 1954, and for most materials by 1955. However, there are some fields in which expansion programs are not yet capable of insuring adequate supply. Supplies of many minerals are not enough to meet consumption requirements. Additional amounts are required for stockpile goals. In some cases shortages have occurred which caused withdrawals from stockpile for current industrial use. Projects for the exploration, development and procurement of strategic materials from foreign sources, now under consideration, are expected to yield important quantities of copper, manganese, nickel, cobalt, tantalite, chrome and tungsten.

The accelerated tax amortization authority of the Revenue Act of 1950 has been widely used in the expansion of productive capacity and supply described above, and in other instances which cannot be detailed in this report. Of proposed investments of \$19.6 billion, now covered by certificates of necessity, the actual amount which has been allowed for rapid amortization is \$11.7 billion, or 59.4 percent.

When a private lending agency is unable to extend the capital required by a defense contractor without a Federal guaranty, such a guaranty may be requested under the Federal guaranty procedure authorized by section 301 of the Defense Production Act. Almost all of the guaranties to date have been made by the Department of Defense and more than 95 percent of the loans are for working capital purposes. Through March 31, 1952, guaranties had been approved in 971 cases for a total of \$1.7 billion.

The direct loans, purchase contracts, and other financial aids to expansion of productive capacity and supply are authorized by sections 302 and 303 of the Act, and financed by the borrowing authority granted in section 304. The total borrowing authority, based on probable ultimate net cost to the Government of the transactions, is \$2.1 billion outstanding at any one time. As of March 31, 1952, the total certifications against this authority amounted to \$1.1 billion, leaving a balance of \$1.0 billion available for future certifications. Your committee has concluded that an increase in the total amount of the borrowing authority granted by section 304 will not be necessary for the period through June 30, 1953.

Extension of the authorities granted in title III for these forms of financial assistance is necessary, in the opinion of your committee. The completion of necessary expansion of production capacity and raw materials supply, particularly strategic metals and minerals for stockpile and other purposes, is dependent upon these powers which can assure that the necessary contracts, financial assistance and construction materials will be available when needed.

STABILIZATION

Up to the time of the hearings before your committee, the period of relative price and wage stability that began early in 1951 had continued, despite the absorption by the economy of defense expenditures averaging about a billion dollars per week.

During the 8 months between the Korean attack and the imposition of the general price freeze in early 1951, consumer prices, as

reflected in the index computed by the Bureau of Labor Statistics, rose 8 percent. Since that time, consumer prices have risen a total of 2.7 percent, or to 10.7 percent above the pre-Korean level.

The stability attained is illustrated by a comparison made by the Director of Price Stabilization with cost-of-living figures in other countries. Since the general freeze in the United States, the cost of living has gone up 2.7 percent. In the same period it has gone up 13 percent in England, 8 percent in Canada, 22 percent in France, and 6 percent in Belgium.

Wholesale prices for all commodities, according to the revised BLS index, rose 16.3 percent from Korea to the price freeze. At the time of the hearings, the index had sloped off from its 1951 peak to 11.7 percent above the pre-Korean level. Spot-market commodity prices, which had risen more than 45 percent between Korea and the price freeze, had fallen to 12.3 percent above the pre-Korean level.

Analysis of the components of these indexes showed an economy in which there were both "hard" and "soft" areas. An analysis was made by the Bureau of Labor Statistics of the prices of all goods and services entering into its Consumer Price Index for March 1952, weighted according to the relative importance of each item, and presented to your committee. It showed 50.03 percent of these consumer expenditures were still at their 1951-52 peak prices. A total of 64.74 percent were less than 1 percent below their peaks, 70.77 percent were less than 2 percent below, 84.99 percent were less than 5 percent below, 90.21 percent were less than 10 percent below. A total of 9.79 percent were 10 percent or more below their peaks.

An OPS analysis of the distribution of primary market prices early in 1952 in relation to 1951 peak prices (or ceilings where ceilings were set below the peak) showed that of total wholesale transactions amounting to approximately \$273 billions a year, 63 percent were at peak prices or at ceilings rolled back from the peak, 16 percent were less than 4 percent below peak or ceiling, and 21 percent were 4 percent or more below peak ceiling.

Segregating prices of wide general public interest, such as wool, cotton, grains, processed foods, textiles, clothing, passenger automobiles, and tires, the study showed that 41 percent were at the 1951 peak or ceiling, 20 percent were less than 4 percent below, and 39 percent were 4 percent or more below peak or ceiling. The remaining prices were of interest primarily to business and Government procurement agencies (exclusive of strictly military items) such as fuels, paper, lumber, metals, chemicals, machinery, trucks, and busses, and covered slightly more than half of all transactions in primary or wholesale markets. Of these 84 percent were at peak or ceiling, 12 percent less than 4 percent below, and 4 percent at prices 4 percent or more below peak or ceiling.

The April 1, 1952, quarterly report of the Director of Defense Mobilization reports that in metal and metal products and machinery, which together account for over half the total value of commodities primarily of interest to manufacturers, practically all prices were at 1951 peak levels, almost 90 percent of chemicals and allied products were still at peak, about 40 percent of wholesale processed food prices were at 1951 peaks, automobiles were at peak, half of textile and apparel prices were well below peak, and hides, leather, and leather products were about 20 percent below 1951 wholesale peaks.

Raw materials and wholesale prices rose much faster and further after Korea than retail prices. Therefore, declines in raw-material or wholesale prices will not necessarily be followed by declines on the same scale in prices to consumers. In many cases, a considerable decline in the price of a raw material—making it “soft” in comparison to its 1951 peak, merely brings it into more reasonable relationship with a retail price which is still at its 1951 peak.

The price stability of recent months has resulted from many factors, including fiscal and monetary measures adopted earlier, the stretching-out of the mobilization program, and increased production, as well as the application of credit, wage, and price controls. A very potent factor has been self-restraint by the American consumer himself. With confidence restored that the total of stabilization measures would protect against run-away inflation, millions upon millions of Americans increased their personal savings and exerted resistance on those prices they felt had risen too far.

Prior to the development of the limited “soft” areas in the economy, described above, the OPS had removed price control from a number of commodities and services whose significance on the economy was slight, or for special reasons relating to production. It had not previously relaxed controls on any item on the basis of abated price pressure. After a study of production and productive capacity, inventories, factors influencing demand, and the relation of market to ceiling prices, OPS has recently suspended price controls on the following commodities: Cattle hides, kips, calf skins, tallow, lard, animal waste materials, vegetable soap stock, crude cottonseed oil, crude soybean oil, crude corn oil, burlap, wool, wool waste, wool tops, wool noils, alpaca, raw cotton, and, at the manufacturer's level, all cotton, wool, and synthetic yarns and fabrics (except tire cord), and cotton blankets and bed linens. Provision has been made for recontrol in the event prices rise above specified recontrol points.

The fact that price stability has so far been maintained with the aid of direct and indirect controls, and that more normal market conditions have returned to some areas, making possible suspension of some price ceilings, does not mean that all need for price controls has disappeared. As the figures previously given show, large areas of the economy are still under inflationary pressure, with prices at or very close to their peaks. In April consumer prices were still almost at their all-time high. In food and defense materials, markets are still hard. The Department of Agriculture's Index of Prices Paid by Farmers in April was at an all-time peak, 14 percent above pre-Korea. Food prices were more than 13 percent above pre-Korea. The BLS spot mark index of food prices rose 4.1 percent during the 4 weeks between the open and close of the committee hearings.

In the opinion of your committee the continuing danger of inflation is to be found in the impact of the defense expenditures which lie ahead of us. Earlier in this report it was pointed out that in excess of \$100 billion in funds appropriated or requested must be turned into military items in a relatively short time. Prior to Korea, national security expenditures were about 6 percent of our national output. In the first quarter of this year, these expenditures were at a rate equal to slightly less than 14 percent of the gross national product. Late this year or early in 1953, this defense spending is expected to reach a rate in the neighborhood of \$65 billion, or about 18 percent

of the national product. In addition there are the added private expenditures involved in the program for expansion of productive capacity, which do not as such produce goods available for current civilian needs. The Treasury is now operating at a deficit and we are faced by the likelihood of a larger deficit in the coming fiscal year. A Federal deficit has a strong inflationary impact which tends to result in bank credit expansion and an upward spiral of prices. In view of the inflationary impact of huge defense spending ahead, and the uncertainties of the international situation, the dismantlement of the statutory authority for price-stabilization measures would involve the risk of a wave of inflation which the Nation should not take. Your committee believes that the authority for the price-stabilization program should be continued for a period of 1 year.

In the area of wage stabilization, a period of relative stability obtained from the date of the general freeze to early in 1952. The following tables submitted by the Wage Stabilization Board show the extent of the increases in wage rates, and comparisons with previous periods. In this table adjusted average hourly earnings of production and related workers in manufacturing following January 1950 represent gross average hourly earnings excluding overtime and the effect of interindustry shifts in employment after January 1950. Adjusted average hourly earnings in World War II exclude overtime and the effect of interindustry shifts in employment after January 1941. Since the figures are available only for January 15, and February 15, 1951, and since stabilization controls were established between these two dates (i. e., January 25, 1951), both dates are shown for the beginning of the control period.

Average monthly rate of increase in adjusted average hourly earnings before and since stabilization

	<i>Dollars</i>	<i>Percent</i>
Postfreeze:		
January 1951–February 1952.....	0.005	0.4 of 1
February 1951–February 1952.....	.005	.3 of 1
Pre-Korea, prefreeze:		
January 1950–January 1951.....	.009	.7 of 1
January 1950–February 1951.....	.009	.7 of 1
Post-Korea, prefreeze:		
June 1950–January 1951.....	.013	.9 of 1
June 1950–February 1951.....	.012	.9 of 1

Percent increase in adjusted average hourly earnings stabilization period compared with postwar years and comparable period of World War II stabilization

	<i>Percent</i>
Postfreeze:	
January 1951–February 1952 (13 months).....	4.7
February 1951–February 1952 (12 months).....	4.1
Post-World War II:	
January 1948–February 1949 (13 months).....	8.0
January 1947–February 1948 (13 months).....	11.8
January 1946–February 1947 (13 months).....	16.6
February 1948–February 1949 (12 months).....	7.2
February 1947–February 1948 (12 months).....	10.7
February 1946–February 1947 (12 months).....	15.2
World War II wage stabilization:	
October 1942–November 1943 (13 months).....	7.4
October 1942–October 1943 (12 months).....	6.9

CREDIT

In enacting the Defense Production Act in 1950, the Congress provided authority for credit controls to meet the inflationary situation then existing. Three types of credit control were imposed under those provisions: Installment sale credit controls and construction credit controls under title VI, and a voluntary credit restraint program under section 708.

In the Defense Production Act amendments of 1951 and the Defense Housing and Community Facilities Act of 1951, the Congress found it necessary to force the relaxation of these consumer credit and construction credit controls, by imposing statutory maximum limits upon the down payments and maturities that could be required by the regulations issued under the act. Until very recently, the administering agencies continued to maintain the credit controls at the most restrictive levels permitted by law, although there had been further developments pointing in the direction of further relaxation and decontrol.

The controls were imposed and maintained on the theory that they were needed to prevent inflationary credit expansion and to help conserve and channel scarce materials. The evidence presented to your committee tended to show that the threat of dangerous consumer-credit expansion had been abated for some considerable time. In the construction field, the easing of the situation in construction materials had made it possible to relax many materials controls for construction purposes, and permit more building without harming the channeling of essential materials to defense needs. Evidence was presented to your committee that the inevitable discriminatory aspect of credit controls, namely, that they bear most heavily upon those in the lower income groups, who have less ready cash, had in the existing situation overshadowed the anti-inflationary aspect.

Yet it was not until May 7, 1952, that consumer-credit controls and May 12, 1952, that the voluntary credit-restraint program were suspended by the administering agency. It was not until June 11, 1952, that housing-credit controls were relaxed.

Your committee has concluded that these credit controls should be completely removed at this time and that no credit controls should be reimposed under the Defense Production Act. Your committee accordingly recommends that the authority for these controls be allowed to expire on June 30, 1952.

RENT CONTROL

The present Federal rent-control program is set up on a basis that assures that it will not be unduly prolonged in any area. The governing body of every incorporated municipality, and of every county, has full authority to terminate Federal rent control whenever it finds that such a program is no longer required. The fact that local governing bodies with over 53,000,000 persons in their jurisdiction have refused to exercise their decontrol authority under this provision, is emphatic proof that these local officials are convinced the Federal rent-control program is still urgently needed in their communities.

Last year the Congress, recognizing the impact of the mobilization effort on rental accommodations, extended and amended the Housing

and Rent Act so as to permit imposition of Federal rent controls in critical defense-housing areas. The law now provides for the joint certification of critical defense-housing areas by the Secretary of Defense and the Director of Defense Mobilization. In such areas, rents may be stabilized for all types of housing accommodations, without exception. The law specifically restricts certifications to areas where the following conditions exist:

(1) A new defense plant or installation has been or is to be provided; or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded;

(2) Substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation; and

(3) A substantial shortage of housing required for such defense workers or military personnel exists or impends which has resulted or threatens to result in excessive rent increases and which impedes or threatens to impede activities of such defense plant or installation.

The Office of Rent Stabilization is one of the agencies represented on the Advisory Committee on Defense Areas, which makes recommendations for the certification of critical defense housing areas to the Director of Defense Mobilization and the Secretary of Defense. For each area considered by the Advisory Committee, the Office of Rent Stabilization is responsible for reporting to that Committee information on rent increases, its judgment as to whether in view of all the circumstances excessive rent increases have resulted or threaten to result, and its own recommendation as to whether the area should be certified as a critical defense housing area.

Since August 1, 1951, 108 critical defense housing areas, the majority of which are adjacent to military installations, have been certified. Of these, 58 are areas where the rent stabilization program was not in effect immediately prior to the certification, and 50 are areas where the rent-stabilization program was in effect just before certification. In these latter areas, the effect of the certification was to extend the program to housing accommodations which had been decontrolled by the 1947 legislation, such as new construction, conversions, hotels, tourist courts, etc.

As a result of these designations the rents of approximately 555,000 additional housing accommodations have been stabilized. The total population of these communities is approximately 8,000,000.

Federal rent control in critical defense housing areas is subject to local option termination in the same manner that termination may be effected in other areas. Upon the advice of local rent advisory boards decontrol actions have been taken in 10 critical defense housing areas. With one exception these actions affected only certain types of accommodations, such as hotels or tourist courts, which the advisory boards found to be in ample supply in their communities. Local governing bodies have acted to remove Federal rent controls completely in 13 areas which had been designated as critical areas.

The committee believes that present Federal rent-control provisions provide ample authority to stabilize rents in areas where the mobilization effort brings sudden and unforeseeable shifts of population as defense plants and military installations are opened or reactivated and at the same time only continues Federal rent control where local

governing bodies accept the existence of continuing need for such control. The committee recommends extension of this authority to the close of June 30, 1953.

SMALL DEFENSE PLANTS ADMINISTRATION

The Small Defense Plants Administration (SDPA) was established under section 714 of the act, which was added by the Defense Production Act amendments of 1951. Its function is to carry out the policy of the Congress that small business concerns be encouraged to make the greatest possible contribution toward achieving the objectives of the act.

Section 714 f (2) sets up a procedure for carrying out jointly by SDPA and the procurement agencies the congressional policy that a fair proportion of total Government purchases and contracts be awarded to small business. SDPA has been engaged in putting this procedure into effect, by arrangements with the armed services and other procurement agencies. Under this plan, procurement requests will be screened for work which can be done by small concerns, and an appropriate portion of the procurement will be reserved for placement with small business. On March 27, 1952, the Defense Department issued a directive providing the necessary administrative framework, with details to be provided by each of the services. The Air Force has issued a directive covering actual operation for that service, and representatives of SDPA have been assigned to the headquarters of the Air Matériel Command at Wright Field, Dayton, Ohio, where the great bulk of Air Force procurement is handled. Similar directives have not yet been issued by the Army and Navy, but the Army has authorized assignment of SDPA representatives to certain of its purchasing offices as a preliminary step.

Under sections 714 (e) (6) and 714 (f) (1), SDPA is authorized to certify small business concerns as competent, with respect to capacity and credit, to perform specific Government contracts. The certificate is conclusive upon Government procurement officers, and affords a method of aiding small business to meet requirements as to qualification. At the time of the hearings, 14 certificates of competence had been issued, and 12 concerns so certified had received contracts totaling more than \$10,500,000.

Under its authority to recommend small-business loans to the Reconstruction Finance Corporation, SDPA has acted on 185 applications, making favorable recommendations on over 100, totaling approximately \$14,500,000, and to date 55, totaling \$6,000,000 have been approved by RFC. Several hundred other applications are under consideration by SDPA.

The Administration is also entering upon the task of eliminating any procurement practices which have effects disadvantageous to small business. Arrangements have been made with the Army to eliminate bid and performance bonds on supply contracts where the interests of the Government can otherwise be protected, relieving small concerns of the difficulty they find in obtaining such bonds. Changes in the renegotiation regulations have been obtained to encourage subcontracting to small firms. Greater availability to small business of V-loan guaranties by the authorized agencies is being sought. SDPA has also recommended to the Department of Defense

that it liberalize its standards for granting adjustments in Government contract prices under title II of the First War Powers Act, so as to enable small business to qualify more readily for such adjustments where unforeseen developments justify it. By cooperation between SDPA and NPA the latter has established a special reserve of steel, copper, and aluminum to take care of small-business hardship cases, and by April 15, 1952, nearly 400 small firms had obtained materials relief from this reserve.

In the field of tax amortization, SDPA and DPA are engaged in a program to insure that small manufacturers will receive their fair share of tax amortization assistance in expansion programs.

Under this set-aside program, a definite small-business share of each industrial expansion goal will be established, based on the pre-Korean position of small business in the industry, or segment of industry being expanded. Where added capacity is being sought the Defense Production Administration will hold open the small-business share for 30 days, while SDPA notifies small concerns of this opportunity to take part in the program if they can otherwise qualify for accelerated tax write-offs. Where goals have already been established, and it appears that a disproportionate share of certificates has been going to larger firms, SDPA and DPA will urge small-business participation with a view to restoring the pre-Korean balance between larger and small firms. These small manufacturers have received only 10 percent of the value of tax amortization certificates, although the same firms in fiscal 1951 received 20.9 percent of military prime contracts.

The Government is now the largest single purchaser in our economy and Government procurement will play a major and increasing role in our economy for a considerable time to come. The factors, in a large mobilization program, which tend to pinch out the small manufacturer, have not been eliminated. Cut-backs in the allocation of critical materials for civilian use, which present especial difficulty for the small concerns, will continue for an indefinite period. Extra difficulty in obtaining financing for defense and essential civilian production will always be one of the problems of small business. The necessity for a Government program, on a stable and effective footing, to assist small business to obtain its fair share of defense work is even more acute than it was when the original authority was granted. Your committee recommends, therefore, that the Small Defense Plants Administration be continued until June 30, 1953.

COMMITTEE ACTION

SUMMARY

H. R. 6546, upon which your committee conducted its hearings, would have amended and extended the authority of the Defense Production Act for a period of 2 years, namely to June 30, 1954. Authority would have been given for the reimposition of slaughtering quotas at 100 percent of available supply, and the fats and oils import control authority of section 104 would have been repealed. The borrowing authority contained in section 304 of the act would have been increased from \$2.1 billion to \$3 billion. The so-called Capehart and Herlong amendments would have been repealed, and there would

have been removed from the consumer-credit control and housing credit-control authorities the limitations that had been imposed by the Congress last year. The bill would also have extended the Housing and Rent Act of 1947 without change for an additional period of 2 years, namely, to June 30, 1954.

The committee bill extends all titles of the act, except title VI which would be repealed, for a period of 1 year. It does not grant authority for imposition of slaughtering quotas and continues the section 104 fats and oils import authority on a modified basis. No change was made in the borrowing authority of section 304 inasmuch as the present authority is sufficient for the 1-year extension of the act decided upon by the committee. The so-called Capehart amendment was retained as was the so-called Herlong amendment which, however, was modified to make it generally applicable to all wholesalers and retailers. No authority whatsoever was left in the Defense Production Act for the imposition of consumer credit controls, real-estate credit controls or operation of a voluntary credit-restraint program.

Other changes provided by the committee action limits restrictions that can be placed on slaughterers of meat, modify the present meat allocation authority of the Office of Price Stabilization without disturbing its meat-grade marking authority, and provide minimum ceiling formulas with respect to price controls on milk products for fluid consumption. Provision is made for not less than 90 percent announced support prices on the six basic agricultural commodities under the Agricultural Act of 1949 so long as title IV of the Defense Production Act is in existence. Fresh fruits and vegetables are exempted from price control. Rates charged by any common carriers or other public utility are presently exempt from the price control provisions of the Act. Limited right of the Office of Price Stabilization to intervene in rate cases before regulatory bodies would be denied. A provision would be added which also would exempt marine terminals from price control. Bowling alleys would be included in the exemptions made to imposition of price and wage-control regulations. Wages paid to agricultural labor would be exempt from wage regulations. Wages, salaries and other compensations paid to employees of a small business establishment with eight or less employees generally would be exempt. Price ceilings could not be set below minimum sales prices fixed by State laws or regulations now in effect and provision would be made to recognize the effect of certain State anti-trust laws on distributors margins.

A great many complaints had been received as to the burden on business of making reports to the Office of Price Stabilization and to avoid this reporting burden when sales are made below ceiling prices the bill provides that a person shall not be required to furnish reports to the Office of Price Stabilization with respect to the sale of materials or services at prices which are 7 percent or more below ceiling if such person certifies to the President that such sales are made at such prices.

The production loan authority of title III of the act would be amended so as to make clear that loans could be made to the producers of newsprint. The exculpatory provisions of section 707 of the act were broadened, and a statute of limitations was provided for actions brought as a result of the invalidating of certain producer payments

authorized by Federal milk orders promulgated pursuant to the Agricultural Marketing Agreement Act of 1937.

The Housing and Rent Act of 1947 would be extended for a period of 1 year to June 30, 1953. A provision would be added calling for rents and services charged on quarters owned by the Federal Government and supplied to Federal employees and members of the uniformed services to be brought into conformity with regulations promulgated by the Bureau of the Budget by July 15, 1952. The bill would apply the same procedures for testing the validity of price regulations to the testifying of the validity of rent regulations.

A more detailed discussion of the provisions of the bill by subject matter follows herewith.

MEAT

The Congress last year eliminated the authority of OPS to impose slaughter quotas but left unaffected the authority to require registration as a condition of engaging in slaughtering operations. In administering its registration program the OPS has required separate registration for each species of livestock. Thus a registered slaughterer of cattle could not, under the existing OPS regulation, engage in the slaughter of hogs unless he obtained further authority by way of a new registration or amendment of the existing registration.

The first clause of the committee amendment to section 101 of the act changes this requirement. A lawfully registered slaughterer of any species of livestock may, under the amendment, slaughter any other species, type or grade of livestock without the necessity of further registration. Also, the committee amendment makes it clear that persons authorized to slaughter livestock may shift from kosher to nonkosher slaughter or vice versa without restriction. Apart from these changes, the present slaughterer registration program of OPS may be continued under the committee amendment.

The second clause of the committee amendment provides that meat may not be allocated except upon a determination and certification by the Secretary of Agriculture that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor.

The Office of Price Stabilization presently requires the grading of beef, veal, and lamb preparatory to an allocation of these types of meat, if further circumstances require such allocation. The proviso at the end of the committee amendment makes it clear that the present OPS grading and grade-marking program, which is also the basis of the price controls on beef, veal, and lamb, may be continued and is not affected by the limitation on the OPS' authority to allocate. Apart from this consideration, the present grading and grade-marking requirements of OPS are essential to permit compliance, in administering price controls on beef, veal, and lamb, with last year's amendment to section 402 (d) (3) which provides that no ceiling shall be established or maintained for any agricultural commodity below 90 percent of the price received (by grade) by producers on May 19, 1951, as determined by the Secretary of Agriculture.

IMPORT CONTROLS ON FATS AND OILS

The present section 104 of the act, which was added by the Defense Production Act Amendments of 1951 provides for restrictions, administered by the Secretary of Agriculture, on imports of certain fats and oils, peanuts, butter, cheese, and other dairy products, and rice and rice products. Under this provision, regulations were issued embargoing, in general, butter, butter oil, flaxseed, linseed oil, skimmed and dried milk, peanuts, and rice products. Quotas cutting back the amounts permitted to be imported were imposed on casein or lactarene, cheese, and rice starch.

Your committee received and considered extensive testimony both in favor of retention and extension of section 104 and in favor of its repeal.

Your committee has concluded that section 104 should be modified in order to make it less restrictive. Accordingly, your committee recommends a revised form of section 104. This will continue to give protection to domestic producers of these products from injury by reason of imports. It makes clear that the statement in the original section that import controls on the specified products were necessary in the existing emergency was not intended to make it mandatory upon the Secretary of Agriculture to establish across the board restrictions on all types and varieties of the product named, and that he may consider types and varieties separately. It also adds a proviso authorizing relaxation of any import restriction to the extent of permitting 10 percent additional imports of each type and variety where the Secretary of Agriculture deems this necessary taking into consideration the broad effects upon international relationships.

LOANS FOR THE MANUFACTURE OF NEWSPRINT

The attention of your committee has been brought to the problem of newsprint supply for the United States. It appears that certificates authorizing accelerated tax amortization have been granted to a number of manufacturers of newsprint in order to assist them in expanding production of this commodity. By this action the Government agencies involved recognized expanded newsprint manufacture as essential to our defense effort. The same recognition, however, has not been granted in the matter of direct loans as assistance to expansion of production and supply under section 302.

To remove this apparent inconsistency your committee recommends that the manufacture of newsprint be expressly set forth in section 302 as an activity to which such loans may be granted under the provisions of the section. It is the intention of your committee that the loan authority with respect to newsprint manufacture be exercised only with respect to encouraging domestic production.

PARITY

Section 104 (a) of the bill would amend section 402 (d) (3) of the act to require the Secretary of Agriculture, during the period that title IV of the Defense Production Act is in effect, to support the basic agricultural commodities at 90 percent of parity, or such higher level as may be established under section 402 of the Agricultural Act of 1949.

It is obvious that price stabilization requires not only fair prices to consumers but also fair prices to producers. In the field of agriculture, we know from experience that unless agricultural producers receive a fair price for the commodities they produce we are not likely to have the high level production we need.

From this standpoint, this provision which protects prices to farmers for the basic commodities from dropping below certain levels while title IV of the Defense Production Act is in effect is closely related to the other provisions of the act which protect consumer prices of these commodities from going above certain levels.

Continued high-level production of the basic commodities is essential during the present emergency to provide the supplies required to meet immediate needs, to rebuild depleted reserves to desirable levels, and to keep prices from advancing unduly.

During the current emergency, American agricultural producers of basic commodities have gone all-out in their efforts to keep agricultural production of these needed commodities at high levels. But a situation has arisen which threatens to impair our ability to keep production at high levels. Prices of most basic commodities have declined, largely due to this high-level production. On top of this, there is uncertainty as to level of support.

Existing agricultural legislation does not give any definite assurance of a price floor on the basics at a fair level, because the sliding scale provisions of the Agricultural Act permit the support level for basic commodities to drop as low as 75 percent of parity. The amendment would correct this problem by establishing as the support level while title IV is in effect 90 percent of parity, the same level at which prices are now being supported.

This action would be in accord with the program of the President. As the President pointed out in his economic report to the Congress on January 16—

The sliding scale in existing price-support legislation has aroused concern in the minds of many farmers, who fear that their cooperation in expanding production to meet the present emergency might later result in serious losses to them. The Government's price-support operations obviously should further attainment of production objectives, and they should not penalize producers for their full and patriotic cooperation with the agricultural program. I therefore recommend that the sliding-scale provisions of the present agricultural legislation be repealed for this purpose.

Furthermore, the Secretary of Agriculture has supported the elimination of the sliding scale during the emergency. In his testimony before the House Committee on Agriculture on June 12, the Secretary stated:

The Nation today is confronted by an emergency calling for high-level production. We need favorable prices and adequate price protection to provide an economic climate favorable to high-level production * * *. We are faced this year with the biggest and perhaps the most difficult farm-production job in all of our history * * *. For a long time now we have recommended that the sliding-scale provisions of the law be eliminated * * *. By its terms, when farmers produce abundantly in response to national needs and have earned fair and compensating protection, the sliding scale operates to deny them that protection by cutting the level of support.

In recommending this floor on prices of the basic commodities for a limited period, the committee recognizes that permanent price-support legislation does not come within its scope. Nevertheless, the question

of a fair price for agriculture while title IV is in effect is so integral a part of the stabilization effort that the committee found it necessary to consider this change as part of the extension of title IV.

MILK

The committee has adopted an amendment to section 402 (d) (3), intended to assist small dairies, which assures that dairies in each milk marketing area will be able to increase their prices to compensate for changes in cost in their three major cost categories: Milk, labor, and cans and containers. In addition, the amendment requires that the ceiling-price regulations permit dairies in each milk-marketing area to attain the earnings level provided by the OPS Industry Earnings Standard.

A further provision of the amendment to section 402 (d) (3) dealing with fluid milk is applicable where existing State law authorizes a State regulatory body to fix both minimum and maximum prices for sales of fluid milk. In such States if OPS ceiling prices are shown to be below the level of minimum prices fixed by the State body they must be adjusted to make them not less than the State minimum level. Moreover, if maximum prices have been established by the State body OPS ceilings must equal such maximum price.

FRESH FRUITS AND VEGETABLES

The committee bill also, by amendment of section 402 (d) (3), exempts fresh fruits and vegetables from price control. Fresh fruits and vegetables are perishable commodities. Because they are perishable market prices are extremely sensitive and fluctuate greatly. As a result there has developed a complex marketing mechanism which makes it difficult to control prices. The perishability of the crop and the fluctuation of the prices make the growing of fresh fruits and vegetables an extremely risky business for farmers. Price controls may therefore interfere with the opportunity of growers to offset losses on one crop with profits on another crop. Moreover, many of these crops are produced within a very short cycle and if prices get too high, new plantings can rapidly increase production and bring down prices to a reasonable level. For this reason, the committee believes that the exemption will not result in unduly high prices for consumers.

COMMON CARRIERS AND PUBLIC UTILITIES

Section 402 (e) (v) of the Act presently exempts from price-control rates charged by any common carrier or other public utility. The committee would include in this exemption marine terminals which are subject to the Shipping Act of 1916. It is the understanding of the committee that publicly owned marine terminals have been administratively decontrolled by the Office of Price Stabilization. In many areas privately owned marine terminals have entered into agreements which cover publicly owned marine terminals to the effect that uniform rates would be charged by both publicly and privately owned terminals. In view of the fact that such agreements exist and also the fact that the charges levied by privately owned marine terminals are subject to review by the Maritime Commission, this

committee is of the opinion that the status of the privately owned marine terminals should be the same as publicly owned terminals.

Section 402 (e) (v) now provides that after any price or wage stabilization order has been promulgated under title IV, no common carrier or public utility shall make any increase in its charges for property or services sold for resale to the public unless it first gives 30 days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction concerning such increase. Section 105 (a) of the bill would repeal this provision.

Your committee wishes to take this opportunity to reemphasize the fact that where the Congress has refused to grant statutory authority to the price control agency to intervene in any proposed rate increase affecting common carriers or other public utility before any Federal, State, or municipal regulatory authority having jurisdiction to consider such an increase, that such refusal to grant a statutory right of intervention meant that the Congress did not deem it advisable for the agency to so intervene under any circumstances. The attention of your committee has been brought to many cases in which the Office of Price Stabilization has intervened before rate making regulatory bodies notwithstanding the fact that statutory authority to so intervene had been denied by the Congress. The committee desires this practice to cease.

BOWLING ALLEYS

The committee felt that the application of price control to bowling alleys was not necessary. Accordingly the bill exempts bowling alleys from price and wage controls.

EXEMPTION OF AGRICULTURAL LABOR

The bill exempts from control wages paid for agricultural labor. The committee was aware of the measures taken by the Wage Stabilization Board in GWR 11 to adapt the stabilization program to the particular needs of farmers but believed that a statutory exemption should be provided in the case of wages paid for agricultural labor. Agricultural labor includes labor performed for a farmer or on a farm as an incident to or in conjunction with farming operations in all its branches, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

EXEMPTION FOR SMALL EMPLOYERS

Exemption from wage and salary stabilization regulations of enterprises having eight or less persons in all their units is provided for in section 105 (d) of the bill. This provision is in accordance with section 701 of the act, which was intended as an encouragement to the administrative agencies to exempt small-business enterprises.

The committee is aware, however, that there are dangers in a blanket exemption. In some industries a blanket wage exemption for small business would make it difficult to maintain price controls. In World War II, moreover, the War Labor Board adopted a flat exemption for employers of eight or less, at the very inception of the

wage-stabilization program. It found that it could not maintain a blanket exemption because of unstabilizing pressures in certain industries, types of businesses, occupations, or areas. Within a month after it had adopted the general exemption, it had to except the tool and die industry. Thereafter, it was forced to adopt a number of other exceptions, because it found unstabilizing effects; for example, that small employers were recruiting or retaining manpower in classifications in short supply, at the expense of other employers and the war effort.

For these reasons, this amendment permits the President to except enterprises from the exemption where he believes they fall into a general category the exemption of which would be unstabilizing with respect to wages, salaries, prices, or manpower; or would otherwise be contrary to the purposes and policies of the Defense Production Act. The amendment is made effective 30 days after enactment in order to give the agencies involved sufficient time to make the requisite determinations.

The amendment defines a small-business enterprise as one having a total of eight or less employees in all its branches or other units as presently constituted, and including employees of all types, regardless of whether their compensation is at present subject to the Wage Stabilization, the Salary Board, or has some other status under this act.

HERLONG AMENDMENT REVISION

Section 402 (k), the so-called Herlong amendment, as originally enacted did not apply to regulations issued prior to its effective date. It has been pointed out to the committee that in some cases this may result in different standards applying to distributors who are still covered by regulations which were in effect prior to the enactment of the section. The amendment has therefore been revised to make those provisions applicable to all distributors.

Under the new provisions, distributors who can show that under the existing regulations they are not receiving the prescribed margins will be entitled to margins conforming to the requirements of this section. The amendment has also been revised to make clear the committee's intention that in such instances OPS shall revise its regulations promptly to bring them in conformity with the provisions of section 402 (k).

The section has been further amended to make it clear that where wholesalers and retailers of materials have not customarily operated during the pre-Korean period on the basis of a percentage margin, OPS regulations must conform to the customary pricing practices of such sellers.

A provision has been added to give recognition to the impact of State anti-trust laws on distributors' margins. The committee's attention has been specifically called to the fact that the Texas anti-trust statute has been construed to prohibit the establishment of uniform resale prices for automobiles sold at retail, resulting in pre-Korean margins for dealers in that State different than those prevailing in other States. The amendment requires OPS to issue regulations giving full consideration to the pre-Korean margins resulting from this construction of the State anti-trust statute.

STATE MINIMUM PRICES

The committee's attention has been directed to some cases where ceiling-price regulations interfere with the enforcement of State minimum-price laws. The amendment contained in section 108, therefore, provides that ceiling prices for materials sold or delivered in any State shall not be below the minimum prices of such materials as fixed by that State's minimum price law or regulation which is now in effect. Fair-trade laws have been excepted from the operation of this amendment. Under this amendment where it is shown that the ceilings are less than the minimum price level in effect in a State the President must adjust ceiling prices to make them conform to the provisions of the amendment.

SUSPENSION OF PRICE REPORTING

The committee is of the opinion that where a seller's effective ceiling prices for a material or service are substantially above the selling prices, there is no need to continue his OPS reporting requirements as to these ceilings. The amendment therefore provides that when a seller files a certification showing that his selling prices for a material or service are 7 percent or more below his ceiling prices, the requirements of OPS ceiling-price regulations relating to reporting and furnishing of information will be suspended. The reporting provisions remain operative only as to sales made at a price higher than 7 percent below the applicable ceiling price.

Apart from relieving sellers of the burden of price reporting in cases where prices are 7 percent below ceilings, the amendment has the advantage of providing an inducement to sellers to reduce and keep prices 7 percent or more below ceilings in order to avoid the burden of making reports to the OPS.

Your committee has received complaints from witnesses appearing during its hearings about the burden imposed on business by record-keeping and reporting requirements contained in ceiling-price regulations. Your committee recognizes that some such requirements are inevitable in any price-stabilization program. It seems, however, that such requirements have not always been confined to those which are essential as, in the opinion of your committee, they should be. Excessive requirements are especially objectionable where soft market conditions currently prevail, and are particularly irksome and undesirable in the case of small business. Your committee, therefore, urges that these requirements be confined to the keeping of normal business records, except where additional records or reports are indispensable to the fair administration of the price-stabilization program. Constant and vigilant review of price regulations should be used to assure adherence to this policy.

The provision for suspension of price-reporting is directed to the price-stabilization program. Reports and other information required to be furnished pursuant to other programs under the act, such as those for priorities and allocations, wage stabilization, and financial assistance, are not affected.

REPEAL OF CREDIT CONTROLS

As previously stated, your committee determined that authority for credit controls should be removed entirely from the Defense Production Act. Accordingly, title VI, which contained the authority for exercise of consumer credit and real estate credit controls, has been repealed. The bill further provides that after the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit should be approved or carried out under section 708 of the act.

CONTRACT LIABILITY

Section 707 of the act now contains an exculpatory provision under which a person who is unable to perform a contractual obligation because of his compliance with any rule, regulation, or order issued pursuant to the act cannot be held liable for damages or penalties under such circumstances. The provision as now written might be construed to limit its application to those cases where the person is unable to perform a contract due to his compliance with a rule, regulation or order issued under the act. Because of the general application of allocation controls it was not the intention of the committee to so restrict its application. For example, to make it clear that it is intended also to cover the situation where a contractor is unable to perform because his source of supply is prohibited from manufacturing the article by such a regulation or order, the first sentence of section 707 is amended by deleting the word "his."

STABILIZATION OF INTERSTATE MILK MARKETS

A new subsection (d) relating to the stabilization of prices and marketing conditions in certain interstate milk markets is added as an amendment to section 717 of the act.

The Agricultural Marketing Agreement Act is an important factor in maintaining orderly and stabilized interstate markets for fluid milk. Under the supervision of the Secretary of Agriculture, strife and disorder are eliminated, adequate supplies of milk are assured, and prices are set at levels which are fair and reasonable in relation to the cost of feed and other economic factors. Cooperative associations of farmers in the regulated markets assist in accomplishing these results.

Congress has recognized the stabilization of prices and marketing conditions under Federal marketing orders as an integral part of the over-all stabilization program and has provided that price controls under the Defense Production Act shall not be permitted to interfere with the effective operation of the marketing orders.

It would be a useless gesture to enact legislation designed to stabilize prices, encourage production, and maintain the orderly distribution of essential commodities if at the same time conditions which appear likely to produce directly opposite results are not corrected.

In several large interstate milk markets, regular payments have been made for many years to cooperative associations for market-wide services performed in good faith by the cooperatives. The payments were authorized by official quasi-judicial orders of the Secretary of Agriculture, issued after public hearings and not appealed from. The

cost of the services to the market was deducted from producer funds and was thus spread equally over all producers who sold milk on the market.

A recent decision of the Supreme Court invalidated a provision in a Federal milk-marketing order authorizing such payments. Cooperatives in affected markets are threatened with suits to recover past payments. Unless some reasonable regulation is provided, such suits may seriously impair the effective and orderly marketing of milk in interstate commerce. Prices and production which it has taken years to stabilize into orderly patterns will be disrupted.

This amendment provides a short uniform statute of limitation to prevent the uncertainty of such suits from clouding the market for the various periods of the State statutes. It regulates such suits by eliminating class actions, thus limiting the suits to those producers who desire to sue. In addition, it requires the claimant to show a reasonable degree of diligence in protesting the deductions. These requirements are in addition to other defenses, and are needed to prevent a burden on interstate commerce and to prevent the disorganizing and unstablizing of important markets contrary to the purpose and objective of the Defense Production Act.

EXTENSION OF THE ACT

The President in his message to the Congress on the Defense Production Act requested that it be extended for 2 years, until June 30, 1954. H. R. 6546 would have authorized such an extension. Your committee, however, feels that annual review by the Congress of any program of economic controls is a wise procedure. It has, therefore, extended the life of the act for only one additional year, until June 30, 1953.

CERTAIN TECHNICAL VIOLATIONS

Your committee has received several complaints concerning the general ceiling price regulation affecting lumber distributors in southern areas with respect to which your committee believes relief must be afforded. The general ceiling price regulation was issued in January 1951 shortly after the general price freeze. The provisions of the regulation as it affected such distributors was ambiguous in many respects, and attempts were immediately made to bring this to the attention of the agency. However, a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of. During this period it is the understanding of your committee there were some technical violations of the general ceiling price regulation of a nonwillful character. Such technical violations would not be violations of the order now in effect and but for the long period of time it took to issue the current order would probably never have occurred. It is not the intention of your committee to condone willful violations of any price regulation or order in this instance or any other. But in view of the circumstances of these cases it is the opinion of your committee that there should be no prosecution of technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

RENT CONTROL

The bill would extend for 1 year, until June 30, 1953, the provisions of title II of the Housing and Rent Act of 1947, as amended, which pertains to rent control and would likewise extend section 4 of that act which provides veterans preferences in the purchase or rental of new housing accommodations. Section 202 of the bill provides an amendment to title II of the Housing and Rent Act of 1947, as amended, pertaining to rentals charged on housing accommodations owned by the Federal Government. The attention of this committee was called to the fact that some agencies of the Government which owned housing accommodations which were made available to their employees were charging rents at levels which were substantially lower than the levels required by regulations promulgated by the Bureau of the Budget. In order to remedy this situation the bill would require that all affected agencies, departments, and establishments of the Federal Government shall by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the uniformed services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget. Where such accommodations are located in areas now subject to rent control, such rentals and service charges so established must be consistent with the other provisions of the Housing and Rent Act of 1947, as amended.

Some witnesses who testified before the committee with respect to rent control recommended that authority be granted to test the validity of rent regulations and orders in the Emergency Court of Appeals. It was claimed that at the present time the validity of a rent regulation or order could not be tested unless the person who desired to test it was either brought into court in a civil action brought by someone else, or sued the Rent Administrator in the District of Columbia. In order that the validity of rent regulations and orders may be tested by the persons affected without requiring them either to sue the Rent Administrator in the District of Columbia or be the subject of a civil action instituted by someone else, it was the opinion of the committee that the same procedure now applicable to the review of price control orders and regulations in the Emergency Court of Appeals should apply likewise to the review of the validity of rent regulations and orders. The provisions of the bill which amend sections 407 and 408 of the Defense Production Act of 1950, as amended, would provide for such review.

SECTION BY SECTION ANALYSIS OF THE BILL

TITLE I. AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Section 101

This section would add a new sentence pertaining to the slaughtering and allocation of livestock to section 101 of the Defense Production Act of 1950, as amended. The proposed amendment would prohibit restrictions or limitations upon (1) the species, type, or grade of livestock killed by any slaughterer and (2) the types of slaughtering operations, including religious rituals, employed by any slaughterer. It would further prohibit the establishment of any requirements or

regulations relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture determines and certifies to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor. It is made clear, however, that nothing in the amendment shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products.

Section 102

This section would rewrite the present section 104 of the Defense Production Act of 1950, as amended, pertaining to import controls of fats and oils, peanuts, butter, cheese, and other dairy products and rice and rice products. The proposed new section 104 would differ from existing law in the following respects: (1) It is made clear that the import controls may be exercised with respect to types and varieties of a commodity or product and (2) the Secretary of Agriculture would be authorized to increase the import limitations established under section 104 up to an additional 10 percent for each type or variety which he may deem necessary, taking into consideration the broad effects on international relationships and trade.

Section 103

This section would amend section 302 of the Defense Production Act of 1950, as amended, by including within the loan authority presently provided in that section loans for the purpose of increasing the manufacture of newsprint.

Section 104

Subsection (a) of this section would amend section 402 (d) (3) of the Defense Production Act of 1950, as amended, to require that under any price-support program announced while title IV of the Defense Production Act of 1950, as amended, is in effect the level of support to cooperators shall be 90 percent of the parity price, or such higher level as may be established under section 402 of the Agricultural Act of 1949, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas.

Subsection (b) of this section would further amend section 402 (d) (3) of the Defense Production Act of 1950, as amended, by adding three new sentences thereto, the first two of which pertain to ceiling prices affecting fluid milk. The third sentence of the proposed amendment would decontrol fresh fruits and vegetables. The first sentence of the proposed amendment would provide formulas for establishing minimum ceilings for milk products for fluid consumption for dairies in any milk-marketing area. The amendment would require that OPS ceilings for such fluid milk for dairies in any milk marketing area cannot be below the higher of (1) the level of prices prevailing during the period January 1, to June 30, 1950, or during such other nearest representative period determined under section 402 (c) and adjusted for all increases and decreases in the cost of (i) direct labor, including distribution labor and commissions, (ii) cans, containers and cases, and (iii) raw milk and other agricultural commodities, or (2) the level of prices which permit the dairies in the area the level of earnings assured under the Industry Earning Standard now published by the Office of Price Stabilization. The second sentence of the proposed amendment would require in any State in which a State regulatory

body is authorized to establish and maintain both minimum and maximum prices for the sale of fluid milk, that ceiling prices established by the OPS for such fluid milk shall not be less than the minimum prices established by the regulatory body, and in the case of maximum prices so established, OPS ceilings must be equal to such maximum prices.

Section 105

Subsection (a) of this section would amend paragraph (v) of section 402 (e) of the Defense Production Act of 1950, as amended, in two respects. Section 402 (e) (v) presently exempts from price control rates charged by any common carrier or any public utility and further provides that any common carrier or other public utility shall not make any increases in its charges for property or services sold by it for resale to the public after the institution of any wage or price stabilization regulation unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase. The amendment made by this subsection would repeal the present statutory notice requirement and intervention authority presently applicable in the case of proposed increases in charges for property or services sold by common carriers or public utilities for resale to the public. In addition, the amendment would exempt from price control, prices charged by marine terminals. This exemption is effected by exempting "rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended."

Subsection (b) of this section would amend section 402 (e) of the Defense Production Act of 1950, as amended, by exempting bowling alleys from price and wage controls; and subsection (c) of this section would exempt wages paid for agricultural labor from wage controls.

Subsection (d) of this section would further amend section 402 (e) of the Defense Production Act of 1950, as amended, by exempting wages, salaries, and other compensation of persons employed in small-business enterprises from the wage-control provisions of title IV. The amendment defines a small-business enterprise for this purpose as one in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. The amendment would exempt all such small-business enterprises from wage controls 30 days after enactment. The President would be given authority, however, to exclude from this exemption, from time to time, small-business enterprises on the basis of industry, types of business, occupations, or areas if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of the act. Thus the amendment would automatically exempt from wage controls all such small-business enterprises, 30 days after becoming law, unless they were excluded by the President for the reasons previously enumerated.

Section 106

This section would amend section 402 (k) of the Defense Production Act of 1950, as amended—the so-called Herlong amendment, pertaining to percentage mark-ups for wholesalers and retailers. At the present time the so-called Herlong amendment is applicable only

to regulations affecting wholesalers and retailers which were issued subsequent to July 31, 1951. The amendment would make the so-called Herlong amendment applicable to all wholesalers and retailers and would further clarify this provision by making it applicable in the case of wholesalers and retailers who operate on a customary dollar-and-cent basis rather than a percentage mark-up.

Section 107

This section would further amend section 402 (k) of the Defense Production Act of 1950, as amended, by adding at the end of the first sentence thereof a new proviso. The proviso would be applicable in those States having antitrust laws which have been construed to prohibit adherence by sellers of materials for wholesale or retail to uniform suggested retail resale prices, and would require the President in such States to issue regulations giving full consideration to the customary percentage margins of such sellers during the base period.

Section 108

This section would amend section 402 of the Defense Production Act of 1950, as amended, by adding thereto a new subsection (l). The new subsection would prohibit the Office of Price Stabilization from establishing selling prices on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called fair-trade law) or regulation now in effect.

Section 109

This section would amend sections 407 and 408 of the Defense Production Act of 1950, as amended, so as to make the protest, review and Emergency Court of Appeals provisions which are now applicable to test the validity of any price control regulation or order likewise applicable in the case of any rent-control regulation or order. The protest and review procedures, and the Emergency Court of Appeals provisions do not now apply to rent-control regulations and orders issued under the Housing and Rent Act of 1947, as amended.

Section 110

This section would add a new section 411 to title IV of the Defense Production Act of 1950, as amended, which would require the suspension of reporting requirements now applicable in connection with price controls under certain conditions. The proposed new section would suspend price-control reporting and information requirements for any seller with respect to sales of materials or services which he certifies to the President were made at 7 percent or more below applicable ceiling prices.

Section 111

Subsection (a) of this section would repeal title VI of the Defense Production Act of 1950, as amended, which title now authorizes the imposition of controls over consumer and housing credit. It would thus eliminate the authority contained in this act under which regulation W (consumer credit) and regulation X (housing credit) have been put into effect by the Federal Reserve Board. Subsection (b) of this section would amend section 708 of the Defense Production Act of 1950, as amended, by adding a new subsection thereto prohibiting the establishment of any voluntary program or agreement for the control of credit. A program such as the voluntary credit-

restraint program which was operated under authority of section 708 would hereafter be prohibited.

Section 112

This section would amend the first sentence of section 707 of the Defense Production Act of 1950, as amended, so as to extend the exculpatory provisions of this section to those cases where a person is unable to perform a contract due to the fact that his source of supply of materials is unable to furnish such materials because of the supplier's compliance with a regulation or order issued under this act. The section as now written frees from liability for damages or penalties a contractor who is unable to perform his contract because of his own compliance with a regulation or order issued under the act.

Section 113

This section would add a new subsection (d) to section 717 of the Defense Production Act of 1950, as amended. The new subsection (d) would provide a statute of limitations on actions brought to recover any cooperative payment made to a cooperative association by a market administrator under an invalid provision of a milk-marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937. In addition, the subsection would provide that no such action may be maintained unless the action is brought by producers specifically named party plaintiffs, and unless each claimant shall allege and prove that he objected at the time of hearing to the provision of the order under which the payments were made and that he either refused to accept such payments or accepted them under protest.

Section 114

Subsection (a) of this section would amend section 714 of the Defense Production Act of 1950, as amended, so as to extend until June 30, 1953 the provisions of section 714 which pertain to the Small Defense Plants Corporation. Subsection (b) of this section would amend section 717 (a) of the Defense Production Act of 1950, as amended, so as to extend all other provisions (excepting title VI) of the Defense Production Act of 1950, as amended, for one additional year to June 30, 1953. The present termination date in both cases is June 30, 1952.

TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

Section 201

This section would extend (1) veterans preferences in the rental or purchase of new housing accommodations, and (2) rent control, for one additional year to June 30, 1953.

Section 202

This section would amend section 204 of the Housing and Rent Act of 1947, as amended, by adding thereto a new subsection (p) which would require all affected agencies, departments, and establishments of the Federal Government to establish and administer rents and service charges for quarters supplied to Federal employees and members of the uniformed services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget not later than July 15, 1952.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics existing law in which no change is proposed is shown in roman):

DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into titles, may be cited as "the Defense Production Act of 1950".

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Title I.	Priorities and allocations.
Title II.	Authority to requisition.
Title III.	Expansion of productive capacity and supply.
Title IV.	Price and wage stabilization.
Title V.	Settlement of labor disputes.
Title VI.	Control of consumer and real estate credit. [<i>Repealed</i>]
Title VII.	General provisions.

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TITLE I—PRIORITIES AND ALLOCATIONS

SEC. 101. The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense. No restriction, quota, or other limitation shall be placed upon the quantity of livestock which may be slaughtered or handled by any processor. *Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: Provided, That nothing in this Act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products.*

* * * * *

SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, **[and no imports of any such commodity or product shall be admitted to the United States until after June 30, 1952, which the Secretary of Agriculture determines would]** *and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support programs: Provided, however, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 10 per centum of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise the authority and powers conferred by this section.*

* * * * *

TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

* * * * *

SEC. 302. To expedite production and deliveries or services to aid in carrying out Government contracts for the procurement of materials or the performance of services for the national defense, the President may make provision for loans (including participations in, or guarantees of, loans) to private business enterprises (including research corporations not organized for profit) for the expansion of capacity, the development of technological processes, or the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, *and manufacture of newsprint*. Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

TITLE IV—PRICE AND WAGE STABILIZATION

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SEC. 402. (a) * * *

* * * * *

(d) (1) * * *

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(3) No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, inclusive, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) in the case of any commodity for which the market was not active during the period May 24 to June 24, 1950, the average price received by producers during the most recent representative period prior to May 24, 1950, in which the market for such commodity was active as determined and adjusted by the Secretary of Agriculture to a level in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950, and adjusted by the Secretary for grade, location, and seasonal differentials, or (iv) in the case of fire-cured tobacco a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 75 per centum of the parity price of Burley tobacco of the corresponding crop, and in the case of dark air-cured tobacco and Virginia sun-cured tobacco, respectively, a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 66½ per centum of the parity price of Burley tobacco of the corresponding crop. No ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing; and equitable treatment shall be accorded to all such processors. Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity; and in establishing the ceiling (1) for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this Act and for which different areas have different periods of marketing during such season or (2) for any agricultural commodity produced for the same general use as a commodity described in (1), the President shall give due consideration to affording equitable treatment to all producers of the commodity for which the ceiling is being established. No ceiling shall be established or maintained for any agricultural commodity

below 90 per centum of the price received (by grade) by producers on May 19, 1951, as determined by the Secretary of Agriculture. Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of either (1) the Agricultural Act of 1949, *except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 per centum of the parity price, or such higher level as may be established under section 402 of that Act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas*, or (2) the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended. Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas. No ceiling prices to producers for milk or butterfat used for manufacturing dairy products shall be issued until and unless the Secretary of Agriculture shall determine that such prices are reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect the supply and demand for dairy products, and will insure a sufficient quantity of dairy products and be in the public interest. The prices so determined shall be adjusted by him for use, grade, quality, location, and season of the year. No ceiling prices for milk products for fluid consumption shall be established or maintained for dairies in any milk marketing area which are below the higher of (1) the level of prices prevailing during the period January 1, 1950, to June 30, 1950, or during such other nearest representative period determined under section 402 (c) adjusted for all increases and decreases in the cost of (A) direct labor, including distribution labor and commissions, (B) cans, containers, and cases, and (C) raw milk and other agricultural commodities up to the legal minima as determined by the Secretary of Agriculture, or (2) the level of prices which permits the dairies in the area the level of earnings assured under the Industry Earning Standard now published by the Office of Price Stabilization. Where a State regulatory body is authorized to establish both minimum and maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be. No ceiling shall be established or maintained under this title for fresh fruits or vegetables*

* * * * *

(e) The authority conferred by this title shall not be exercised with respect to the following:

- (i) Prices or rentals for real property;
- (ii) Rates or fees charged for professional services; wages, salaries, and other compensation paid to physicians employed in a professional capacity by licensed hospitals, clinics and like medical institutions for the care of the sick or disabled; wages, salaries and other compensation paid to attorneys licensed to practice law employed in a professional capacity by an attorney or firm of attorneys engaged in the practice of his or their profession;
- (iii) Prices or rentals for (a) materials furnished for publication by any press association or feature service, or (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or other theater enterprise, or outdoor advertising facilities;
- (iv) Rates charged by any person in the business of selling or underwriting insurance;
- (v) Rates charged by any common carrier or other public utility: *Provided, That no common carrier or other public utility shall at any time after the Presi-*

dent shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State or Municipal authority having jurisdiction to consider such increase, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State or Municipal authority having jurisdiction to consider such increase] *utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended;*

(vi) Margin requirements on any commodity exchange;

(vii) Prices charged and wages paid for services performed by barbers and beauticians;

(viii) *Prices charged and wages paid by bowling alleys;*

(ix) *Wages paid for agricultural labor;*

(x) *Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: Provided, however, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.*

* * * * *

(k) No rule, regulation, order or amendment thereto shall [hereafter] be issued or remain in effect under this title, which shall deny to sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question: *Provided, however, That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials for wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth.* No such exception shall reduce such customary margins of sellers at retail or wholesale beyond the amount found by the President, in writing, to be generally equitable and proportionate in relation to the general reductions in the customary margins of all other classes of persons concerned in the production and distribution of the excepted item of material.

Prior to making any finding that a specific item of material shall be so excepted, or as to the amount of the reductions in customary margins to be imposed upon retail and wholesale sellers of such item, the President shall consult with representatives of the affected retail and wholesale sellers concerning the basis for and the amount of the exception which is proposed with respect to any such item.

For purposes of this section a person is a "seller of a material at retail or wholesale" to the extent that such person purchases and resells an item of material without substantially altering its form; or to the extent that such person sells to ultimate consumers except (1) to government and institutional consumers and (2) to consumers who purchase for consumption in the course of trade or business.

(l) *No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called "fair trade law") or regulation now in effect.*

* * * * *

SEC. 407. (a) At any time within six months after the effective date of any regulation or order relating to price controls under this or title *rent controls under, the Housing Rent Act of 1947, as amended,* or, in the case of new grounds arising after the effective date of any such regulation or order [relating to price controls], within six months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and

in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than thirty days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.

(b) In the administration of this title *and the Housing and Rent Act of 1947, as amended*, the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of this Act, or section 206 of the *Housing and Rent Act of 1947, as amended*, as the case may be.

(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however*, That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness [of any regulation or order relating to price controls issued under this title] *any such regulation or order*. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of [any regulation or order relating to price controls issued under this title] *any such regulation or order*, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order [relating to price controls], or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title *or the Housing and Rent Act of 1947, as amended*, authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act, *section 205 or 206 of the Housing and Rent Act of 1947, as amended*, or section 371 of title 18, United States Code, involving alleged violation of any provision of [any regulation or order relating to price controls issued under this title] *any such regulation or order*, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

(2) In any proceeding brought pursuant to section 409 or 706 of this Act, *section 205 or 206 of the Housing and Rent Act of 1947, as amended*, or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act, *section 205 or 206 of the Housing and Rent Act of 1947, as amended*, or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of this Act or *section 206 (b) of the Housing and Rent Act of 1947, as amended*, the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act, *section 205 or 206 of the Housing and Rent Act of 1947, as amended*, or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.

* * * * *

SEC. 411. No person shall be required under this Act to furnish any reports or other information with respect to sales of materials or services at prices which are 7 per centum or more below ceiling, if such person certifies to the President that such sales were made at such prices.

* * * * *

[TITLE VI—CONTROL OF CONSUMER AND REAL ESTATE CREDIT

[THIS TITLE AUTHORIZES THE REGULATION OF CONSUMER CREDIT AND REAL ESTATE CONSTRUCTION CREDIT ONLY

[SEC. 601. To assist in carrying out the objectives of this Act, the Board of Governors of the Federal Reserve System is authorized, notwithstanding the provisions of Public Law 386, Eightieth Congress (61 Stat. 921), to exercise consumer credit controls in accordance with and to carry out the provisions of Executive Order Numbered 8843 (August 9, 1941) until such time as the President determines that the exercise of such controls is no longer necessary, but in no event beyond the date on which this section terminates.

[In the exercise of its authority under this section, the Board shall not (1) require a down payment of more than one-third or fix a maximum maturity of less than eighteen months in connection with instalment credit extended for the purchase of a new or used automobile, or (2) require a down payment of more than 15 per centum or fix a maximum maturity of less than eighteen months in connection with instalment credit extended for the purchase of any household appliance (including phonographs and radios and television sets), or (3) require a down payment of more than 15 per centum or fix a maximum maturity of less than eighteen months in connection with instalment credit extended for the purchase of household furniture and floor coverings (the down payments required by the Board in the exercise of its authority under paragraphs (1), (2), and (3) may be made in cash, or by trade-in or exchange of property, or by a combination of cash and trade-in or exchange of property), or (4) require a down payment of more than 10 per centum or fix a maximum maturity of less than thirty-six months in connection with instalment credit extended for residential repairs, alterations, or improvements or require any down payment on roofing or siding repairs, alterations or improvements in advance of completion thereof.

[SEC. 602. (a) To assist in carrying out the purposes of this Act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of real estate construction credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form, and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this section or to prevent evasions thereof.

[In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider, among other factors, (1) the level and trend of real estate construction credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, (3) the need in the national economy for the maintenance of sound credit conditions, and (4) the needs for increased defense production.

[(b) No person shall extend or maintain any real estate construction credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this section; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

[(c) To assist in carrying out the purposes of this section, the President by regulation may require transactions or persons or classes thereof subject to this section to be registered; and, after notice and opportunity for hearing, the President by order may suspend any such registration for violation of this section or any regulation prescribed by the President pursuant to this section. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that Act. In carrying out this section, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

[(d) For the purposes of this section, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, accounting, and other terms, insofar as any such definitions are not inconsistent with the provisions of this section:

[(1) "Real estate construction credit" means any credit which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term "new construction" means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian, August 3, 1950. As used in this paragraph the term "real property" includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term "real estate construction credit" shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-

ownership Government corporation as defined in the Government Corporation Control Act, as amended.

[(2) "Credit" means any loan, mortgage, deed of trust, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge, or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

[SEC. 603. Any person who willfully violates any provision of section 601, 602, or 605 or any regulation or order issued thereunder, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.

[SEC. 604. All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdictions, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of the Federal Reserve System of credit controls under section 601 as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that Act, and the Board shall have the same powers in the exercise of such credit controls as the Commission now has under the said sections 21 and 27.

[SEC. 605. To assist in carrying out the objectives of this Act the President may at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States Government, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law: *And provided further*, That no more than 4 per centum down payment shall be required in connection with the loan on any home made or guaranteed by the Veterans' Administration pursuant to the Servicemen's Readjustment Act of 1944, as amended, and the sales price of which home does not exceed \$7,000; and no more than 6 per centum down payment shall be required in connection with any such loan where the sales price exceeds \$7,000 but does not exceed \$10,000; and no more than 8 per centum down payment shall be required in connection with any such loan where the sales price exceeds \$10,000 but does not exceed \$12,000. Subject to the provision of this section with respect to preserving the relative credit preferences accorded to veterans under existing law, the President may require lenders or borrowers and their successors and assigns to comply with reasonable conditions and requirements, in addition to those provided by other laws, in connection with any loan of a type which has been the subject of action by the President under this section. Such conditions and requirements may vary for classifications of persons or transactions as the President may prescribe, and failure to comply therewith shall constitute a violation of this section.

[SEC. 606. Not more than 10 per centum down payment shall be required pursuant to section 602 or section 605 of this Act in connection with the loan on any home not made or guaranteed by the Veterans' Administration and the transaction price of which home does not exceed \$7,000; nor more than 15 per centum in connection with any such loan on any home the transaction price of which exceeds \$7,000 but does not exceed \$10,000; nor more than 20 per centum in connection with any such loan on any home the transaction price of which exceeds \$10,000 but does not exceed \$12,000. The term of any loan referred to in the

preceding sentence or in the last proviso of section 605 shall not be required to be less than twenty-five years.】

* * * * *

SEC. 707. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from [his] compliance with a rule, regulation, or order issued pursuant to this Act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this Act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 708. (a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this Act.

(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request or finding thereunder, and (3) upon the condition that such officials obtain the approval of the Attorney General to any request thereunder before making the request. For the purpose of carrying out the objectives of title I of this Act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

(d) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(e) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. The Attorney General shall submit to the Congress and the President within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

(f) *After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section.*

* * * * *

SEC. 714. (a) (1) It is the sense of the Congress that small-business concerns be encouraged to make the greatest possible contribution toward achieving the objectives of this Act. In order to carry out this policy there is hereby created an agency under the name "Small Defense Plants Administration" (hereinafter referred to as the Administration), which Administration shall be under the general direction and supervision of the President and shall not be affiliated with or be within any other agency or department of the Federal Government. The principal office of the Administration shall be located in the District of Columbia, but the Administration may establish such branch offices in other places in the United States as may be determined by the Administrator of the Administration. For the purposes of this section, a small-business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its

field of operation. The Administration, in making a detailed definition, may use these criteria, among others: independency of ownership and operation, number of employees, dollar volume of business, and nondominance in its field.

* * * * *

(4) The Administration shall not have succession, beyond June 30, [1952] 1953, except for purposes of liquidation, unless its life is extended beyond such date pursuant to an Act of Congress. It shall have power to adopt, alter, and use a seal, which shall be judicially noticed; to select and employ such officers, employees, attorneys, and agents as shall be necessary for the transaction of business of the Administration; to define their authority and duties, require bonds of them, and fix the penalties thereof. The Administration, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, including any field service thereof, officers, and employees thereof in carrying out the provisions of this section.

* * * * *

SEC. 717. (a) This Act and all authority conferred thereunder shall terminate at the close of June 30, [1952] 1953.

(b) Notwithstanding the foregoing—

(1) The Congress by concurrent resolution or the President by proclamation may terminate this Act prior to the termination otherwise provided therefor.

(2) The Congress may also provide by concurrent resolution that any section of this Act and all authority conferred thereunder shall terminate prior to the termination otherwise provided therefor.

(3) Any agency created under this Act may be continued in existence for purposes of liquidation for not to exceed six months after the termination of the provision authorizing the creation of such agency.

(c) The termination of any section of this Act, or of any agency or corporation utilized under this Act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

(d) *No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection.*

HOUSING AND RENT ACT OF 1947, AS AMENDED

TITLE I—AMENDMENTS TO EXISTING LAW

* * * * *

SEC. 4. (a) * * *

* * * * *

(e) This section shall cease to be in effect at the close of June 30, [1952] 1953, or upon the date that the President proclaims that the protection to veterans of World War II or their families provided by this section is no longer needed, whichever date is the earlier, except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this title and

regulations and orders issued thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

* * * * *

TITLE II—MAXIMUM RENTS

* * * * *

RENT CONTROL UNDER THIS TITLE

SEC. 204. * * *

* * * * *

(f) The provisions of this title shall cease to be in effect at the close of June 30, **[1952]** 1953, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier; except that as to rights or liabilities incurred prior to such termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.

* * * * *

(p) *Consistent with the other provisions of this Act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget.*



Mc Crimell

Union Calendar No. 677

82^d CONGRESS
2^d SESSION

H. R. 8210

[Report No. 2177]

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1952

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

JUNE 16, 1952

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Defense Production Act
4 Amendments of 1952".

5 TITLE I—AMENDMENTS TO DEFENSE PRODUCT-
6 TION ACT OF 1950, AS AMENDED

7 SEC. 101. Section 101 of the Defense Production Act
8 of 1950, as amended, is hereby amended by adding at the
9 end thereof the following new sentence: "Nor shall any re-
10 striction or other limitation be established or maintained
11 upon the species, type, or grade of livestock killed by any

1 slaughterer, nor upon the types of slaughtering operations,
2 including religious rituals, employed by any slaughterer;
3 nor shall any requirements or regulations be established or
4 maintained relating to the allocation or distribution of meat
5 or meat products unless, and for the period for which, the
6 Secretary of Agriculture shall have determined and certi-
7 fied to the President that the over-all supply of meat and
8 meat products is inadequate to meet the civilian or military
9 needs therefor: *Provided*, That nothing in this Act shall be
10 construed to prohibit the President from requiring the grad-
11 ing and grade marking of meat and meat products.”

12 SEC. 102. Section 104 of the Defense Production Act
13 of 1950, as amended, is amended to read as follows:

14 “SEC. 104. Import controls of fats and oils (including
15 oil-bearing materials, fatty acids, and soap and soap powder,
16 but excluding petroleum and petroleum products and coconuts
17 and coconut products), peanuts, butter, cheese and other
18 dairy products, and rice and rice products are necessary for
19 the protection of the essential security interests and economy
20 of the United States in the existing emergency in interna-
21 tional relations, and imports into the United States of any
22 such commodity or product, by types or varieties, shall be
23 limited to such quantities as the Secretary of Agriculture finds
24 would not (a) impair or reduce the domestic production of
25 any such commodity or product below present production

1 levels, or below such higher levels as the Secretary of Agri-
2 culture may deem necessary in view of domestic and inter-
3 national conditions, or (b) interfere with the orderly domestic
4 storing and marketing of any such commodity or product,
5 or (c) result in any unnecessary burden or expenditures
6 under any Government price support program: *Provided,*
7 *however,* That the Secretary of Agriculture after establishing
8 import limitations, may permit additional imports of each
9 type and variety of the commodities specified in this section,
10 not to exceed 10 per centum of the import limitation with
11 respect to each type and variety which he may deem neces-
12 sary, taking into consideration the broad effects upon inter-
13 national relationships and trade. The President shall exer-
14 cise the authority and powers conferred by this section.”

15 SEC. 103. The first sentence of section 302 of the De-
16 fense Production Act of 1950, as amended, is amended by
17 inserting before the period at the end thereof the following:
18 “, and manufacture of newsprint”.

19 SEC. 104. (a) Paragraph (3) of subsection (d) of
20 section 402 of the Defense Production Act of 1950, as
21 amended, is amended by inserting in the fifth sentence
22 thereof after “(1) the Agricultural Act of 1949,” the follow-
23 ing: “except that under any price support program an-
24 nounced while this title is in effect the level of support to
25 cooperators shall be 90 per centum of the parity price, or

1 such higher level as may be established under section 402 of
2 that Act, for any crop of any basic agricultural commodity
3 with respect to which producers have not disapproved
4 marketing quotas,”.

5 (b) Paragraph (3) of subsection (d) of section 402
6 of the Defense Production Act of 1950, as amended, is
7 amended by adding at the end thereof the following: “No
8 ceiling prices for milk products for fluid consumption shall
9 be established or maintained for dairies in any milk mar-
10 keting area which are below the higher of (1) the level of
11 prices prevailing during the period January 1, 1950, to
12 June 30, 1950, or during such other nearest representative
13 period determined under section 402 (c) adjusted for all
14 increases and decreases in the cost of (A) direct labor, in-
15 cluding distribution labor and commissions, (B) cans, con-
16 tainers, and cases, and (C) raw milk and other agricultural
17 commodities up to the legal minima as determined by the
18 Secretary of Agriculture, or (2) the level of prices which
19 permits the dairies in the area the level of earnings assured
20 under the Industry Earning Standard now published by
21 the Office of Price Stabilization. Where a State regulatory
22 body is authorized to establish both minimum and maximum
23 prices for sales of fluid milk, ceiling prices established for
24 such sales under this title shall (1) not be less than the
25 minimum prices, or (2) be equal to the maximum prices,

1 established by such regulatory body, as the case may be.
2 No ceiling shall be established or maintained under this title
3 for fresh fruits or vegetables.”

4 SEC. 105. (a) Paragraph (v) of subsection (e) of sec-
5 tion 402 of the Defense Production Act of 1950, as amended,
6 is amended to read as follows:

7 “(v) Rates charged by any common carrier or other
8 public utility, including rates charged by any person subject
9 to the Shipping Act, 1916 (Public Law 260, Sixty-fourth
10 Congress), as amended;”.

11 (b) Subsection (e) of section 402 of the Defense Pro-
12 duction Act of 1950, as amended, is amended by adding at
13 the end thereof the following new paragraph:

14 “(viii) Prices charged and wages paid by bowling
15 alleys.”

16 (c) Subsection (e) of section 402 of the Defense Pro-
17 duction Act of 1950, as amended, is amended by adding at
18 the end thereof the following new paragraph:

19 “(ix) Wages paid for agricultural labor.”

20 (d) Subsection (e) of section 402 of the Defense Pro-
21 duction Act of 1950, as amended, is amended by adding at
22 the end thereof the following new paragraph:

23 “(e) Wages, salaries, or other compensation of persons
24 employed in small-business enterprises as defined in this para-

1 graph: *Provided, however,* That the President may from
2 time to time exclude from this exemption such enterprises on
3 the basis of industries, types of business, occupations, or
4 areas, if their exemption would be unstabilizing with respect
5 to wages, salaries, or other compensation, prices, or manpower,
6 or would otherwise be contrary to the purposes of this Act.
7 A small-business enterprise, for the purpose of this paragraph,
8 is any enterprise in which a total of eight or less persons
9 are employed in all its establishments, branches, units, or
10 affiliates. This paragraph shall become effective thirty days
11 after its enactment.”

12 SEC. 106. The first sentence of section 402 (k) of the
13 Defense Production Act of 1950, as amended, is amended to
14 read as follows: “No rule, regulation, order or amendment
15 thereto shall be issued or remain in effect under this title,
16 which shall deny to sellers of materials at retail or wholesale
17 their customary percentage margins over costs of the materials
18 or their customary charges during the period May 24, 1950,
19 to June 24, 1950, or on such other nearest representative
20 date determined under section 402 (c), as shown by their
21 records during such period, except as to any one specific item
22 of a line of material sold by such sellers which is in short
23 supply as evidenced by specific government action to encour-
24 age production of the item in question.”

25 SEC. 107. Section 402 (k) of the Defense Production

1 Act of 1950, as amended, is further amended by adding at
2 the end of the first sentence thereof before the period the
3 following proviso: “: *Provided, however,* That if the anti-
4 trust laws of any State have been construed to prohibit
5 adherence by sellers of materials for wholesale or retail
6 to uniform suggested retail resale prices, the President shall
7 issue regulations giving full consideration to the customary
8 percentage margins of such sellers during the period herein-
9 before set forth”.

10 SEC. 108. Section 402 of the Defense Production Act
11 of 1950, as amended, is further amended by adding at the
12 end thereof the following new subsection:

13 “(1) No rule, regulation, order, or amendment thereto
14 issued under this title shall fix a ceiling on the price paid
15 or received on the sale or delivery of any material in any
16 State below the minimum sales price of such material fixed
17 by the State law (other than any so-called ‘fair trade law’)
18 or regulation now in effect.”

19 SEC. 109. (a) (1) The first sentence of subsection (a)
20 of section 407 of the Defense Production Act of 1950, as
21 amended, is amended by striking out “relating to price con-
22 trols under this title” and inserting in lieu thereof “relating
23 to price controls under this title or rent controls under the
24 Housing and Rent Act of 1947, as amended”; and by strik-

1 ing out “relating to price controls” after “any such regula-
2 tion or order”.

3 (2) Subsection (b) of section 407 of the Defense Pro-
4 duction Act of 1950, as amended, is amended by inserting
5 after “this title” the following: “and the Housing and Rent
6 Act of 1947, as amended,”; and by inserting after “section
7 705 of this Act” the following: “, or section 206 of the Hous-
8 ing and Rent Act of 1947, as amended, as the case may be”.

9 (b) Section 408 of the Defense Production Act of 1950,
10 as amended, is amended—

11 (1) by striking out “any regulation or order relat-
12 ing to price controls issued under this title” wherever
13 appearing therein and inserting in lieu thereof the fol-
14 lowing: “any such regulation or order”;

15 (2) by striking out “relating to price controls” in
16 the last sentence of subsection (d) ; and by adding after
17 “this title” in such sentence the following: “or the Hous-
18 ing and Rent Act of 1947, as amended,”; and

19 (3) by adding after “section 409 or 706 of this
20 Act” wherever appearing therein the following: “, sec-
21 tion 205 or 206 of the Housing and Rent Act of 1947,
22 as amended,”; and by adding after “section 409 (a)
23 or 706 (a) of this Act” in the third sentence of para-
24 graph (2) of subsection (e) the following: “or section

1 206 (b) of the Housing and Rent Act of 1947, as
2 amended,”.

3 SEC. 110. Title IV of the Defense Production Act of
4 1950, as amended, is amended by adding at the end thereof
5 the following new section:

6 “SEC. 411. No person shall be required under this Act
7 to furnish any reports or other information with respect to
8 sales of materials or services at prices which are 7 per
9 centum or more below ceiling, if such person certifies to
10 the President that such sales were made at such prices.”

11 SEC. 111. (a) Title VI of the Defense Production Act
12 of 1950, as amended, is hereby repealed. The table of
13 contents in the first section of the Defense Production Act
14 of 1950, as amended, is amended by striking out “Title VI.
15 Control of consumer and real estate credit.” and inserting
16 in lieu thereof “Title VI. [Repealed]”.

17 (b) Section 708 of the Defense Production Act of 1950,
18 as amended, is amended by adding at the end thereof the
19 following new subsection:

20 “(f) After the date of enactment of the Defense Pro-
21 duction Act Amendments of 1952, no voluntary program
22 or agreement for the control of credit shall be approved or
23 carried out under this section.”

24 SEC. 112. The first sentence of section 707 of the De-

1 fense Production Act of 1950, as amended, is amended by
2 striking out the word "his".

3 SEC. 113. Section 717 of the Defense Production Act
4 of 1950, as amended, is amended by adding at the end
5 thereof the following new subsection:

6 “(d) No action for the recovery of any cooperative pay-
7 ment made to a cooperative association by a Market Adminis-
8 trator under an invalid provision of a milk marketing order
9 issued by the Secretary of Agriculture pursuant to the Agri-
10 cultural Marketing Agreement Act of 1937 shall be main-
11 tained unless such action is brought by producers specifically
12 named as party plaintiffs to recover their respective share
13 of such payments within ninety days after the date of enact-
14 ment of the Defense Production Act Amendments of 1952
15 with respect to any cause of action heretofore accrued and
16 not otherwise barred, or within ninety days after accrual
17 with respect to future payments, and unless each claimant
18 shall allege and prove (1) that he objected at the hearing to
19 the provisions of the order under which such payments were
20 made and (2) that he either refused to accept payments com-
21 puted with such deduction or accepted them under protest
22 to either the Secretary or the Administrator. The district
23 courts of the United States shall have exclusive original juris-
24 diction of all such actions regardless of the amount involved.
25 This subsection shall not apply to funds held in escrow pur-

1 suant to court order. Notwithstanding any other provision
2 of this Act, no termination date shall be applicable to this
3 subsection.”

4 SEC. 114. (a) Paragraph (4) of subsection (a) of
5 section 714 of the Defense Production Act of 1950, as
6 amended, is amended by striking out “1952” and inserting
7 in lieu thereof “1953”.

8 (b) Subsection (a) of section 717 of the Defense Pro-
9 duction Act of 1950, as amended, is amended by striking
10 out “1952” and inserting in lieu thereof “1953”.

11 TITLE II—AMENDMENTS TO HOUSING AND
12 RENT ACT OF 1947, AS AMENDED

13 SEC. 201. (a) Subsection (e) of section 4 of the
14 Housing and Rent Act of 1947, as amended, is amended
15 by striking out “June 30, 1952” and inserting in lieu
16 thereof “June 30, 1953”.

17 (b) Subsection (f) of section 204 of the Housing and
18 Rent Act of 1947, as amended, is amended by striking out
19 “June 30, 1952” and inserting in lieu thereof “June 30,
20 1953”.

21 SEC. 202. Section 204 of the Housing and Rent Act
22 of 1947, as amended, is amended by adding at the end
23 thereof the following new subsection:

24 “(p) Consistent with the other provisions of this Act,
25 all affected agencies, departments, and establishments of the

1 Federal Government shall, by July 15, 1952, establish and
2 administer rents and service charges for quarters supplied
3 to Federal employees and members of the Uniformed
4 Services furnished quarters on a rental basis in accordance
5 with regulations promulgated by the Bureau of the Budget.”

[Report No. 2177]

A BILL

To amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

By Mr. SPENCE

JUNE 16, 1952

Referred to the Committee on Banking and Currency

JUNE 16, 1952

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

BUDGETS FOR ADMINISTRATIVE EXPENSES OF DEFENSE
PRODUCTION ACTIVITIES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

BUDGETS FOR THE FISCAL YEAR 1953, IN THE AMOUNT OF
\$168,360,000, FOR ADMINISTRATIVE EXPENSES OF DEFENSE
PRODUCTION AND STABILIZATION ACTIVITIES, AND \$5,000,000
FOR A REVOLVING FUND FOR THE SMALL DEFENSE PLANTS
ADMINISTRATION

JUNE 16, 1952.—Referred to the Committee on Appropriations and ordered to
be printed

THE WHITE HOUSE,
Washington, June 13, 1952.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of
the Congress the budgets for the fiscal year 1953, in the amount of
\$168,360,000, for administrative expenses of defense production and
stabilization activities, and \$5,000,000 for a revolving fund for the
Small Defense Plants Administration.

The details of these proposed appropriations, the necessity therefor,
and the reasons for their submission at this time are set forth in the
attached letter from the Director of the Bureau of the Budget, with
whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 13, 1952.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration
the budgets for the fiscal year 1953, in the amount of \$168,360,000,
for administrative expenses of defense production and stabilization

activities, and \$5,000,000 for a revolving fund for the Small Defense Plants Administration. Tentative estimates of \$230,200,000 for administrative expenses, and \$25,000,000 for a revolving fund for the Small Defense Plants Administration, were shown in the 1953 budget as one-line entries.

These proposed appropriations provide for 12 months' operations of agencies having defense production and stabilization functions under legislation now being considered by the Congress. This legislation would continue the authority contained in the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, which expire on June 30, 1952.

These activities are being carried out through new agencies, as well as through regular departments and agencies which have been assigned defense production functions. They include general direction of mobilization activities of the executive branch; economic stabilization, including price, rent, wage, and salary controls; materials and production programing, including production controls; provision for meeting the labor needs of defense industry and essential civilian employment under the defense program; and related activities.

Drafts of proposed appropriation language and the details of the various proposals, together with supporting schedules, are set forth in the attachments to this letter.

I recommend the transmission of these proposed appropriations to the Congress in the amounts specified.

Respectfully yours,

F. J. LAWTON,
Director of the Bureau of the Budget.

DEFENSE PRODUCTION ACTIVITIES

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[For the fiscal years 1951, 1952, and 1953]

Organization unit and account title	AUTHORIZATIONS (appropriations unless otherwise specified)			EXPENDITURES		
	1951 enacted	1952 enacted	1953 recommended	1951 actual	1952 estimated	1953 estimated
CURRENT AUTHORIZATIONS						
Executive Office of the President:						
Council of Economic Advisers: Salaries and expenses, defense production activities.....		\$24,000			\$20,700	
Office of Defense Mobilization: Salaries and expenses.....		1,711,250	\$1,550,000		1,230,000	\$1,521,600
Funds Appropriated to the President:						
Expenses of defense production.....	\$62,189,926			\$34,156,853	23,083,507	
Independent offices:						
Defense Materials Procurement Agency: Salaries and expenses.....		515,000			445,000	70,000
Defense Production Administration: Salaries and expenses.....		3,500,000	3,500,000		3,137,000	3,399,000
Defense Transport Administration: Salaries and expenses.....		2,543,750	2,500,000		2,373,172	2,505,000
Economic Stabilization Agency: Salaries and expenses.....		100,553,375	103,250,000		91,172,175	102,945,375
Small Defense Plants Administration:						
Salaries and expenses.....		1,225,150	4,200,000		730,650	3,644,500
Revolving fund.....			5,000,000			37,857
Federal Security Agency:						
Office of the Administrator: Salaries and expenses, defense production activities.....		690,000	545,000		655,200	552,800
General Services Administration:						
Emergency operating expenses, defense production activities.....		9,135,000	8,500,000		8,200,000	8,565,000
Housing and Home Finance Agency:						
Office of the Administrator: Salaries and expenses, defense production activities.....		736,000	* (175,000)		659,200	206,800
Department of Agriculture:						
Office of the Secretary: Salaries and expenses, defense production activities.....		1,500,000	3,000,000		1,230,472	3,051,098
Department of Commerce:						
Office of the Secretary: Salaries and expenses, defense production activities.....		41,654,960	35,000,000		36,758,000	35,406,000
Department of the Interior:						
Office of the Secretary: Salaries and expenses, defense production activities.....		5,039,900	4,000,000		4,500,000	4,200,000
Department of Justice:						
Legal activities and general administration: Salaries and expenses, defense production activities.....		100,000	215,000		90,000	200,000
Department of Labor:						
Office of the Secretary: Salaries and expenses, defense production activities.....		2,129,600	2,100,000		2,007,600	2,068,000
Total current authorizations.....	62,189,926	171,057,985	173,360,000	34,156,853	176,292,676	168,373,030

* Nonadd item—to be derived by transfer.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNSEL OF ECONOMIC ADVISERS

Salaries and Expenses, Defense Production Activities, Council of Economic Advisers—

Appropriated 1952, * \$24,000.

* The amount shown as appropriated for 1952 represents a temporary appropriation pursuant to sec. 1 (d) of the act of July 1, 1951 (Public Law 70).

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$24,000	
Unobligated balance, estimated savings.....		-3,300	
Obligations incurred.....		20,700	
Comparative transfer from "Expenses of defense production, Executive Office of the President".....	\$26,858		
Total obligations.....	26,858	20,700	

OBLIGATIONS BY ACTIVITIES

Economic analysis—1951, \$26,858; 1952, \$20,700.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....	9	9	
Average number of all employees.....	3	3	
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$7,075	\$7,676	
Average grade.....	GS-10.9	GS-10.9	
01 Personal services:			
Permanent positions.....	\$12,800	\$14,000	
Payment above basic rates.....	2,200	2,200	
Total personal services.....	15,000	16,200	
06 Printing and reproduction.....	6,453	3,000	
07 Other contractual services.....	2,373	1,500	
09 Equipment.....	3,032		
Total obligations.....	26,858	20,700	

EXECUTIVE OFFICE OF THE PRESIDENT—Con.**COUNSEL OF ECONOMIC ADVISERS—Continued**

Salaries and Expenses, Defense Production Activities, Council of Economic Advisers—Continued

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Obligations incurred during the year.....		\$20,700	
Expenditures out of current authorizations.....		20,700	

OFFICE OF DEFENSE MOBILIZATION**Salaries and Expenses, Office of Defense Mobilization—**

For expenses necessary for the Office of Defense Mobilization, including compensation of the Director of Defense Mobilization at the rate of \$22,500 per annum; printing and binding without regard to section 89 of the Act of January 12, 1895, as amended (44 U. S. C. 213); hire of passenger motor vehicles; reimbursement of the General Services Administration for security guard service; not to exceed \$5,000 for emergency and extraordinary expenses, to be expended under the direction of the Director for such purposes as he deems proper, and his determination thereon shall be final and conclusive; and expenses of [attendants] attendance at meetings concerned with the purposes of this appropriation; [\$1,711,250] \$1,550,000: *Provided*, That contracts under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), may be renewed annually. (*Supplemental Appropriation Act, 1952.*)

Appropriated 1952, **\$1,711,250**Estimate 1953, **\$1,550,000****AMOUNTS AVAILABLE FOR OBLIGATION**

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$1,711,250	\$1,550,000
Reimbursements from other accounts.....		36,000	36,000
Total available for obligation.....		1,747,250	1,586,000
Unobligated balance, estimated savings.....		-340,575	
Obligations incurred.....		1,406,675	1,586,000
Comparative transfer from—			
“Expenses of defense production, Executive Office of the President”.....	\$5,953		
“Emergency fund for the President, national defense”.....	358,270		
Total obligations.....	364,223	1,406,675	1,586,000

OBLIGATIONS BY ACTIVITIES

Direction of defense mobilization program—1951, \$364,223; 1952, \$1,406,675; 1953, \$1,586,000.

PROGRAM AND PERFORMANCE

On behalf of the President, the Office directs, controls, and coordinates all mobilization activities of the executive branch, including production, procurement, manpower, stabilization, and transport activities.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....	112	199	148
Full-time equivalent of all other positions.....	6	7	10
Average number of all employees.....	33	149	144
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,874	\$6,560	\$6,803
Average grade.....	GS-9.3	GS-9.5	GS-9.8
Crafts, protective, and custodial grades:			
Average salary.....		\$2,587	\$2,653
Average grade.....		CPC-3.2	CPC-3.5
01 Personal services:			
Permanent positions.....	\$142,858	\$871,830	\$882,098
Part-time and temporary positions.....	34,840	86,260	120,000
Regular pay in excess of 52-week base.....		3,530	4,100
Payment above basic rates.....	4,837	14,040	10,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
01 Personal services—Continued			
Payments to other agencies for reimbursable details.....	\$8,540	\$32,000	\$44,400
Total personal services.....	191,075	1,007,660	1,060,588
02 Travel.....	39,420	125,000	103,067
03 Transportation of things.....	31	390	500
04 Communication services.....	8,056	29,600	30,615
05 Rents and utility services.....	229	1,060	3,000
06 Printing and reproduction.....	32,407	86,000	103,500
07 Other contractual services.....	675	30,565	23,000
Services performed by other agencies.....	13,311	39,600	212,125
08 Supplies and materials.....	9,448	31,000	27,605
09 Equipment.....	69,216	48,800	10,000
15 Taxes and assessments.....	355	2,000	2,000
Unvouchered.....		5,000	5,000
Total obligations.....	364,223	1,406,675	1,586,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year.....			\$140,675
Obligations during the year.....		\$1,406,675	1,586,000
Deduct:		1,406,675	1,726,675
Reimbursable obligations.....		36,000	36,000
Unliquidated obligations, end of year.....		140,675	169,075
Total expenditures.....		1,230,000	1,521,600
Expenditures are distributed as follows:			
Out of current authorizations.....		1,230,000	1,395,000
Out of prior authorizations.....			126,600

FUNDS APPROPRIATED TO THE PRESIDENT**EXPENSES OF DEFENSE PRODUCTION**

Expenses of Defense Production, Executive Office of the President—

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....	\$57,331,895		
Transferred pursuant to Public Law 45 from—			
“Operating expenses, General Services Administration”.....	300,000		
“National school lunch program, Production and Marketing Administration”.....	175,000		
“Marketing services, Production and Marketing Administration”.....	100,000		
“Removal of surplus agricultural commodities”.....	225,000		
“Salaries and expenses, Forest Service”.....	61,231		
“Salaries and expenses, Bureau of Agricultural Economics”.....	17,700		
“Salaries and expenses, Office of the Solicitor, Agriculture”.....	20,000		
“Salaries and expenses, Office of the Secretary of Commerce”.....	35,000		
“Seventeenth decennial census, Bureau of the Census”.....	150,000		
“Pay and allowances, commissioned officers, Coast and Geodetic Survey”.....	30,000		
“Departmental salaries and expenses, Bureau of Foreign and Domestic Commerce”.....	1,250,000		
“Field office service, Bureau of Foreign and Domestic Commerce”.....	75,000		
“Salaries and expenses, maritime activities”.....	425,600		
“Salaries and expenses, Patent Office”.....	150,000		
“Operation and administration, National Bureau of Standards”.....	50,000		
“Radio propagation and standards, National Bureau of Standards”.....	\$100,000		
“Salaries and expenses, Civil Aeronautics Administration”.....	505,000		
“Maintenance and operation, Washington National Airport, Civil Aeronautics Administration”.....	7,500		
“Conservation and development of mineral resources, Bureau of Mines”.....	500,000		
“Surveys, investigations, and research, Geological Survey”.....	300,000		
“Health, education, and welfare services, Bureau of Indian Affairs”.....	110,000		
“Revision of consumers’ price index, Bureau of Labor Statistics”.....	95,000		

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1951 actual	1952 estimate	1953 estimate
Transferred pursuant to Public Law 45 from—Continued			
“Salaries and expenses, Bureau of Employees' Compensation”	\$60,000		
“Salaries and expenses, Wage and Hour Division”	116,000		
Adjusted appropriation or estimate	62,189,926		
Reimbursements from other accounts	8,759		
Total available for obligation	62,198,685		
Unobligated balance, estimated savings	-4,949,566		
Obligations incurred	57,249,119		
Comparative transfer to—			
“Salaries and expenses, Office of Defense Mobilization”	-5,953		
“Salaries and expenses, defense production activities, Council of Economic Advisers”	-26,858		
“Salaries and expenses, Defense Production Administration”	-1,168,524		
“Salaries and expenses, Defense Transport Administration”	-870,345		
“Salaries and expenses, Economic Stabilization Agency”	-25,237,743		
“Salaries and expenses, defense production activities, Federal Security Agency”	-19,693		
“Emergency operating expenses, General Services Administration”	-5,962,824		
“Salaries and expenses, defense production activities, Office of the Administrator, Housing and Home Finance Agency”	-226,500		
“Salaries and expenses, defense production activities, Agriculture”	-4,569,466		
“Salaries and expenses, defense production activities, Commerce”	-15,354,558		
“Salaries and expenses, defense production activities, Interior”	-2,950,346		
“Salaries and expenses, defense production activities, Justice”	-13,337		
“Salaries and expenses, defense production activities, Labor”	-842,972		
Total obligations			

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year		\$23,083,507	
Obligations incurred during the year	\$57,249,119		
Deduct:	57,249,119	23,083,507	
Reimbursable obligations	8,759		
Unliquidated obligations, end of year	23,083,507		
Total expenditures	34,156,853	23,083,507	
Expenditures are distributed as follows:			
Out of current authorizations	34,156,853		
Out of prior authorizations		23,083,507	

INDEPENDENT OFFICES

DEFENSE MATERIALS PROCUREMENT AGENCY

Salaries and Expenses, Defense Materials Procurement Agency—

Appropriated 1952, \$0

Appropriated (adjusted) 1952, \$515,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Transferred (pursuant to Executive Order 10281) from—			
“Salaries and expenses, defense production activities, Interior”		\$400,000	
“Emergency operating expenses, General Services Administration”		115,000	
Adjusted appropriation or estimate (obligations incurred)		515,000	
Comparative transfer from—			
“Salaries and expenses, defense production activities, Interior”		219,000	
“Emergency operating expenses, General Services Administration”		50,000	
Total obligations		784,000	

OBLIGATIONS BY ACTIVITIES

Defense materials procurement—1952, \$784,000.

PROGRAM AND PERFORMANCE

Under Executive Order 10281, dated August 28, 1951, the Defense Materials Procurement Agency was created to procure adequate supplies of minerals, metals, and other materials for the defense program. The functions previously performed by the Defense Minerals Administration, Department of the Interior, and certain defense production activities in the General Services Administration were transferred to this Agency. During 1952, administrative expenses of the Agency were derived by transfers of \$400,000 from the Department of the Interior and \$115,000 from the General Services Administration. In addition, \$465,000 of the borrowing authority provided by section 304 (b) of the Defense Production Act will be used to finance development of new overseas minerals sources of supply. During 1953, all expenses of the Agency will be financed from the borrowing authority.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions		124	
Full-time equivalent of all other positions		6	
Average number of all employees		102	
Average salaries and grades:			
General schedule grades:			
Average salary		\$6,734	
Average grade		GS-9.7	
Crafts, protective, and custodial grades:			
Average salary		\$3,454	
Average grade		CPC-5.0	
Ungraded positions: Average salary		\$10,250	
01 Personal services:			
Permanent positions		\$561,140	
Part-time and temporary positions		64,435	
Payment above basic rates		9,653	
Total personal services		635,228	
02 Travel		25,785	
03 Transportation of things		1,102	
04 Communication services		8,954	
06 Printing and reproduction		14,270	
07 Other contractual services		860	
Services performed by other agencies		76,750	
08 Supplies and materials		5,714	
09 Equipment		14,337	
15 Taxes and assessments		1,000	
Total obligations		784,000	

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$70,000
Obligations incurred during the year		\$515,000	
Deduct unliquidated obligations, end of year		70,000	
Total expenditures		445,000	70,000
Expenditures are distributed as follows:			
Out of current authorizations		445,000	
Out of prior authorizations			70,000

DEFENSE PRODUCTION ADMINISTRATION

Salaries and Expenses, Defense Production Administration—

For expenses necessary for the Defense Production Administration, including employment of aliens, reimbursement of General Services Administration for security guard services, and expenses of attendance at meetings concerned with the purposes of this appropriation, [\$2,800,000] \$3,500,000: Provided, That transfers (not to exceed 10 per centum) between the appropriations “Salaries and expenses, Defense Production Administration” and “Salaries and expenses, Defense Production Activities, Department of Commerce” may be made by agreement between the Secretary of Commerce and the Administrator of the Defense Production Administration

INDEPENDENT OFFICES—Continued

DEFENSE PRODUCTION ADMINISTRATION—Continued

Salaries and Expenses, Defense Production Administration—Con.

with approval of the Bureau of the Budget. (65 Stat. 751; Supplemental Appropriation Act, 1952.)

Appropriated 1952, \$2,800,000 Estimate 1953, \$3,500,000
Appropriated (adjusted) 1952, \$3,500,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$2,800,000	\$3,500,000
Transferred from: "Salaries and expenses, defense production activities, Department of Commerce," pursuant to Public Law 253.....		700,000	
Adjusted appropriation or estimate.....		3,500,000	3,500,000
Reimbursements from other accounts.....		10,000	
Total available for obligation.....		3,510,000	3,500,000
Unobligated balance, estimated savings.....		-19,000	
Obligations incurred.....		3,491,000	3,500,000
Comparative transfer from "Expenses of defense production, Executive Office of the President".....	\$1,168,524		
Total obligations.....	1,168,524	3,491,000	3,500,000

OBLIGATIONS BY ACTIVITIES

Direction of defense production program—1951, \$1,168,524; 1952, \$3,491,000; 1953, \$3,500,000.

PROGRAM AND PERFORMANCE

The Administration (a) directs and coordinates the plans, procedures and methods for defense production of the executive departments and agencies concerned with the supply and distribution of industrial resources and products; (b) evaluates defense and essential civilian requirements in relation to available supply; (c) makes determinations regarding the direction of resources to various uses; (d) directs the program for issuance of certificates of necessity for tax amortization and certificates of essentiality for defense loans; (e) participates with representatives of foreign nations and other government agencies in making recommendations concerning the distribution of world resources of vital materials.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....	343	538	481
Full-time equivalent of all other positions.....	9	24	24
Average number of all employees.....	121	443	434
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,692	\$6,325	\$6,559
Average grade.....	GS-9.0	GS-9.2	GS-9.4
01 Personal services:			
Permanent positions.....	\$634,899	\$2,635,000	\$2,663,000
Part-time and temporary positions.....	102,249	251,000	265,000
Regular pay in excess of 52-week base.....		12,000	8,000
Payment above basic rates.....	7,197	16,000	20,000
Payments to other agencies for reimbursable details.....		48,000	30,000
Total personal services.....	744,345	2,962,000	2,986,000
02 Travel.....	39,930	146,000	160,000
03 Transportation of things.....	56		
04 Communication services.....	2,254	57,000	57,000
05 Rents and utility services.....		1,000	
06 Printing and reproduction.....	29,765	75,000	90,000
07 Other contractual services.....	2,350	69,000	34,000
Services performed by other agencies.....	56,283	128,000	125,000
08 Supplies and materials.....	60,354	33,000	33,000
09 Equipment.....	231,692	13,000	7,000
15 Taxes and assessments.....	1,495	7,000	8,000
Total obligations.....	1,168,524	3,491,000	3,500,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year.....			\$311,000
Obligations incurred during the year.....		\$3,491,000	3,500,000
		3,491,000	3,844,000
Deduct:			
Reimbursable obligations.....		10,000	
Unliquidated obligations, end of year.....		344,000	445,000
Total expenditures.....		3,137,000	3,399,000
Expenditures are distributed as follows:			
Out of current authorizations.....		3,137,000	3,055,000
Out of prior authorizations.....			344,000

DEFENSE TRANSPORT ADMINISTRATION

SALARIES AND EXPENSES

Salaries and Expenses, Defense Transport Administration—

For expenses necessary for the Defense Transport Administration, including expenses of attendance at meetings concerned with the purposes of this appropriation, [\$2,543,750] \$2,500,000. (Supplemental Appropriation Act, 1952.)

Appropriated 1952, \$2,543,750 Estimate 1953, \$2,500,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$2,543,750	\$2,500,000
Reimbursements from other accounts.....		1,828	
Total available for obligation.....		2,545,578	2,500,000
Unobligated balance, estimated savings.....		-80,578	
Obligations incurred.....		2,465,000	2,500,000
Comparative transfer from "Expenses of defense production, Executive Office of the President".....	\$870,345		
Total obligations.....	870,345	2,465,000	2,500,000

OBLIGATIONS BY ACTIVITIES

Defense mobilization—1951, \$870,345; 1952, \$2,465,000; 1953, \$2,500,000.

PROGRAM AND PERFORMANCE

The Administration formulates and carries out plans and programs for mobilizing domestic surface transportation, storage, and port facilities within the United States, and its Territories and possessions. The agency assembles and analyzes data with respect to the need for domestic transportation and storage and the ability of existing facilities to meet the requirements; coordinates and directs the domestic movement of passenger and freight traffic in cooperation with Government and private transportation organizations and agencies; assigns and administers priorities to insure expeditious movement of essential traffic; presents to the Defense Production Administration estimated requirements for construction, operation, maintenance, and repair materials; presents to the appropriate agencies estimated requirements for manpower; and makes recommendations to the Defense Production Administration in connection with granting accelerated tax amortization and defense loans.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....	169	201	201
Full-time equivalent of all other positions.....	7	17	15
Average number of all employees.....	67	202	195
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,737	\$5,785	\$5,901
Average grade.....	GS-7.4	GS-8.3	GS-8.3

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
Average salaries and grades—Continued			
Crafts, protective, and custodial grades:			
Average salary.....	\$2,378	\$2,736	\$2,736
Average grade.....	CPC-3.0	CPC-3.2	CPC-3.2
01 Personal services:			
Permanent positions.....	\$281,698	\$1,019,402	\$991,800
Part-time and temporary positions.....	61,725	114,177	113,385
Regular pay in excess of 52-week base.....		3,921	3,815
Payment above basic rates.....	3,265	3,500	3,500
Payments to other agencies for reimbursable details.....	12,339	13,529	
Total personal services.....	359,027	1,154,529	1,112,500
02 Travel.....	42,636	83,000	80,000
03 Transportation of things.....	718	50	500
04 Communication services.....	7,228	17,000	17,000
06 Printing and reproduction.....	2,782	5,000	5,000
07 Other contractual services.....	5,146	2,421	3,000
Services performed by other agencies.....	320,932	1,159,000	1,260,000
08 Supplies and materials.....	11,994	14,000	14,000
09 Equipment.....	118,501	27,000	5,000
15 Taxes and assessments.....	1,381	3,000	3,000
Total obligations.....	870,345	2,465,000	2,500,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year.....			\$90,000
Obligations incurred during the year.....		\$2,465,000	2,500,000
		2,465,000	2,590,000
Deduct:			
Reimbursable obligations.....		1,828	
Unliquidated obligations, end of year.....		90,000	85,000
Total expenditures.....		2,373,172	2,505,000
Expenditures are distributed as follows:			
Out of current authorizations.....		2,373,172	2,415,000
Out of prior authorizations.....			90,000

ECONOMIC STABILIZATION AGENCY

SALARIES AND EXPENSES

Salaries and Expenses, Economic Stabilization Agency—

For expenses necessary for the Economic Stabilization Agency, including hire of passenger motor vehicles; not to exceed \$5,000 for emergency and extraordinary expenses, to be expended under the direction of the Administrator for such purposes as he deems proper, and his determination thereon shall be final and conclusive; and expenses of attendance at meetings concerned with the purposes of this appropriation; **[\$98,053,375] \$103,250,000.** (64 Stat. 798, 65 Stat. 131; Supplemental Appropriation Act, 1952.)

Appropriated 1952, a **\$100,553 375** Estimate 1953, **\$103,250,000**

a Includes \$2,500,000 appropriated in the Third Supplemental Appropriation Act, 1952

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$100,553,375	\$103,250,000
Unobligated balance, estimated savings.....		—895,000	
Obligations incurred.....		99,658,375	103,250,000
Comparative transfer from—			
“Expenses of defense production, Executive Office of the President”.....	\$25,237,743		
“Salaries and expenses, Office of the Housing Expediter”.....	12,734,849		
Total obligations.....	37,972,592	99,658,375	103,250,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Office of the Administrator.....	\$146,171	\$500,000	\$465,000
2. Office of Price Stabilization:			
Price operations.....		26,751,050	26,239,260
Chief counsel.....		5,530,100	6,153,200
Price accounting.....		3,244,250	4,227,060
Enforcement.....		15,511,750	15,756,900

OBLIGATIONS BY ACTIVITIES—continued

Description	1951 actual	1952 estimate	1953 estimate
2. Office of Price Stabilization—Con.			
Economic policy.....		\$269,350	\$403,400
Public information.....		2,882,750	3,403,500
Field operations.....		121,800	165,700
Management.....		12,524,200	9,512,180
Executive.....		2,554,750	2,553,800
Total, Office of Price Stabilization.....	\$22,520,979	69,430,000	68,420,000
3. Office of Rent Stabilization.....	12,734,849	14,202,000	15,000,000
4. Wage Stabilization Board.....	2,524,195	13,975,000	15,930,000
5. Salary Stabilization Board.....	46,398	1,491,375	3,315,000
6. Railroad and Airline Wage Board.....		60,000	120,000
Total obligations.....	37,972,592	99,658,375	103,250,000

PROGRAM AND PERFORMANCE

The Economic Stabilization Agency is composed of the Office of the Economic Stabilization Administrator, the Office of Price Stabilization, the Office of Rent Stabilization, the Wage Stabilization Board, the Salary Stabilization Board, and the Railroad and Airline Wage Board.

1. *Office of the Economic Stabilization Administrator.*—The Office of the Economic Stabilization Administrator develops general economic stabilization policies for the guidance of the constituent agencies, and reviews the programs developed to carry such policies into effect.

2. *Office of Price Stabilization.*—Strong price control measures will continue to be required in fiscal year 1953. Regulations initially issued were necessarily broad in scope, and efforts were immediately begun to develop price techniques and to prepare regulations tailored to fit the individual needs of businesses and industries under price stabilization. This program will be substantially completed in fiscal year 1953. Price controls will continue to be relaxed when it can be determined that such actions are consistent with the attainment of stabilization goals. Commodity areas where regulations may safely be suspended or where reporting requirements may be eased or eliminated will continue to be studied, and prompt action will be taken where warranted. Intensive efforts to improve understanding of regulatory requirements by business generally will continue, in order to achieve maximum voluntary compliance. However, enforcement actions will be taken where necessary, but concentrated in areas where violations would have the most serious impact on the economy. The organization has reached its maximum of approximately 12 percent from its present personnel by the end of fiscal year 1953.

3. *Office of Rent Stabilization.*—Rent ceilings are established and enforced in defense rental areas and critical defense housing areas. In defense rental areas, which have been under rent control since World War II, new construction, hotels, motels, and tourist courts are exempt from control. In critical defense housing areas, which are established upon joint certification of the Secretary of Defense and the Director of Defense Mobilization, rents on all types of housing accommodations, without exception, are controlled.

DEFENSE HOUSING AREAS UNDER RENT CONTROL

	1951 actual	1952 estimate	1953 estimate
Critical defense housing areas.....		118	193
Other defense housing areas.....	241	185	162
Total.....	241	303	355

INDEPENDENT OFFICES—Continued

ECONOMIC STABILIZATION AGENCY—Continued

SALARIES AND EXPENSES—continued

Salaries and Expenses, Economic Stabilization Agency—Con.

WORKLOAD

Type of action	1951 actual	1952 estimate	1953 estimate
First rent actions.....	54,316	54,500	66,000
Tenants' complaints.....	194,893	266,000	319,000
Compliance actions.....	139,543	136,000	163,000
Landlords' petitions (excluding 20 percent applications).....	1,098,890	523,000	1,318,000
Landlords' petitions for 20 percent increases.....		1,647,000	214,000
Eviction cases.....	116,525	115,200	120,000
Other actions.....	120,206	174,000	209,000
Settlement for repayment to tenants.....	\$3,695,482	\$3,730,000	\$4,472,000
Payments to U. S. Treasury.....	\$1,425,899	\$659,000	\$790,000

4, 5, and 6. *Wage Stabilization Board, Salary Stabilization Board, and Railroad and Airline Wage Board.*—Wage and salary control regulations are established and enforced as a part of general economic stabilization. Proposed wage and salary increases are reviewed in the light of equity and their probable effect on economic stabilization. Investigations are conducted to establish facts needed in making wage and salary decisions and in developing regulations. As required by the amended Defense Production Act, a separate board was created during fiscal year 1952 to deal with wages and salaries of employees subject to provisions of the Railway Labor Act. In addition to its regulatory functions, the Wage Stabilization Board has limited responsibilities in the settlement of labor disputes.

The increase requested for 1953 makes provision for (a) reduction of large backlogs of cases before the three boards, (b) completion of the field organization of the Salary Stabilization Board, and (c) an enforcement staff for the Salary Stabilization Board.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE ADMINISTRATOR			
Total number of permanent positions.....	58	78	66
Full-time equivalent of all other positions.....	2	2	1
Average number of all employees.....	20	66	62
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,623	\$7,262	\$7,046
Average grade.....	GS-8.8	GS-10.4	GS-10.0
01 Personal services:			
Permanent positions.....	\$97,635	\$451,615	\$422,550
Part-time and temporary positions.....	24,207	16,850	13,000
Regular pay in excess of 52-week base.....		1,700	1,600
Payment above basic rates.....	3,724	4,680	4,000
Total personal services.....	125,566	474,845	441,150
02 Travel.....	20,394	19,110	17,900
15 Taxes and assessments.....	211	1,045	950
Unvouchered.....		5,000	5,000
Total obligations.....	146,171	500,000	465,000
ALLOTMENT TO OFFICE OF PRICE STABILIZATION			
Total number of permanent positions.....	9,655	13,131	12,741
Full-time equivalent of all other positions.....	38	9	5
Average number of all employees.....	2,141	11,469	11,253
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,574	\$5,290	\$5,291
Average grade.....	GS-7.5	GS-8.1	GS-8.1

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF PRICE STABILIZATION—continued			
01 Personal services:			
Permanent positions.....	\$10,147,029	\$57,816,851	\$57,792,200
Part-time and temporary positions.....	391,272	95,784	60,000
Regular pay in excess of 52-week base.....		222,372	222,300
Payment above basic rates.....	451,794	601,919	472,800
Total personal services.....	10,990,095	58,736,926	58,547,300
02 Travel.....	949,333	3,350,000	3,800,000
03 Transportation of things.....	302,446	393,500	243,000
04 Communication services.....	510,257	1,551,700	1,443,000
05 Rents and utility services.....	3,784	14,200	15,000
06 Printing and reproduction.....	1,181,715	1,741,000	1,887,900
07 Other contractual services.....	395,152	564,400	528,500
Services performed by other agencies.....	455,020	1,114,500	611,500
08 Supplies and materials.....	1,518,289	992,200	805,100
09 Equipment.....	6,147,461	519,300	166,000
13 Refunds, awards and indemnities.....		1,200	
15 Taxes and assessments.....	67,427	451,074	372,700
Total obligations.....	22,520,979	69,430,000	68,420,000
ALLOTMENT TO OFFICE OF RENT STABILIZATION			
Total number of permanent positions.....	2,634	3,073	3,073
Full-time equivalent of all other positions.....	7	16	19
Average number of all employees.....	2,520	2,700	2,935
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,125	\$4,532	\$4,532
Average grade.....	GS-6.3	GS-6.5	GS-6.5
01 Personal services:			
Permanent positions.....	\$10,658,759	\$12,134,800	\$13,174,250
Part-time and temporary positions.....	20,500	47,200	56,050
Regular pay in excess of 52-week base.....	215,500	51,000	51,700
Payment above basic rates.....	80,000	105,000	110,000
Payments to other agencies for reimbursable details.....	5,106	2,000	3,000
Total personal services.....	10,979,865	12,340,000	13,395,000
02 Travel.....	498,909	750,000	700,000
03 Transportation of things.....	62,035	135,000	102,000
04 Communication services.....	272,154	297,000	315,000
05 Rents and utility services.....	547,631	6,500	
06 Printing and reproduction.....	105,387	240,000	180,000
07 Other contractual services.....	76,449	55,000	60,000
Services performed by other agencies.....	14,894	21,000	15,000
08 Supplies and materials.....	94,884	175,000	155,000
09 Equipment.....	70,641	147,500	40,000
15 Taxes and assessments.....	12,000	35,000	38,000
Total obligations.....	12,734,849	14,202,000	15,000,000
ALLOTMENT TO WAGE STABILIZATION BOARD			
Total number of permanent positions.....	455	1,738	1,693
Full-time equivalent of all other positions.....	8	77	85
Average number of all employees.....	88	1,357	1,668
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,318	\$5,203	\$5,259
Average grade.....	GS-6.7	GS-7.7	GS-7.8
01 Personal services:			
Permanent positions.....	\$317,891	\$6,452,626	\$8,197,743
Part-time and temporary positions.....	95,313	851,400	970,600
Regular pay in excess of 52-week base.....		24,914	31,687
Payment above basic rates.....	27,955	139,080	2,970
Payments to other agencies for reimbursable details.....	27,405	56,480	
Total personal services.....	468,564	7,524,500	9,203,000
02 Travel.....	64,048	491,000	450,000
03 Transportation of things.....	6,901	28,700	20,000
04 Communication services.....	15,745	260,000	250,000
05 Rents and utility services.....	169	2,172	2,000
06 Printing and reproduction.....	60,383	258,204	200,000
07 Other contractual services.....	7,502	71,216	50,000
Services performed by other agencies.....	1,004,715	4,857,700	5,590,000
08 Supplies and materials.....	103,852	187,198	100,000
09 Equipment.....	790,442	244,310	10,000
15 Taxes and assessments.....	1,874	50,000	55,000
Total obligations.....	2,524,195	13,975,000	15,930,000
ALLOTMENT TO SALARY STABILIZATION BOARD			
Total number of permanent positions.....	6	357	504
Full-time equivalent of all other positions.....	1	4	3

BUDGET FOR DEFENSE PRODUCTION ACTIVITIES

9

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO SALARY STABILIZATION BOARD—continued			
Average number of all employees.....	2	157	435
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,585	\$5,735	\$5,761
Average grade.....	GS-8.2	GS-8.5	GS-8.9
01 Personal services:			
Permanent positions.....	\$2,198	\$845,215	\$2,373,902
Part-time and temporary positions.....	3,186	57,380	46,848
Regular pay in excess of 52-week base.....		6,000	9,100
Payment above basic rates.....	23	17,500	
Payments to other agencies for reimbursable details.....	1,455	20,000	
Total personal services.....	6,862	946,095	2,429,850
02 Travel.....	1,376	76,015	207,000
03 Transportation of things.....		7,000	15,000
04 Communication services.....	1,600	30,000	105,900
06 Printing and reproduction.....	511	80,650	100,000
07 Other contractual services.....		9,140	16,000
Services performed by other agencies.....		206,500	395,250
08 Supplies and materials.....	484	31,200	30,000
09 Equipment.....	35,383	99,000	5,000
15 Taxes and assessments.....	182	5,775	11,000
Total obligations.....	46,398	1,491,375	3,315,000
ALLOTMENT TO RAILROAD AND AIRLINE WAGE BOARD			
Total number of permanent positions.....		12	14
Full-time equivalent of all other positions.....		1	1
Average number of all employees.....		8	15
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$5,756	\$5,829
Average grade.....		GS-8.8	GS-8.9
01 Personal services:			
Permanent positions.....		\$42,411	\$81,610
Part-time and temporary positions.....		1,070	2,700
Regular pay in excess of 52-week base.....		266	314
Payments to other agencies for reimbursable details.....		2,793	1,620
Total personal services.....		46,540	86,244
02 Travel.....		600	1,800
04 Communication services.....		1,100	1,600
06 Printing and reproduction.....		800	2,600
07 Other contractual services.....		600	1,000
Services performed by other agencies.....			22,280
08 Supplies and materials.....		1,000	2,500
09 Equipment.....		9,200	1,600
15 Taxes and assessments.....		160	376
Total obligations.....		60,000	120,000
SUMMARY			
Total number of permanent positions.....	12,808	18,389	18,091
Full-time equivalent of all other positions.....	56	110	114
Average number of all employees.....	4,771	15,757	16,369
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,561	\$5,169	\$5,179
Average grade.....	GS-7.2	GS-7.8	GS-7.8
01 Personal services:			
Permanent positions.....	\$21,223,512	\$77,743,518	\$82,042,255
Part-time and temporary positions.....	534,478	1,069,684	1,149,198
Regular pay in excess of 52-week base.....	215,500	306,252	316,701
Payment above basic rates.....	563,496	868,179	589,770
Payments to other agencies for reimbursable details.....	33,966	81,273	4,620
Total personal services.....	22,570,952	80,068,906	84,102,544
02 Travel.....	1,534,060	4,686,725	5,176,700
03 Transportation of things.....	371,382	564,200	380,000
04 Communication services.....	799,756	2,139,800	2,115,500
05 Rents and utility services.....	551,584	22,872	17,000
06 Printing and reproduction.....	1,347,996	2,320,654	2,370,500
07 Other contractual services.....	479,103	700,356	655,500
Services performed by other agencies.....	1,474,629	6,199,700	6,634,030
08 Supplies and materials.....	1,717,509	1,386,598	1,092,600
09 Equipment.....	7,043,927	1,019,310	222,600
13 Refunds, awards, and indemnities.....		1,200	
15 Taxes and assessments.....	81,694	543,054	478,026
Unvouchered.....		5,000	5,000
Total obligations.....	37,972,592	99,658,375	103,250,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year.....			\$8,486,200
Obligations incurred during the year.....		\$99,658,375	103,250,000
Deduct unliquidated obligations, end of year.....		99,658,375	111,736,200
Total expenditures.....		8,486,200	8,790,825
Total expenditures.....		91,172,175	102,945,375
Expenditures are distributed as follows:			
Out of current authorizations.....		91,172,175	94,491,175
Out of prior authorizations.....			8,454,200

SMALL DEFENSE PLANTS ADMINISTRATION

SALARIES AND EXPENSES

Salaries and Expenses, Small Defense Plants Administration—

For expenses necessary for organizing, and developing the program of, the Small Defense Plants Administration, established by section 714 of the Defense Production Act of 1950, as amended, including expenses of attendance at meetings concerned with the purposes of this appropriation and purchase (not to exceed two) and hire of passenger motor vehicles, \$350,000.]

For expenses [not otherwise provided for,] necessary for the Small Defense Plants Administration, including expenses of attendance at meetings concerned with the purposes of this appropriation, and purchase (not to exceed one) and hire of passenger motor vehicles, \$825,000 \$4,200,000. (65 Stat. 139; Supplemental Appropriation Act, 1952; Third Supplemental Appropriation Act, 1952.)

Appropriated 1952, \$1,175,000 Estimate 1953, \$4,200,000
Appropriated (adjusted) 1952, \$1,225,150

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$1,175,000	\$4,200,000
Transferred from "Salaries and expenses, defense production activities, Commerce" pursuant to Public Law 774, as amended.....		50,150	
Adjusted appropriation or estimate.....		1,225,150	4,200,000
Unobligated balance, estimated savings.....		-300,000	
Obligations incurred.....		925,150	4,200,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Procurement assistance.....		\$462,575	\$2,604,000
2. Financial assistance.....		175,779	672,000
3. Materials and equipment assistance.....		148,024	462,000
4. Production and management service.....		138,772	462,000
Obligations incurred.....		925,150	4,200,000

PROGRAM AND PERFORMANCE

The Small Defense Plants Administration carries out a program to aid and guide small business.

1. *Procurement assistance.*—Efforts are made to obtain a larger portion of total Government procurement contracts for small-business enterprises. This includes joint determination with the Military Departments and other procurement agencies, of individual contracts to be awarded to small plants; and the issuance of certificates of competency to small business, upon finding that facilities and credit resources are adequate to assure performance on specific contracts. Other major activities include efforts to increase utilization of small plant facilities by subcontracts from large prime contractors, and assistance in the formation of production pools.

INDEPENDENT OFFICES—Continued

SMALL DEFENSE PLANTS ADMINISTRATION—Con.

SALARIES AND EXPENSES—continued

Salaries and Expenses, Small Defense Plants Administration—Con.

2. *Financial assistance.*—Efforts are made to render financial aid in the form of loans to small business through the Reconstruction Finance Corporation where a fund of \$100,000,000 has been authorized for this purpose. Surveys and studies are carried out with regard to the credit, business standing, and productive ability of each plant for which a loan is requested, and a recommendation is made to RFC concerning the loan.

3. *Materials and equipment assistance.*—Aid is given small firms in obtaining a fair share of controlled materials and equipment by representing them before National Production Authority and Defense Production Administration Committees and Boards, and by distributing information concerning the availability of materials and equipment on the open market.

4. *Production and management service.*—Assistance is provided to small businesses in connection with conversion to defense or essential civilian production, inspection of plants for determination of the adequacy of facilities for defense production, and the establishment of a national inventory of productive facilities. Pamphlets and brochures are prepared for the use of small-business firms to help them solve problems of management or production.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....		485	564
Full time equivalent of all other positions.....		1	1
Average number of all employees.....		88	516
Average salary and grade:			
General schedule grades:			
Average salary.....		\$7,048	\$6,683
Average grade.....		GS-10.6	GS-10.0
01 Personal services:			
Permanent positions.....		\$605,761	\$3,460,550
Part-time and temporary positions.....		19,963	25,000
Regular pay in excess of 52-week base.....			13,500
Payment above basic rates.....		3,815	5,000
Payment to other agencies for reimbursable details.....		461	
Total personal services.....		630,000	3,504,050
02 Travel.....		54,000	310,000
03 Transportation of things.....		100	6,500
04 Communication services.....		22,000	159,250
05 Rents and utilities.....		100	500
06 Printing and reproduction.....		13,000	38,000
07 Other contractual services.....		47,550	98,000
08 Supplies and materials.....		21,000	47,700
09 Equipment.....		134,000	21,000
15 Taxes and assessments.....		3,400	15,000
Obligations incurred.....		925,150	4,200,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year.....			\$194,500
Obligations incurred during the year.....		\$925,150	4,200,000
Deduct unliquidated obligations, end of year.....		925,150	4,394,500
Total expenditures.....		194,500	750,000
Expenditures are distributed as follows:		730,650	3,644,500
Out of current authorization.....			
Out of prior authorization.....		730,650	3,450,000
			194,500

REVOLVING FUND

For the revolving fund authorized by paragraph (2) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, \$5,000,000, to remain available until expended.

Estimate 1953, \$5,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....			\$5,000,000
Balance available in subsequent years (working capital for use in prime contracts).....			-4,959,543
Obligations incurred.....			40,457

OBLIGATIONS BY ACTIVITIES

For use in connection with the taking of prime contracts from other government agencies and subcontracting the work to small-business concerns—1953, \$40,457.

PROGRAM AND PERFORMANCE

Procurement contracts will be placed with individual small plants by using this revolving fund to take prime contracts from other Government agencies and, in turn, subcontract the work to small business concerns. It is expected to utilize this authority on contracts for items most readily furnished by small plants but which, because of the size or other characteristics of the contract requirements, could not be let directly to individual small business organizations.

A small amount of over-all management and technical costs related to this activity will be borne by this fund, but direct engineering and contract management expenditures will be charged to the prime contracts and recovered from the procurement agencies.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....			6
Average number of all employees.....			5
Average salary and grade:			
General schedule grades:			
Average salary.....			\$7,198
Average grade.....			GS-10.2
01 Personal services:			
Permanent positions.....			\$37,792
Regular pay in excess of 52-week base.....			165
Payment above basic rates.....			300
Total personal services.....			38,257
02 Travel.....			1,200
04 Communication services.....			900
15 Taxes and assessments.....			100
Obligations incurred.....			40,457

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Obligations incurred.....			\$40,457
Unliquidated obligations, end of year.....			2,600
Expenditures out of current authorization.....			37,857

FEDERAL SECURITY AGENCY

OFFICE OF THE ADMINISTRATOR

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES

Salaries and Expenses, Defense Production Activities, Federal Security Agency—

For expenses, not otherwise provided for, necessary to enable the Federal Security Agency to carry out its functions under the Defense Production Act of 1950, as amended, including expenses of attendance at meetings concerned with the purposes of this appropriation. **[\$400,000] \$545,000.** (Supplemental Appropriation Act, 1952.)

Appropriated, 1952, \$400,000

Estimate 1953, \$545,000

Appropriated (adjusted) 1952, \$690,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate			
Transferred (pursuant to Public Law 253) from—		\$400,000	\$545,000
“Salaries, expenses, and grants, National Cancer Institute, Public Health Service”		24,000	
“Control of tuberculosis, Public Health Service”		20,000	
“Control of venereal diseases, Public Health Service”		121,000	
“Assistance to States, general, Public Health Service”		20,000	
“Control of communicable diseases, Public Health Service”		25,000	
“Commissioned officers’ pay, and so forth, Public Health Service”		40,000	
“Salaries and expenses, Bureau of Public Assistance, Social Security Administration”		40,000	
Adjusted appropriation or estimate		690,000	545,000
Reimbursements from other accounts		3,713	
Obligations incurred		693,713	545,000
Comparative transfer from “Expenses of defense production, Executive Office of the President”	\$19,693		
Total obligations	19,693	693,713	545,000

OBLIGATIONS BY ACTIVITIES

Claimant agency functions—1951, \$19,693; 1952, \$693,713; 1953, \$545,000.

PROGRAM AND PERFORMANCE

The agency estimates requirements and acts on applications for controlled materials for all school, library, hospital, and health facility construction needs other than Veterans’ Administration and military hospitals, and for supplies and equipment needed in the fields of health, education, welfare, and recreation.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	6	129	110
Full-time equivalent of all other positions		2	1
Average number of all employees	2	119	96
Average salaries and grades:			
General schedule grades:			
Average salary	\$6,925	\$5,077	\$5,114
Average grade	GS-10.1	GS-7.3	GS-7.3
01 Personal services:			
Permanent positions	\$15,232	\$614,101	\$506,474
Part-time and temporary positions		3,761	761
Regular pay in excess of 52-week base		2,295	2,177
Payment above basic rates		9,436	3,000
Total personal services	15,232	629,593	512,412
02 Travel	465	14,648	8,545
03 Transportation of things		3,333	1,017
04 Communication services		5,710	4,657
06 Printing and reproduction	75	11,227	6,000
07 Other contractual services		3,015	1,340
08 Supplies and materials	3,896	12,415	7,575
09 Equipment		10,281	290
15 Taxes and assessments	25	3,491	3,164
Total obligations	19,693	693,713	545,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$34,800
Obligations incurred during the year		\$693,713	545,000
		693,713	579,800
Deduct:			
Reimbursable obligations		3,713	
Unliquidated obligations, end of year		34,800	27,000
Total expenditures		655,200	552,800
Expenditures are distributed as follows:			
Out of current authorizations		655,200	518,800
Out of prior authorizations			34,000

GENERAL SERVICES ADMINISTRATION

Emergency Operating Expenses, General Services Administration —

For an additional amount for “Emergency operating expenses”, \$9,250,000; \$8,500,000; and appropriations granted under this head for the fiscal year [1952] 1953 shall be available to enable the General Services Administration to carry out its functions arising out of the Defense Production Act of 1950, as amended. (Supplemental Appropriation Act, 1952.)

Appropriated 1952, \$9,250,000 Estimate 1953, \$8,500,000

Appropriated (adjusted) 1952, \$9,135,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate			
Transferred to “Salaries and expenses, Defense Materials Procurement Agency,” pursuant to Executive Order 10281		\$9,250,000	\$8,500,000
Adjusted appropriation or estimate (obligations incurred)		—115,000	
Comparative transfer from “Expenses of defense production, Executive Office of the President”		9,135,000	8,500,000
Comparative transfer to “Salaries and expenses, Defense Materials Procurement Agency”	\$5,962,824		
		—50,000	
Total obligations	5,962,824	9,085,000	8,500,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Buildings management	\$5,423,853	\$8,786,015	\$8,240,000
2. Space acquisition and utilization	29,993	40,300	40,000
3. Claimant agency functions	8,192	123,000	120,000
4. Federal Register functions	8,076	120,000	100,000
5. Defense production coordination	92,710	15,685	
6. Expediting construction	400,000		
Total obligations	5,962,824	9,085,000	8,500,000

PROGRAM AND PERFORMANCE

Execution of the Defense Production Act requires services of the Administration in two categories: (1) Those provided for functions for which it has Government-wide jurisdiction under the Federal Property and Administrative Services Act of 1949, as amended; and (2) those prescribed by Executive orders issued under the Defense Production Act.

Under the first category are two general services. The first is the provision of office space throughout the United States for occupancy of agencies exercising responsibilities under the Defense Production Act which for 1953 consists of continued operation, maintenance, and utilization control of 372,000 square feet of Government-owned space and an average of 3,111,000 square feet of leased space. The other general service is the daily publication of orders and regulations of defense production agencies, a monthly digest, and a semiannual handbook of their activities.

Under the second category is the function delegated to the Administration for representing Federal agencies in their priority requirements for items of “common use.”

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	70	69	57
Full-time equivalent of all other positions	1		
Average number of all employees	21	68	57
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,506	\$4,689	\$4,762
Average grade	GS-7.0	GS-6.9	GS-6.9
Ungraded positions: Average salary	\$10,250		
01 Personal services:			
Permanent positions	\$109,249	\$315,412	\$268,495
Part-time and temporary positions	11,018	2,600	

GENERAL SERVICES ADMINISTRATION—Con.

Emergency Operating Expenses, General Services Administration—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
01 Personal services—Continued			
Regular pay in excess of 52-week base		\$1,280	\$1,086
Payment above basic rates: Over-time and holiday pay	\$202		
Total personal services	120,469	319,292	269,581
02 Travel	26,161	20,100	17,480
03 Transportation of things	774		
04 Communication services	2,073	8,175	7,045
05 Rents and utility services	1,959,169	6,000,000	6,300,000
06 Printing and reproduction	5,155	65,683	46,394
07 Other contractual services	3,848,606	2,666,440	1,856,900
08 Supplies and materials	124	2,720	2,410
09 Equipment		2,400	
15 Taxes and assessments	293	190	190
Total obligations	5,962,824	9,085,000	8,500,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$935,000
Obligations incurred during the year		\$9,135,000	8,500,000
Deduct unliquidated obligations, end of year		9,135,000	9,435,000
Total expenditures		935,000	870,000
Expenditures are distributed as follows:		8,200,000	8,565,000
Out of current authorizations			
Out of prior authorizations		8,200,000	7,665,000
			900,000

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

[SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES]

Salaries and Expenses, Defense Production Activities, Office of the Administrator, Housing and Home Finance Agency—

[For expenses necessary to enable the Housing and Home Finance Agency to carry out its functions under the Defense Production Act of 1950, as amended, including expenses of attendance at meetings concerned with the purposes of this appropriation, \$700,000.] (Supplemental Appropriation Act, 1952.)

Appropriated 1952, ^a \$736,000

Estimate (adjusted) 1953, ^b (\$175,000)

^a Includes \$36,000 appropriated in the Third Supplemental Appropriation Act, 1952.

^b To be derived by transfer.

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		\$736,000	
Transferred from "Maintenance, etc., defense public works, Office of the Administrator, Housing and Home Finance Agency," (pursuant to Public Law 253)			\$175,000
Adjusted appropriation or estimate (obligations incurred)		736,000	175,000
Comparative transfer from—			
"Expenses of defense production, Executive Office of the President"	\$226,500		
"Salaries and expenses, Office of the Administrator, Housing and Home Finance Agency"	435,717		
Comparative transfer to "Salaries and expenses, defense housing and community facilities, Office of the Administrator, Housing and Home Finance Agency"		—164,000	
Total obligations	662,217	572,000	175,000

OBLIGATIONS BY ACTIVITIES

Defense production activities—1951, \$662,217; 1952, \$572,000; 1953, \$175,000.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Full-time equivalent of all other positions	47	65	33
Average number of all employees	47	65	26
Average salaries and grades:			
General schedule of grades:			
Average salary	\$5,954	\$6,085	\$5,846
Average grade	GS-8.7	GS-8.9	GS-
01 Personal services			
Permanent positions	\$255,861	\$363,985	\$151,418
Part-time and temporary positions	24,000	30,000	
Regular pay in excess of 52-week base		1,515	582
Total personal services	279,861	395,500	152,000
02 Travel	18,264	20,000	6,000
03 Transportation of things	1,269	500	200
04 Communications services	8,974	8,000	5,000
05 Rents and utilities services	7,059	7,000	4,000
06 Printing and reproduction	7,283	5,000	2,000
07 Other contractual services	18,904	7,600	3,500
Services performed by other agencies	308,126	122,500	
08 Supplies and materials	4,396	4,000	2,000
09 Equipment	7,674	1,400	
15 Taxes and assessments	407	500	300
Total obligations	662,217	572,000	175,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$76,800
Obligations incurred during the year		\$736,000	175,000
Deduct unliquidated obligations, end of year		736,000	251,800
Total expenditures		76,800	45,000
Expenditures are distributed as follows:		659,200	206,800
Out of current authorization			
Out of prior authorization		659,200	130,000
			76,800

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES

Salaries and Expenses, Defense Production Activities, Agriculture—

For expenses necessary to enable the Department of Agriculture to carry out its functions under the Defense Production Act of 1950, as amended, [\$1,500,000] \$3,000,000. (Supplemental Appropriation Act, 1952.)

Appropriated 1952, \$1,500,000

Estimate 1953, \$3,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		\$1,500,000	\$3,000,000
Received from "Agricultural supply program, Production and Marketing Administration," pursuant to Public Law 253		2,025,000	
Obligations incurred		3,525,000	3,000,000
Comparative transfer from "Expenses of defense production, Executive Office of the President"	\$4,569,466		
Total obligations	4,569,466	3,525,000	3,000,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Production and Marketing Administration:			
(a) Requirements and allocations	\$694,930	\$1,214,900	\$1,067,900
(b) Materials and facilities	2,627,390	1,860,100	1,517,100
(c) Production goals	884,320		
Subtotal	4,206,640	3,075,000	2,585,000
2. Forest Service:			
(a) Special studies of timber resources and forest products industries, and other technical assistance, under the Defense Production Act	164,408	81,000	55,000

OBLIGATIONS BY ACTIVITIES—continued

Description	1951 actual	1952 estimate	1953 estimate
3. Office of Foreign Agricultural Relations:			
(a) Commodity analysis.....	\$52,670	\$69,600	\$51,600
(b) Agricultural supplies.....	8,658	27,450	27,450
(c) Regional analysis.....	10,822	10,950	10,950
Subtotal.....	72,150	108,000	90,000
4. Bureau of Agricultural Economics:			
(a) Preparation of data on farm wages, farm labor supply and requirements.....	11,609	35,000	75,000
(b) Development of production capacities and requirements.....	9,404	22,000	22,000
(c) Special estimates in crop, livestock, and price fields.....	32,260	43,000	38,000
Subtotal.....	53,273	100,000	135,000
5. Office of Solicitor (legal services).....	40,846	41,500	35,000
6. Office of Information:			
(a) Informational staff.....	9,297	36,000	33,000
(b) Reprints of publications.....		12,000	7,000
(c) Motion-picture and television films.....		10,000	10,000
Subtotal.....	9,297	58,000	50,000
7. Office of the Secretary (departmental supervision and security investigatory work).....	22,852	61,500	50,000
Total obligations.....	4,569,466	3,525,000	3,000,000

PROGRAM AND PERFORMANCE

In the exercise of his authority under the Defense Production Act of 1950, as amended, the Secretary has delegated specific defense production activities as follows:

1. *Production and Marketing Administration.*—Requirements and supply are determined, and assistance is given in obtaining materials for the necessary production of food. Distribution is made to effect the most efficient utilization of the total food supply. Analyses are made of operating policy and economic conditions in order to make recommendations for the fulfillment of food requirements, and several defense food orders are being administered. This Administration acts as claimant before the Defense Production Administration, the Defense Materials Procurement Agency, the National Production Authority, and other agencies for materials, machinery, fertilizers, and insecticides required in farm production, farm construction, and for food-processing facilities. It reviews and makes recommendations to the Defense Production Administration and other agencies on applications for accelerated tax amortization for food and agricultural facilities and applications of prospective borrowers for use in expanding agricultural and food productive capacity and supply. The agency performs certain functions and powers with respect to storage and warehousing facilities for the Defense Transport Administrator. Recommendations and supporting data relating to manpower are developed for use in presentations to the Department of Labor, Selective Service System, and other agencies. The agency also makes legal minimum price determinations and revisions for the Secretary of Agriculture and is consulted by the Office of Price Stabilization on proposed price ceiling regulations and distribution problems resulting from certain Office of Price Stabilization regulations.

2. *Forest Service.*—Technical work in the forest industry field is performed for the National Production Authority and other defense agencies including (a) making field investigations and reports on the adequacy of timber resources to support planned expansions as represented by production loan and tax amortization applications; (b) furnishing technical information relating to timber and timber products; and (c) conducting special studies and field surveys to develop information basic to well considered action programs in the field of forest products.

3. *Office of Foreign Agricultural Relations.*—Information is furnished on foreign production and international trade, including (a) supply estimates on critical food and agricultural commodities available from overseas; (b) effects of export controls on supply abroad; (c) requirements of agricultural machinery, fertilizers, and insecticides needed in foreign countries; and (d) conditions in particular areas such as Asia and Africa to determine the available food supplies and the trade problems of deficit areas and their effects in relation to defense mobilization plans.

4. *Bureau of Agricultural Economics.*—The Bureau (a) prepares data on farm wages and farm labor supply and requirements; (b) develops estimates of production capacities and requirements; and (c) develops basic data on prices and on current and prospective production and supplies of agricultural products.

5. *Legal, informational, and other departmental services.*—The Offices of the Solicitor and Information furnish legal and informational services in connection with defenses production activities, and the Office of the Secretary provides over-all planning, coordination, and integration of the administrative and operational resources of the Department to meet defense objectives.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO PRODUCTION AND MARKETING ADMINISTRATION			
Total number of permanent positions.....	268	476	378
Average number of all employees.....	263	467	372
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,415	\$5,916	\$5,926
Average grade.....	GS-8.5	GS-8.5	GS-8.5
01 Personal services:			
Permanent positions.....	\$1,424,156	\$2,761,000	\$2,210,000
Regular pay in excess of 52-week base.....		9,980	8,100
Total personal services.....	1,424,156	2,770,980	2,218,100
02 Travel.....	42,786	56,570	49,000
03 Transportation of things.....	2,984	6,253	5,500
04 Communication services.....	23,424	33,700	29,000
05 Rents and utility services.....	1,353	6,228	5,200
06 Printing and reproduction.....	19,887	29,840	25,000
07 Other contractual services:			
Transferred to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture".....	2,021,417		
Transferred to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938, Agriculture".....	594,883	120,000	215,000
Other.....	24,697	25,480	19,000
08 Supplies and materials.....	13,652	17,383	14,500
09 Equipment.....	35,693	5,275	2,100
13 Refunds, awards, and indemnities.....	15	1	
15 Taxes and assessments.....	1,693	3,290	2,600
Total obligations.....	4,206,640	3,075,000	2,585,000
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions.....	22	10	8
Full-time equivalent of all other positions.....	5	2	2
Average number of all employees.....	28	13	10
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,002	\$5,516	\$4,376
Average grade.....	GS-7.8	GS-7.6	GS-6.7
01 Personal services:			
Permanent positions.....	\$116,227	\$64,133	\$40,933
Part-time and temporary positions.....	15,693	6,524	7,335
Regular pay in excess of 52-week base.....		343	132
Payment above basic rates.....	820		
Total personal services.....	132,740	71,000	48,400
02 Travel.....	19,368	6,150	3,780
03 Transportation of things.....	11		
04 Communication services.....	1,000	400	290
06 Printing and reproduction.....	584		
07 Other contractual services.....	4,855	1,500	1,100
Services performed by other agencies.....	3,266	1,500	1,100
08 Supplies and materials.....	1,945	300	220

DEPARTMENT OF AGRICULTURE—Continued

OFFICE OF THE SECRETARY—Continued

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES—CON.

Salaries and Expenses, Defense Production Activities, Agriculture—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO FOREST SERVICE—CON.			
09 Equipment	\$546		
15 Taxes and assessments	93	\$150	\$110
Total obligations	164,408	81,000	55,000
ALLOTMENT TO OFFICE OF FOREIGN AGRICULTURAL RELATIONS			
Total number of permanent positions	24	25	20
Average number of all employees	14	20	14
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,404	\$5,093	\$5,102
Average grade	GS-6.9	GS-7.5	GS-7.6
01 Personal services:			
Permanent positions	\$70,285	\$105,180	\$86,900
Regular pay in excess of 52-week base		400	325
Payment above basic rates	132		
Total personal services	70,417	105,580	87,225
02 Travel	729		550
04 Communication services	807	800	100
06 Printing and reproduction		1,400	1,200
07 Other contractual services: Services performed by other agencies	15		
08 Supplies and materials	7	20	25
09 Equipment	105	50	425
15 Taxes and assessments	70	150	300
Total obligations	72,150	108,000	90,000
ALLOTMENT TO BUREAU OF AGRICULTURAL ECONOMICS			
Total number of permanent positions		25	31
Full-time equivalent of all other positions		3	3
Average number of all employees	13	19	25
Average salaries and grades:			
General schedule grades:			
Average salary		\$4,943	\$4,945
Average grade		GS-7.5	GS-7.4
01 Personal services:			
Permanent positions	\$48,699	\$82,700	\$110,700
Part-time and temporary positions		7,500	7,500
Regular pay in excess of 52-week base		300	400
Total personal services	48,699	90,500	118,600
02 Travel	940	5,000	12,500
04 Communication services			400
05 Rents and utility services	959		
06 Printing and reproduction		500	1,200
07 Other contractual services: Services performed by other agencies	2,400	3,500	
08 Supplies and materials	195	200	700
09 Equipment			800
15 Taxes and assessments	80	300	800
Total obligations	53,273	100,000	135,000
ALLOTMENT TO OFFICE OF THE SOLICITOR			
Total number of permanent positions		8	8
Average number of all employees	9	8	6
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,451	\$5,210	\$5,220
Average grade	GS-8.8	GS-7.9	GS-7.9
01 Personal services:			
Permanent positions	\$40,510	\$39,498	\$33,570
Regular pay in excess of 52-week base		152	130
Total personal services	40,510	39,650	33,700
02 Travel	336	1,000	700
04 Communication services		300	200
06 Printing and reproduction			100
08 Supplies		250	200
15 Taxes and assessments		200	100
Total obligations	40,846	41,500	35,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF INFORMATION			
Total number of permanent positions	8	8	7
Average number of all employees	2	6	5
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,205	\$5,250	\$5,250
Average grade	GS-8.0	GS-7.6	GS-7.6
01 Personal services:			
Permanent positions	\$6,417	\$32,492	\$29,538
Regular pay in excess of 52-week base		78	62
Total personal services	6,417	32,570	29,600
03 Transportation of things	453	500	500
04 Communication services	5	100	100
06 Printing and reproduction	44	14,000	12,000
07 Other contractual services: Services performed by other agencies	2,220	10,000	7,000
08 Supplies and materials	136	700	700
15 Taxes and assessments	22	130	100
Total obligations	9,297	58,000	50,000
ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions	4	4	3
Full-time equivalent of all other positions	1	2	2
Average number of all employees	3	6	5
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,750	\$7,906	\$6,305
Average grade	GS-9.2	GS-11.2	GS-9.0
01 Personal services:			
Permanent positions	\$11,534	\$27,000	\$18,915
Part-time and temporary positions	5,396	13,000	13,000
Regular pay in excess of 52-week base		75	75
Payment above basic rates	157		
Total personal services	17,087	40,075	31,990
02 Travel	4,360	15,700	9,800
04 Communication services	147	325	310
06 Printing and reproduction	822	5,000	7,500
07 Other contractual services: Services performed by other agencies	11		
08 Supplies and materials	64	400	400
09 Equipment	245		
15 Taxes and assessments	116		
Total obligations	22,852	61,500	50,000
SUMMARY			
Total number of permanent positions	326	556	455
Full-time equivalent of all other positions	6	7	7
Average number of all employees	332	539	437
01 Personal services:			
Permanent positions	\$1,717,828	\$3,112,003	\$2,530,556
Part-time and temporary positions	21,089	27,024	27,835
Regular pay in excess of 52-week base		11,328	9,224
Payment above basic rates	1,109		
Total personal services	1,740,026	3,150,355	2,567,615
02 Travel	68,519	84,420	76,330
03 Transportation of things	3,448	6,753	6,000
04 Communication services	25,383	35,625	30,400
05 Rents and utility services	2,312	6,228	5,200
06 Printing and reproduction	21,337	50,840	47,000
07 Other contractual services:			
Transferred to—			
“Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture”	2,021,417		
“Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938, Agriculture”	594,883	120,000	215,000
Services performed by other agencies:			
Other	7,897	15,020	8,125
08 Supplies and materials	29,567	26,980	20,100
09 Equipment	15,999	19,283	17,145
13 Refunds, awards, and indemnities	36,589	5,275	3,200
15 Taxes and assessments	15	1	
Total obligations	4,569,466	3,525,000	3,000,000
ANALYSIS OF EXPENDITURES			
	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$269,528
Obligations incurred during the year		\$3,525,000	3,000,000
		3,525,000	3,269,528

ANALYSIS OF EXPENDITURES—continued

	1951 actual	1952 estimate	1953 estimate
Deduct:			
Reimbursable obligations.....		\$2,025,000	
Unliquidated obligations, end of year.....		269,528	\$218,430
Total expenditures.....		1,230,472	3,051,098
Expenditures are distributed as follows:			
Out of current authorizations.....		1,230,472	2,781,570
Out of prior authorizations.....			269,528

DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES

Salaries and Expenses, Defense Production Activities, Commerce—

For expenses [except as hereinafter provided for,] necessary to enable the Department of Commerce to carry out its functions under the Defense Production Act of 1950, as amended, including [purchase (not to exceed one) and] hire of passenger motor vehicles; employment of aliens; [and] expenses of attendance at meetings concerned with the purposes of this appropriation; [\$39,737,500] and reimbursement of General Services Administration for security guard services; \$35,000,000. (Supplemental Appropriation Act, 1952.)

Appropriated 1952,^a \$41,837,500 Estimate 1953, \$35,000,000
Appropriated (adjusted) 1952,^a \$41,654,960

^a Includes \$2,100,000 appropriated in the Third Supplemental Appropriation Act, 1952.

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate.....		\$41,837,500	\$35,000,000
Transferred pursuant to Public Law 253 from—			
“Export control, Bureau of Foreign and Domestic Commerce”.....		110,000	
“Maintenance and operation of public airports, Territory of Alaska, Civil Aeronautics Administration”.....		60,000	
“Salaries and expenses, Bureau of the Census”.....		17,000	
“Salaries and expenses, maritime activities”.....		380,610	
Transferred to—			
“Salaries and expenses, Defense Production Administration,” pursuant to Public Law 253.....		—700,000	
“Salaries and expenses, Small Defense Plants Administration,” pursuant to Public Law 774, amended.....		—50,150	
Adjusted appropriation or estimate.....		41,654,960	35,000,000
Reimbursements from other accounts.....		25,000	
Total available for obligation.....		41,679,960	35,000,000
Unobligated balance, estimated savings.....		—1,880,960	
Obligations incurred.....		39,799,000	35,000,000
Comparative transfer from “Expenses of defense production, Executive Office of the President”.....	\$15,354,558		
Total obligations.....	15,354,558	39,799,000	35,000,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. National Production Authority.....	\$11,989,623	\$30,411,000	\$26,900,000
2. Office of Field Service.....	2,869,861	8,350,000	7,150,000
3. Office of the Secretary.....	284,510	478,000	374,000
4. Industry Evaluation Board.....	32,660	172,000	231,000
5. Office of International Trade.....	160,996	214,000	185,000
6. Office of Transportation.....	16,908	120,000	100,000
7. Office of Industry and Commerce.....		39,000	60,000
8. Office of Business Economics.....		15,000	
Total obligations.....	15,354,558	39,799,000	35,000,000

PROGRAM AND PERFORMANCE

Defense production activities are undertaken by a number of separate agencies within the Department of Commerce. Because a relaxation of production controls is anticipated during fiscal year 1953, the amounts esti-

mated are less than the amounts required during the current fiscal year.

1. *National Production Authority.*—The Authority (a) determines priorities and allocations and requisitions materials and products to assure that military needs are met and that the remaining supplies are distributed equitably, and (b) develops measures for the expansion of production for national defense.

2. *Office of Field Service.*—The field offices of the Department administer the various programs of the National Production Authority at the local level.

3. *Office of the Secretary.*—The Office provides printing, distribution, and auxiliary services for the National Production Authority.

4. *Industry Evaluation Board.*—The Board screens industrial resources, identifying the critical facilities upon which defense mobilization, war production, and essential civilian economy depend. The Board reports its findings to appropriate Government agencies for use in plans, programs, and actions for greater security of the production base, physical plant protection, and the conservation of funds, manpower, equipment, and other essential resources.

5. *Office of International Trade.*—The Office determines the material requirements of those countries not assisted by the Mutual Security Agency and presents these requirements to the Defense Production Administration.

6. *Office of Transportation.*—The Office exercises priorities and allocations functions for air and sea transportation delegated to the Secretary and participates in mobilization planning in the field of transportation in cooperation with other Government agencies.

7. *Office of Industry and Commerce.*—The Office participates in the Federal industrial dispersion program by providing advice and guidance to local communities in analyzing industrial potential within the framework of military security requirements and economic considerations.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY			
Total number of permanent positions.....	4,186	4,926	4,203
Full-time equivalent of all other positions.....	21	31	20
Average number of all employees.....	1,344	4,534	3,890
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,799	\$5,433	\$5,467
Average grade.....	GS-7.6	GS-7.9	GS-8.0
01 Personal services:			
Permanent positions.....	\$6,384,802	\$23,991,000	\$21,350,000
Part-time and temporary positions.....	194,614	310,000	200,000
Regular pay in excess of 52-week base.....		88,000	69,000
Payment above basic rates.....	131,815	218,000	181,000
Payments to other agencies for reimbursable details.....	23,939	15,000	
Total personal services.....	6,735,170	24,622,000	21,800,000
02 Travel.....	419,600	990,000	1,033,000
03 Transportation of things.....	6,981	5,000	5,000
04 Communication services.....	276,294	750,000	696,000
05 Rents and utility services.....	14,249	62,000	63,000
06 Printing and reproduction.....	712,418	948,000	767,000
07 Other contractual services.....	244,229	343,000	252,000
Services performed by other agencies.....	922,000	2,141,000	1,950,000
08 Supplies and materials.....	450,909		175,000
09 Equipment.....	2,172,929	204,000	30,000
13 Refunds, awards, and indemnities.....	162	1,000	
15 Taxes and assessments.....	34,682	130,000	129,000
Total obligations.....	11,989,623	30,411,000	26,900,000

ALLOTMENT TO OFFICE OF FIELD SERVICE			
Total number of permanent positions.....	1,340	1,600	1,360
Full-time equivalent of all other positions.....		1	2
Average number of all employees.....	399	1,422	1,179

DEPARTMENT OF COMMERCE—Continued

OFFICE OF THE SECRETARY—Continued

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES—CON.

Salaries and Expenses, Defense Production Activities, Commerce—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF FIELD SERVICE—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,353	\$5,152	\$5,245
Average grade.....	GS-7.3	GS-8.0	GS-8.0
01 Personal services:			
Permanent positions.....	\$1,715,247	\$7,081,000	\$5,996,200
Part-time and temporary positions.....		15,000	30,000
Regular pay in excess of 52-week base.....		27,200	25,000
Payment above basic rates.....		18,800	18,800
Total personal services.....	1,715,247	7,142,000	6,068,000
02 Travel.....	270,426	500,000	465,000
03 Transportation of things.....	10,516	30,000	28,000
04 Communication services.....	207,846	442,000	400,000
05 Rents and utility services.....	2,669	1,000	1,000
06 Printing and reproduction.....	11,533	20,000	15,000
07 Other contractual services.....	17,866	35,000	30,000
08 Supplies and materials.....	97,277	90,000	80,000
09 Equipment.....	519,347	30,000	8,000
15 Taxes and assessments.....	17,134	60,000	55,000
Total obligations.....	2,869,861	8,350,000	7,150,000
ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions.....	190	143	120
Average number of all employees.....	87	119	92
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,109	\$3,768	\$3,912
Average grade.....	GS-4.2	GS-5.1	GS-5.3
Crafts, protective, and custodial grades:			
Average salary.....	\$2,313	\$2,774	\$2,854
Average grade.....	CPC-3.0	CPC-3.0	CPC-3.0
Ungraded positions:			
Average salary.....	\$2,342		
01 Personal services:			
Permanent positions.....	\$243,064	\$444,200	\$353,800
Part-time and temporary positions.....	100	1,000	2,000
Regular pay in excess of 52-week base.....		1,800	1,200
Payment above basic rates.....	14,323	6,000	5,000
Payments to other agencies for reimbursable details.....	614		
Total personal services.....	258,101	453,000	362,000
02 Travel.....	565	1,000	500
03 Transportation of things.....	152	50	
04 Communication services.....	706	750	500
06 Printing and reproduction.....	431	12,000	3,000
07 Other contractual services.....	4,461	3,700	1,500
08 Supplies and materials.....	1,292	4,500	4,000
09 Equipment.....	17,648	1,000	500
15 Taxes and assessments.....	1,154	2,000	2,000
Total obligations.....	284,510	478,000	374,000
ALLOTMENT TO INDUSTRY EVALUATION BOARD			
Total number of permanent positions.....	9	27	27
Full-time equivalent of all other positions.....		1	1
Average number of all employees.....	3	22	28
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$6,814	\$6,539	\$6,604
Average grade.....	GS-10.8	GS-9.5	GS-9.5
01 Personal services:			
Permanent positions.....	\$18,105	\$132,000	\$178,310
Part-time and temporary positions.....		6,560	12,000
Regular pay in excess of 52-week base.....		680	680
Payment above basic rates.....	10		
Payments to other agencies for reimbursable details.....		760	4,010
Total personal services.....	18,115	140,000	195,000
02 Travel.....	1,043	4,200	8,000
04 Communication services.....	347	3,000	3,700
06 Printing and reproduction.....	39	3,000	6,000
07 Other contractual services.....	260	500	500
Services performed by other agencies.....		14,600	9,900
08 Supplies and materials.....	493	2,800	4,300
09 Equipment.....	12,306	3,500	3,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO INDUSTRY EVALUATION BOARD—continued			
15 Taxes and assessments.....	\$57	\$400	\$600
Total obligations.....	32,660	172,000	231,000
ALLOTMENT TO OFFICE OF INTERNATIONAL TRADE			
Total number of permanent positions.....	63	45	45
Average number of all employees.....	29	43	37
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,355	\$4,707	\$4,817
Average grade.....	GS-6.8	GS-6.8	GS-6.8
01 Personal services:			
Permanent positions.....	\$124,702	\$200,665	\$174,872
Regular pay in excess of 52-week base.....		815	433
Payment above basic rates.....	53		
Total personal services.....	124,755	201,480	175,305
02 Travel.....		5,000	3,000
04 Communication services.....	903	3,000	2,500
06 Printing and reproduction.....	404	1,000	1,000
07 Other contractual services.....	241	1,000	1,000
Services performed by other agencies.....	337	600	600
08 Supplies and materials.....	679	1,470	1,295
09 Equipment.....	33,396	50	
15 Taxes and assessments.....	281	400	300
Total obligations.....	160,996	214,000	185,000
ALLOTMENT TO OFFICE OF TRANSPORTATION			
Total number of permanent positions.....	4	16	15
Full-time equivalent of other positions.....	1	2	2
Average number of all employees.....	1	14	12
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$6,163	\$6,308
Average grade.....		GS-9.6	GS-9.9
01 Personal services:			
Permanent positions.....	\$691	\$63,445	\$54,520
Part-time and temporary positions.....	4,953	19,225	20,280
Regular pay in excess of 52-week base.....		330	200
Total personal services.....	5,644	83,000	75,000
02 Travel.....	5,971	26,000	17,000
04 Communication services.....		1,300	1,000
06 Printing and reproduction.....		1,200	1,000
07 Other contractual services.....		2,000	2,000
08 Supplies and materials.....		4,100	3,000
09 Equipment.....	5,293	2,400	1,000
Total obligations.....	16,908	120,000	100,000
ALLOTMENT TO OFFICE OF INDUSTRY AND COMMERCE			
Total number of permanent positions.....		6	12
Full-time equivalent of all other positions.....		1	
Average number of all employees.....		4	7
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$6,632	\$5,515
Average grade.....		GS-10.2	GS-8.3
01 Personal services:			
Permanent positions.....		\$18,735	\$40,400
Part-time and temporary positions.....		4,425	3,880
Regular pay in excess of 52-week base.....		140	220
Total personal services.....		23,300	44,500
02 Travel.....		6,200	7,200
04 Communication services.....		200	300
06 Printing and reproduction.....		7,400	7,200
07 Other contractual services.....		400	200
08 Supplies and materials.....		700	600
09 Equipment.....		800	
Total obligations.....		39,000	60,000
ALLOTMENT TO OFFICE OF BUSINESS ECONOMICS			
06 Printing and reproduction.....		\$15,000	
SUMMARY			
Total number of permanent positions.....	5,792	6,740	5,782
Full-time equivalent of all other positions.....	22	36	25
Average number of all employees.....	1,863	6,131	5,245

OBLIGATIONS BY OBJECTS—continued *

Object classification	1951 actual	1952 estimate	1953 estimate
SUMMARY—continued			
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,741	\$5,335	\$5,386
Average grade	GS-7.4	GS-7.9	GS-8.0
Crafts, protective, and custodial grades:			
Average salary	\$2,313	\$2,774	\$2,854
Average grade	CPC-3.0	CPC-3.0	CPC-3.0
Ungraded positions:			
Average salary	\$2,342		
01 Personal services:			
Permanent positions	\$8,486,611	\$31,931,045	\$28,148,102
Part-time and temporary positions	199,667	356,210	268,160
Regular pay in excess of 52-week base		118,965	94,733
Payment above basic rates	146,201	242,800	204,800
Payment to other agencies for reimbursable details	24,553	15,760	4,010
Total personal services	8,857,032	32,664,780	28,719,805
02 Travel	697,605	1,532,400	1,533,700
03 Transportation of things	17,649	35,050	33,000
04 Communication services	486,096	1,200,250	1,104,000
05 Rents and utility services	16,918	63,000	64,000
06 Printing and reproduction	724,825	1,007,600	800,200
07 Other contractual services	267,057	385,600	287,200
Services performed by other agencies	922,337	2,156,200	1,960,500
08 Supplies and materials	550,650	318,570	268,195
09 Equipment	2,760,919	241,750	42,500
13 Refunds, awards, and indemnities	162	1,000	
15 Taxes and assessments	53,308	192,800	186,900
Total obligations	15,354,558	39,799,000	35,000,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$3,016,000
Obligations incurred during the year		\$39,799,000	35,000,000
		39,799,000	38,016,000
Deduct:			
Reimbursable obligations		25,000	
Unliquidated obligations, end of year		3,016,000	2,610,000
Total expenditures		36,758,000	35,406,000
Expenditures are distributed as follows:			
Out of current authorizations		36,758,000	32,434,000
Out of prior authorizations			2,972,000

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES

Salaries and Expenses, Defense Production Activities, Interior—

For expenses necessary to enable the Department of the Interior to carry out its functions under the Defense Production Act of 1950, as amended, including [purchase (not to exceed four) and] hire of passenger motor vehicles; employment of aliens; and expenses of attendance at meetings concerned with the purposes of this appropriation; [\$5,000,000] \$4,000,000. (*Defense Production Act, 1950; Supplemental Appropriation Act, 1952.*)

Appropriated 1952, * \$5,235,000 Estimate 1953, \$4,000,000
Appropriated (adjusted) 1952, \$5,039,900

* Includes \$235,000 appropriated in the Third Supplemental Appropriation Act, 1952.

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		\$5,235,000	\$4,000,000
Transferred to "Salaries and expenses, Defense Materials Procurement Agency," pursuant to Executive Order 10281		—400,000	
Transferred from—			
"Construction and rehabilitation, Bureau of Reclamation," pursuant to Public Law No. 253		150,000	
"General administrative expenses, Fish and Wildlife Service," pursuant to Public Law No. 253		2,500	
"Management of resources, Fish and Wildlife Service," pursuant to Public Law No. 253		8,400	
"Conservation and development of mineral resources, Bureau of Mines," pursuant to Public Law No. 253		44,000	
Adjusted appropriation or estimate (obligations incurred)		5,039,900	4,000,000

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1951 actual	1952 estimate	1953 estimate
Comparative transfer from "Expenses of defense production, Executive Office of the President, 1951"	\$2,950,346		
Comparative transfer to "Salaries and expenses, Defense Materials Procurement Agency"		—\$219,000	
Total obligations	2,950,346	4,820,900	\$4,000,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Office of the Secretary, Defense Production Staff	\$177,356	\$232,200	\$189,000
2. Defense Solid Fuels Administration	320,022	448,400	430,000
3. Defense Electric Power Administration	422,242	996,600	954,000
4. Defense Minerals Exploration Administration	952,826	690,200	
5. Defense Fisheries Administration	92,750	116,400	112,000
6. Petroleum Administration for Defense	985,120	2,337,100	2,315,000
Total obligations	2,950,346	4,820,900	4,000,000

PROGRAM AND PERFORMANCE

The Department is responsible for the defense production programs with respect to solid fuels, electric power, fish products, petroleum, and gas and for encouraging the exploration of critical minerals.

1. *Office of the Secretary, Defense Production Staff.*—Staff support is provided the Secretary in directing and coordinating the defense activities of the Department and in maintaining close working relationships with other agencies concerned with the defense program.

2. *Defense Solid Fuels Administration.*—Programs are developed and executed for the production, distribution, and use of all forms of coal and coke made from coal, the production of coal chemicals, and the distribution of petroleum coal, including assistance in obtaining supplies, construction materials, equipment, transportation facilities, and manpower and in increasing production through financial aid. Areas of major current concern are those relating to providing materials for the construction, operation, and maintenance of productive facilities; providing adequate facilities for the transportation of solid fuels to consuming areas; and increases in productive facilities for metallurgical coal and coke-producing facilities to meet the demands of the steel expansion program.

3. *Defense Electric Power Administration.*—Provision is made for the coordination of the electric power industry's program of expansion so that it will adequately support the defense effort, including assistance in meeting the industry's needs for scarce materials, equipment, and financial aid.

4. *Defense Minerals Exploration Administration.*—On the basis of general policy and program directives from the Defense Materials Procurement Agency, this Administration stimulates the production of critical metals needed for national defense through loans for the exploration of possible domestic sources of ores. In 1953, the administrative expenses of this Administration will be met from the borrowing authority provided under the Defense Production Act. This will provide a consistent pattern for financing the administrative expenses of all agencies carrying on programs under sections 302 and 303 of the Defense Production Act.

5. *Defense Fisheries Administration.*—Support is given to maintaining or increasing the supply of fishery products to meet military and civilian requirements by (a) aiding in the obtaining of supplies and materials required by the fishery industry; (b) encouraging, and advising in connec-

DEPARTMENT OF THE INTERIOR—Continued

OFFICE OF THE SECRETARY—Continued

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES—CON.

Salaries and Expenses, Defense Production Activities, Interior—Continued

tion with, the expanding of production where appropriate; and (c) advising, and recommending to, other defense agencies in connection with problems of manpower, pricing, financing, and distribution.

6. *Petroleum Administration for Defense*.—Provision is made for the mobilization of the domestic oil industry and the American oil industry operating abroad, the oil industry of friendly foreign nations, and the domestic gas industry to insure adequate development, distribution, and utilization of resources and facilities to meet civilian and military requirements. Over-all policies on production and distribution of petroleum, petroleum products, and gas are developed, established, and administered through limitation orders or other devices as necessary. Representation is given to the needs of the petroleum and gas industries, and allocations of scarce materials and products are made to those industries. Coordination is provided between the oil and gas industries and other Government agencies.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE PRODUCTION STAFF			
Total number of permanent positions.....	47	52	27
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	18	34	25
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,600	\$6,703	\$7,613
Average grade.....	GS-8.8	GS-9.8	GS-10.9
01 Personal services:			
Permanent positions.....	\$91,039	\$207,500	\$171,400
Part-time and temporary positions.....	5,000	5,100	5,000
Regular pay in excess of 52-week base.....		900	700
Payment above basic rates.....	2,000	1,000	800
Total personal services.....	98,039	214,500	177,900
02 Travel.....	9,125	1,000	1,000
04 Communication services.....	2,401	2,500	2,000
06 Printing and reproduction.....	2,235	2,500	1,500
07 Other contractual services.....	32,243	5,500	3,500
08 Supplies and materials.....	1,743	2,500	1,500
09 Equipment.....	31,270	3,000	1,000
15 Taxes and assessments.....	300	700	600
Total obligations.....	177,356	232,200	189,000
ALLOTMENT TO DEFENSE SOLID FUELS ADMINISTRATION			
Total number of permanent positions.....	49	48	55
Full-time equivalent of all other positions.....	3	1	1
Average number of all employees.....	25	49	48
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,979	\$6,446	\$6,460
Average grade.....	GS-9.1	GS-9.0	GS-9.0
01 Personal services:			
Permanent positions.....	\$126,167	\$299,200	\$299,300
Part-time and temporary positions.....	7,700	8,300	5,000
Regular pay in excess of 52-week base.....		1,200	1,200
Payment above basic rates.....	1,200	1,500	1,300
Payments to other agencies for reimbursable details.....	2,840		
Total personal services.....	137,907	310,200	306,800
02 Travel.....	36,228	28,000	20,000
03 Transportation of things.....	1,100		
04 Communication services.....	3,013	7,000	7,000
06 Printing and reproduction.....	2,857	7,000	6,000
07 Other contractual services.....		12,000	7,000
Services performed by other agencies.....	92,338	75,000	75,000
08 Supplies and materials.....	3,473	5,000	5,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE SOLID FUELS ADMINISTRATION—continued			
09 Equipment.....	\$42,506	\$3,000	\$2,000
15 Taxes and assessments.....	600	1,200	1,200
Total obligations.....	320,022	448,400	430,000
ALLOTMENT TO DEFENSE ELECTRIC POWER ADMINISTRATION			
Total number of permanent positions.....	110	147	139
Full-time equivalent of all other positions.....	2	2	2
Average number of all employees.....	47	120	120
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,998	\$5,636	\$5,495
Average grade.....	GS-7.8	GS-8.1	GS-7.8
01 Personal services:			
Permanent positions.....	\$222,494	\$659,400	\$662,500
Part-time and temporary positions.....	14,956	11,900	11,600
Regular pay in excess of 52-week base.....		2,800	3,000
Payment above basic rates.....	4,543	5,100	1,000
Payments to other agencies for reimbursable details.....	440	1,100	1,000
Total personal services.....	242,433	680,300	679,000
02 Travel.....	69,843	187,300	187,000
03 Transportation of things.....	4,109	1,300	500
04 Communication services.....	16,555	49,700	42,000
05 Rents and utility services.....		100	
06 Printing and reproduction.....	13,696	19,600	15,000
07 Other contractual services.....	1,535	6,500	5,000
Services performed by other agencies.....	10,268	9,600	7,500
08 Supplies and materials.....	12,694	18,900	15,000
09 Equipment.....	51,109	23,300	3,000
Total obligations.....	422,242	996,600	954,000
ALLOTMENT TO DEFENSE MINERALS EXPLORATION ADMINISTRATION			
Total number of permanent positions.....	113	65	
Full-time equivalent of all other positions.....	3	1	
Average number of all employees.....	43	54	
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,678	\$6,343	
Average grade.....	GS-8.9	GS-9.4	
01 Personal services:			
Permanent positions.....	\$225,696	\$326,600	
Part-time and temporary positions.....	15,000	8,000	
Regular pay in excess of 52-week base.....		1,300	
Payment above basic rates.....		700	
Total personal services.....	240,696	336,600	
02 Travel.....	18,531	8,000	
03 Transportation of things.....	7,659	600	
04 Communication services.....	3,808	8,000	
05 Rents and utility services.....		200	
06 Printing and reproduction.....	13,790	4,500	
07 Other contractual services.....	5,222	10,000	
Services performed by other agencies.....	584,647	312,000	
08 Supplies and materials.....	7,835	3,000	
09 Equipment.....	68,672	5,000	
15 Taxes and assessments.....	1,966	2,300	
Total obligations.....	952,826	690,200	
ALLOTMENT TO DEFENSE FISHERIES ADMINISTRATION			
Total number of permanent positions.....	28	26	15
Average number of all employees.....	7	15	15
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,797	\$6,138	\$5,655
Average grade.....	GS-9.7	GS-9.1	GS-8.1
Ungraded positions: Average salary.....		\$4,400	\$7,500
01 Personal services:			
Permanent positions.....	\$49,947	94,387	84,053
Part-time and temporary positions.....		3,900	7,500
Regular pay in excess of 52-week base.....		243	221
Payment above basic rates.....	88		
Total personal services.....	50,035	98,530	91,774
02 Travel.....	5,859	7,096	9,780
03 Transportation of things.....	555	1,845	300
04 Communication services.....	2,520	3,717	4,866
05 Rents and utility services.....	883	1,041	
06 Printing and reproduction.....	900	889	1,300

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE FISHERIES ADMINISTRATION—continued			
07 Other contractual services	\$5,625	\$1,801	\$1,500
08 Supplies and materials	5,270	869	1,300
09 Equipment	20,880	450	1,100
15 Taxes and assessments	253	162	80
Total obligations	92,780	116,400	112,000
ALLOTMENT TO PETROLEUM ADMINISTRATION FOR DEFENSE			
Total number of permanent positions	237	315	315
Full-time equivalent of all other positions	3	8	3
Average number of all employees	85	284	300
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,756	\$6,225	\$6,379
Average grade	GS-9.3	GS-9.2	GS-9.5
01 Personal services:			
Permanent positions	\$467,698	\$1,769,000	\$1,860,000
Part-time and temporary positions	6,120	44,000	20,000
Regular pay in excess of 52-week base		7,500	7,500
Payment above basic rates	12,983	45,000	26,500
Payment to other agencies for reimbursable details	17,108		
Total personal services	503,909	1,865,500	1,914,000
02 Travel	69,696	133,500	100,000
03 Transportation of things	782	1,300	2,000
04 Communication services	26,721	52,000	60,000
05 Rents and utility services	1,351	300	1,000
06 Printing and reproduction	23,791	75,000	80,000
07 Other contractual services	72,025	36,000	40,000
Services performed by other agencies	98,500	98,000	33,000
08 Supplies and materials	25,300	27,000	55,000
09 Equipment	159,673	35,200	15,000
15 Taxes and assessments	3,372	13,300	15,000
Total obligations	985,120	2,337,100	2,315,000

SUMMARY

Total number of permanent positions	584	653	551
Full-time equivalent of all other positions	12	13	7
Average number of all employees	225	556	508
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,660	\$6,103	\$6,120
Average grade	GS-8.9	GS-8.9	GS-9
01 Personal services:			
Permanent positions	\$1,183,041	\$3,356,087	\$3,077,253
Part-time and temporary positions	48,776	81,200	49,000
Regular pay in excess of 52-week base		14,743	12,621
Payment above basic rates	20,814	52,500	29,600
Payments to other agencies for reimbursable details	20,388	1,100	1,000
Total personal services	1,273,019	3,505,630	3,169,474
02 Travel	209,282	364,896	317,780
03 Transportation of things	14,205	5,045	2,800
04 Communication services	55,018	122,917	115,866
05 Rents and utility services	2,234	1,641	1,000
06 Printing and reproduction	57,269	109,489	103,800
07 Other contractual services	116,650	71,801	57,000
Services performed by other agencies	785,753	494,600	115,500
08 Supplies and materials	56,315	57,269	77,800
09 Equipment	374,110	69,950	22,100
15 Taxes and assessments	6,491	17,662	16,880
Total obligations	2,950,346	4,820,900	4,000,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$539,900
Obligations incurred during the year		\$5,039,900	4,000,000
Total		5,039,900	4,539,900
Deduct unliquidated obligations, end of year		539,900	339,900
Total expenditures		4,500,000	4,200,000
Expenditures are distributed as follows:			
Out of current authorizations		4,500,000	3,660,100
Out of prior authorizations			539,900

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES

Salaries and Expenses, Defense Production Activities, Justice—

For expenses necessary to enable the Department of Justice to carry out its functions under the Defense Production Act of 1950, as amended, including expenses of attendance at meetings concerned with the purposes of this appropriation, **[\$100,000]** \$215,000. (Supplemental Appropriation Act, 1952.)

Appropriated 1952, **\$100,000**Estimate 1953, **\$215,000**

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate (obligations incurred)		\$100,000	\$215,000
Comparative transfer from "Expenses of defense production, Executive Office of the President"	\$13,337		
Total obligations	13,337	100,000	215,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Criminal matters	\$6,298	\$28,070	\$73,000
2. Claims and general civil matters	7,039	44,030	92,000
3. United States attorneys		27,900	50,000
Total obligations	13,337	100,000	215,000

PROGRAM AND PERFORMANCE

The Claims and Criminal Divisions and the United States Attorneys' offices will supervise litigation arising under the Defense Production Act of 1950.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	10	48	38
Average number of all employees	2	17	33
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,740	\$5,638	\$5,769
Average grade	GS-9.6	GS-8.8	GS-8.8
Crafts, protective, and custodial grades:			
Average salary		\$2,552	\$2,632
Average grade		CPC-3.0	CPC-3.0
01 Personal services:			
Permanent positions	\$13,307	\$97,330	\$183,605
Regular pay in excess of 52-week base		370	745
Total personal services	13,307	97,700	184,350
02 Travel		2,000	8,450
04 Communication services		300	860
06 Printing and reproduction			1,500
07 Other contractual services			1,150
08 Supplies and materials			825
09 Equipment			16,215
15 Taxes and assessments	30		1,650
Total obligations	13,337	100,000	215,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year			\$10,000
Obligations incurred during the year		\$100,000	215,000
Total		100,000	225,000
Deduct unliquidated obligations, end of year		10,000	25,000
Total expenditures		90,000	200,000
Expenditures are distributed as follows:			
Out of current authorizations		90,000	190,000
Out of prior authorizations			10,000

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES, DEFENSE PRODUCTION ACTIVITIES

Salaries and Expenses, Defense Production Activities, Labor—

For expenses necessary to enable the Department of Labor to carry out its functions under the Defense Production Act of 1950, as amended, including expenses of attendance at meetings concerned with the purpose of this appropriation, **[\$2,000,000] \$2,100,000.** (Supplemental Appropriation Act, 1952.)

Appropriated 1952, **\$2,117,000** Estimate 1953, **\$2,100,000**
Appropriated (adjusted) 1952, **\$2,129,600**

* Includes \$117,000 appropriated in the Third Supplemental Appropriation Act, 1952.

AMOUNTS AVAILABLE FOR OBLIGATION

	1951 actual	1952 estimate	1953 estimate
Appropriation or estimate		\$2,117,000	\$2,100,000
Transferred from "Salaries and expenses, Wage and Hour Division," pursuant to Public Law 134		12,600	
Adjusted appropriation or estimate (obligations incurred)		2,129,600	2,100,000
Comparative transfer from "Expenses of defense production, Executive Office of the President"	\$842,972		
Total obligations	842,972	2,129,600	2,100,000

OBLIGATIONS BY ACTIVITIES

Description	1951 actual	1952 estimate	1953 estimate
1. Office of the Secretary	\$104,806	\$163,000	\$148,000
2. Defense Manpower Administration	92,077	185,000	218,000
3. Bureau of Labor Standards	30,736	191,600	214,000
4. Bureau of Apprenticeship	409,373	817,000	584,000
5. Bureau of Employment Security	182,122	639,000	755,000
6. Bureau of Labor Statistics	23,858	134,000	181,000
Total obligations	842,972	2,129,600	2,100,000

PROGRAM AND PERFORMANCE

The Department has responsibility for meeting most effectively the labor needs of defense industry and essential civilian employment under the defense program.

1. *Office of the Secretary.*—Staff services are rendered to national manpower committees, including analysis of recommendations.

2. *Defense Manpower Administration.*—Direction is furnished in the development of plans, policies, and programs for meeting defense manpower requirements, and continuous appraisal is made of all factors that bear on the manpower program. In addition, coordination is given to the operation of approved programs.

3. *Bureau of Labor Standards.*—To conserve manpower through industrial accident prevention, special safety programs keyed to high hazard defense operations are in progress; and safety training courses are being conducted for engineers, supervisors, workers, and Federal agencies.

4. *Bureau of Apprenticeship.*—To meet the needs for industrial skills in the defense production program, training service is provided to defense industry.

5. *Bureau of Employment Security.*—Increased emphasis is placed on adjusting employment service procedures to defense manpower requirements; expanding the program for the collection and interpretation of labor market information for all defense manpower usages; emphasis on industrial services to employers connected with defense production to assure the most productive use of manpower; and more frequent contact with State employment service affiliates for training and guidance in promoting the most effective use of manpower in labor shortage areas and in methods of alleviating problems in labor surplus areas.

6. *Bureau of Labor Statistics.*—To provide data on manpower needs of the defense program, projections of labor requirements are prepared for munitions and defense-supporting industries and for key occupations; employment, hours, and capacity utilization of the critical metal-working industries are analyzed at the request of the National Production Authority; and data are developed through the Bureau of the Census regarding the working-age population essential to manpower analysis.

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions	29	37	34
Average number of all employees	16	35	33
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,214	\$4,692	\$4,664
Average grade	GS-6.4	GS-6.5	GS-6.5
01 Personal services:			
Permanent positions	\$65,410	\$141,252	\$132,819
Regular pay in excess of 52-week base		578	521
Payment above basic rates	2,383	3,400	3,000
Total personal services	67,793	145,230	136,340
02 Travel	4,107	8,000	8,000
03 Transportation of things	281	1,360	
04 Communication services	75	600	600
06 Printing and reproduction	462	600	600
07 Other contractual services	6,084	1,000	1,000
08 Supplies and materials	1,057	700	700
09 Equipment	24,631	4,750	
15 Taxes and assessments	316	760	760
Total obligations	104,806	163,000	148,000

ALLOTMENT TO DEFENSE MANPOWER ADMINISTRATION			
Total number of permanent positions	13	17	21
Full-time equivalent of all other positions	2	2	2
Average number of all employees	7	18	22
Average salaries and grades:			
General schedule grades:			
Average salary	\$7,517	\$7,783	\$7,697
Average grade	GS-10.6	GS-11.0	GS-10.3
01 Personal services:			
Permanent positions	\$37,385	\$108,755	\$155,300
W. A. E. employment	6,673	18,935	8,100
Regular pay in excess of 52-week base		430	600
Payment above basic rates	350	1,605	1,000
Total personal services	44,408	129,725	165,000
02 Travel	11,648	19,000	13,800
03 Transportation of things	53	25	50
04 Communication services	1,351	2,500	2,400
06 Printing and reproduction	5,688	6,000	2,000
07 Other contractual services	252	500	250
Services performed by other agencies	11,194	22,000	32,000
08 Supplies and materials	2,553	2,900	1,800
09 Equipment	14,622	1,750	200
15 Taxes and assessments	308	600	500
Total obligations	92,077	185,000	218,000

ALLOTMENT TO BUREAU OF LABOR STANDARDS			
Total number of permanent positions	27	27	27
Average number of all employees	4	21	26
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,329	\$5,962	\$5,962
Average grade	GS-9.6	GS-9.6	GS-9.6
01 Personal services:			
Permanent positions	\$20,089	\$122,592	\$153,592
Regular pay in excess of 52-week base		608	608
Total personal services	20,089	123,200	154,200
02 Travel	1,204	17,300	18,000
03 Transportation of things		500	700
04 Communication services		750	1,000
06 Printing and reproduction		31,000	26,000
07 Other contractual services		16,000	11,000
08 Supplies and materials		2,000	2,000
09 Equipment	9,234		
15 Taxes and assessments	209	850	1,100
Total obligations	30,736	191,600	214,000

BUDGET FOR DEFENSE PRODUCTION ACTIVITIES

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OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO BUREAU OF APPRENTICESHIP			
Total number of permanent positions.....	166	157	106
Average number of permanent positions.....	60	150	101
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,602	\$4,738	\$5,098
Average grade.....	GS-5.7	GS-7.4	GS-7.9
01 Personal services:			
Permanent positions.....	\$257,266	\$710,750	\$514,600
Regular pay in excess of 52-week base.....		2,750	2,000
Payment above basic rates.....		500	400
Total personal services.....	257,266	714,000	517,000
02 Travel.....	35,049	60,500	46,000
03 Transportation of things.....	1,823	2,500	1,500
04 Communication services.....	6,390	8,000	6,000
05 Rents and utility services.....	19,107	10,000	
06 Printing and reproduction.....		3,500	2,000
07 Other contractual services.....	1,023	4,000	2,000
08 Supplies and materials.....	9,048	6,000	4,000
09 Equipment.....	77,287	2,500	1,000
15 Taxes and assessments.....	2,380	6,000	4,500
Total obligations.....	409,373	817,000	584,000

ALLOTMENT TO BUREAU OF EMPLOYMENT SECURITY			
Total number of permanent positions.....	191	112	119
Average number of all employees.....	23	97	114
Average salary and grades:			
General schedule grades:			
Average salary.....	\$5,479	\$5,903	\$5,918
Average grade.....	GS-9.2	GS-8.7	GS-8.7
01 Personal services:			
Permanent positions.....	\$127,318	\$566,505	\$669,916
Regular pay in excess of 52-week base.....		2,530	2,694
Total personal services.....	\$127,318	\$569,035	\$672,610
02 Travel.....	6,460	48,078	53,000
03 Transportation of things.....	55	1,547	1,000
04 Communication services.....	3,000	8,625	8,625
05 Rents and utility services.....		10	300
06 Printing and reproduction.....		6,213	13,500
08 Supplies and materials.....		1,862	1,862
09 Equipment.....	45,219	3,270	2,800
15 Taxes and assessments.....	70	360	1,303
Total obligations.....	182,122	639,000	755,000

ALLOTMENT TO BUREAU OF LABOR STATISTICS			
Total number of permanent positions.....	53	37	41
Average number of all employees.....	3	28	39
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,147	\$4,092	\$4,204
Average grade.....	GS-7.3	GS-5.8	GS-6.3
01 Personal services:			
Permanent positions.....	\$14,763	\$115,495	\$165,451
Part-time and temporary positions.....		135	1,136

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO BUREAU OF LABOR STATISTICS—continued			
01 Personal services—Continued			
Regular pay in excess of 52-week base.....		\$433	\$635
Total personal services.....	\$14,763	116,063	167,222
02 Travel.....	613	3,380	2,913
03 Transportation of things.....			343
04 Communication services.....		1,340	2,201
05 Rents and utility services.....		777	1,500
06 Printing and reproduction.....	1,615	154	1,050
08 Supplies and materials.....		2,178	3,262
09 Equipment.....	6,846	0,961	
15 Taxes and assessments.....	21	147	2,509
Total obligations.....	23,858	134,000	181,000

SUMMARY			
Total number of permanent positions.....	479	387	348
Full-time equivalent of all other positions.....	2	2	2
Average number of all employees.....	113	349	335
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,685	\$5,237	\$5,473
Average grade.....	GS-7.7	GS-7.9	GS-8.2
01 Personal services:			
Permanent positions.....	\$522,231	\$1,765,349	\$1,791,678
Part-time and temporary positions.....	6,673	19,070	9,236
Regular pay in excess of 52-week base.....		7,329	7,058
Payment above basic rates.....	2,733	5,505	4,400
Total personal services.....	531,637	1,797,253	1,812,372
02 Travel.....	59,081	156,258	141,713
03 Transportation of things.....	2,212	5,932	3,593
04 Communication services.....	10,816	21,815	20,826
05 Rents and utility services.....	19,107	10,787	1,800
06 Printing and reproduction.....	7,765	47,467	45,150
07 Other contractual services.....	7,359	21,500	14,250
Services performed by other agencies.....	11,194	22,000	32,000
08 Supplies and materials.....	12,658	15,640	13,624
09 Equipment.....	177,839	22,231	4,000
15 Taxes and assessments.....	3,304	8,717	10,672
Total obligations.....	842,972	2,129,600	2,100,000

ANALYSIS OF EXPENDITURES

	1951 actual	1952 estimate	1953 estimate
Unliquidated obligations, start of year.....			\$122,000
Obligations incurred during the year.....		\$2,129,600	2,100,000
		2,129,600	2,222,000
Deduct unliquidated obligations, end of year.....		122,000	154,000
Total expenditures.....		2,007,600	2,068,000
Expenditures are distributed as follows:			
Out of current authorizations.....		2,007,600	1,946,000
Out of prior authorizations.....			122,000

APPENDIX
TO THE
BUDGET FOR DEFENSE PRODUCTION ACTIVITIES
FOR THE FISCAL YEAR 1953

OBLIGATIONS BY OBJECTS
AND
DETAIL OF PERSONAL SERVICES

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF DEFENSE MOBILIZATION

Salaries and Expenses, Office of Defense Mobilization—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....	112	199	148
Full-time equivalent of all other positions.....	6	7	10
Average number of all employees.....	GS-33	GS-149	GS-144
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,874	\$6,560	\$6,808
Average grade.....	GS-9.3	GS-9.5	GS-9.8
Crafts, protective, and custodial grades:			
Average salary.....		\$2,587	\$2,653
Average grade.....		CPC-3.2	OPC-3.5
01 Personal services:			
Permanent positions.....	\$142,858	\$871,830	\$882,088
Part-time and temporary positions.....	34,840	86,260	120,000
Regular pay in excess of 52-week base.....		3,530	4,100
Payment above basic rates.....	4,837	14,040	10,000
Payments to other agencies for reimbursable details.....	8,540	32,000	44,400
Total personal services.....	191,075	1,007,660	1,060,588
02 Travel.....	39,420	125,000	103,067
03 Transportation of things.....	31	390	500
04 Communication services.....	8,056	29,600	30,615
05 Rents and utility services.....	229	1,060	3,000
06 Printing and reproduction.....	32,407	86,000	108,500
07 Other contractual services.....	675	30,565	23,000
Services performed by other agencies.....	13,311	39,600	212,125
08 Supplies and materials.....	9,448	31,000	27,605
09 Equipment.....	69,216	48,800	10,000
15 Taxes and assessments.....	355	2,000	2,000
Unvouchered.....		5,000	5,000
Total obligations.....	364,223	1,406,675	1,586,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Departmental:						
Positions in excess of \$14,800:						
Director.....	1	\$22, 500	1	\$22, 500	1	\$22, 500
General schedule grades:						
Grade 18. Range \$14,800:						
General counsel.....	1	14, 000	1	14, 800	1	14, 800
Assistant to director, economic ad- viser.....	1	14, 000	1	14, 800	1	14, 800
Assistant to director, programs.....	1	14, 000	1	14, 800	1	14, 800
Assistant to director, public infor- mation.....	1	14, 000	1	14, 800	1	14, 800
Assistant to director, senior staff assistant.....			1	14, 800	1	14, 800
Assistant to director, manpower.....					1	14, 800
Grade 17. Range \$13,000 to \$13,800:						
Senior staff assistant, NSC.....	1	12, 200				
Deputy general counsel.....	1	12, 200	1	13, 000	1	13, 000
Executive officer.....	1	12, 200	1	13, 000	1	13, 200
Statistics and progress reports officer.....	1	12, 200	1	13, 000	1	13, 200
Grade 16. Range \$12,000 to \$12,800:						
Executive secretary.....	1	11, 200	1	12, 000	1	12, 200
Grade 15. Range \$10,800 to \$11,800:						
Special assistants.....	2	20, 000	2	21, 600	2	21, 600
Staff director.....	1	10, 000	1	10, 800	1	10, 800
Assistant general counsel.....			1	10, 800	1	10, 800
Information specialist.....			1	10, 800	1	10, 800
Staff assistant, security affairs.....			1	10, 800	1	10, 800
Assistant to executive officer.....	1	10, 000	1	10, 800		
Director, committee operations.....	1	10, 750	1	11, 000		
Administrative officer.....	1	10, 750	1	11, 000	1	11, 000
Statistician, statistics and progress reports.....	1	10, 000	1	10, 800	1	11, 000
Staff assistant, production equip- ment.....			1	10, 800	2	21, 600
Economist, program.....	3	30, 000	1	10, 800	1	10, 800
Assistant director, production equipment.....			1	10, 800	1	10, 800
Program analyst, production equip- ment.....			1	10, 800	1	10, 800
Policy analyst, production equip- ment.....			1	10, 800		
Staff assistant, economic adviser.....	1	10, 000	1	10, 800	1	10, 800
Assistant to director, manpower.....			1	10, 800		
Assistant to director, foreign activ- ities.....	1	10, 000	1	10, 800		

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
Departmental—Continued						
General schedule grades—Continued	Num-	Total	Num-	Total	Num-	Total
Grade 15. Range \$10,800 to \$11,800—Con.	ber	salary	ber	salary	ber	salary
Foreign economists, foreign activities.....			3	\$33,400	3	\$33,400
Staff assistant, materials.....	1	\$10,000	2	21,600	1	10,800
Chairman, science advisory committee.....	1	10,000	1	10,800	1	10,800
Staff assistants, science advisory committee.....			2	21,600	2	21,600
Director, health resources advisory staff.....			1	10,800	1	10,800
Assistant director, health resources advisory staff.....			1	10,800		
Staff assistant, housing and Community facilities.....			1	10,800	1	10,800
Director, office of community forums.....			1	10,800		
Economist, procurement policy.....			2	21,600	1	10,800
Economist.....	1	10,000				
Executive assistant, materials.....	1	10,000				
Assistant executive secretary.....	1	10,000				
Grade 14. Range \$9,600 to \$10,600:						
Attorney adviser.....			1	9,600		
Information and editorial specialist, public information.....	3	26,800	2	19,200	1	9,800
Assistant to executive secretary, secretariat services.....					1	9,600
Assistant statistician, statistics and progress reports.....			1	9,600	1	9,600
Staff assistant, special assistants office.....			1	9,600	1	9,600
Executive assistant, health resources advisory staff.....					1	9,600
Staff assistant, housing and community facilities.....			1	10,600	1	10,800
Historian, statistics and progress reports.....					1	9,600
Editorial specialist, community forums.....			1	9,600	1	9,600
Assistant director, community forums.....			3	28,800		
Assistant director, community forums (women's organization).....			1	9,600		
Grade 13. Range \$8,360 to \$9,360:						
Assistant to executive secretary, secretariat services.....	1	7,600	1	8,360		
Head graphic analyst, statistics and progress reports.....	1	7,600	1	8,360	1	8,560
Executive assistant, health resources advisory staff.....	1	7,600	1	8,360		
Information specialist, community forums.....			1	8,360	2	17,760
Correspondence coordinators, community forums.....			3	25,080		
Field liaison, community forums.....			9	76,240		
Attorney advisers.....	2	15,200				
Statistician, health resources advisory staff.....			1	8,360	1	8,360
Grade 12. Range \$7,040 to \$8,040:						
Secretary, director.....					1	7,040
Assistant attorney.....			1	7,040		
Assistant to administrative officer.....			1	7,040	1	7,240
Illustrator, statistical progress reports.....					1	7,040
Economist, stabilization.....			1	7,040		
Survey statistician, health resources advisory staff.....			2	14,080	2	14,080
Staff assistant, community forums.....			1	7,040	1	7,040
Information specialist, community forums.....			1	7,040	2	14,080
Health manpower specialist.....	2	12,800				
Editorial assistant.....	1	6,400				
Grade 11. Range \$5,940 to \$6,950:						
Secretary, director.....	1	5,400	1	5,940		
Staff Assistant, executive secretary.....					1	6,140
Administrative Assistant, executive secretary.....					1	5,940
Illustrator, statistical and progress reports.....	1	5,400	1	5,940		
Assistant historian, statistical and progress reports.....					1	6,140
Administrative assistant, production.....			1	5,940		
Assistant to administrative officer.....	1	5,400				
Committee secretary.....	1	5,400				
Grade 10. Range \$5,500 to \$6,625:						
Administrative assistant.....	1	5,000				
Grade 9. Range \$5,060 to \$6,185:						
Secretaries.....	5	24,500	3	15,305	4	22,000
Administrative assistants.....	3	13,800	5	26,300	3	16,500
Librarian.....			1	5,060	1	5,185
Survey statistician.....			1	5,060	1	5,185
Analysis statistician.....			1	5,060	1	5,060
Statistical draftsman.....					1	5,185
Staff assistant—executive secretary.....			2	10,120	1	5,060
Grade 8. Range \$4,620 to \$5,745:						
Secretaries.....	9	39,175	10	47,075	11	52,800

EXECUTIVE OFFICE OF THE PRESIDENT—Con.

OFFICE OF DEFENSE MOBILIZATION—Continued

Salaries and Expenses, Office of Defense Mobilization—Con.

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Departmental—Continued						
General schedule grades—Continued						
Grade 7. Range \$4,205 to \$5,330	14	\$53,350	15	\$63,575	12	\$52,345
Grade 6. Range \$3,795 to \$4,920	6	22,475	16	65,920	13	52,585
Grade 5. Range \$3,410 to \$4,535	15	48,950	39	136,755	23	84,055
Grade 4. Range \$3,175 to \$3,895	10	31,385	8	26,780	2	6,670
Grade 3. Range \$2,950 to \$3,670	6	19,058	7	21,290	4	12,280
Crafts, protective, and custodial grades:						
Grade 5. Range \$2,974 to \$3,694			1	3,054	1	3,134
Grade 4. Range \$2,750 to \$3,470			4	12,680	4	13,160
Grade 3. Range \$2,552 to \$3,272			6	15,312	8	21,064
Total permanent, departmental	112	673,293	199	1,270,666	148	973,388
Deduct lapses	85	530,435	57	398,836	14	91,300
Net permanent, departmental (average number, net salary)	27	142,858	142	871,830	134	882,088
Part-time and temporary positions		34,840		86,260		120,000
Regular pay in excess of 52-week base				3,530		4,100
Payments above basic rates		4,837		14,040		10,000
Payments to other agencies for reimbursable details		8,540		32,000		44,400
01 Personal services		191,075		1,007,660		1,060,583

INDEPENDENT OFFICES

DEFENSE PRODUCTION ADMINISTRATION

Salaries and Expenses, Defense Production Administration—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	343	538	481
Full-time equivalent of all other positions	9	24	24
Average number of all employees	121	443	434
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,692	\$6,325	\$6,559
Average grade	GS-9.0	GS-9.2	GS-9.4
01 Personal services:			
Permanent positions	\$634,899	\$2,635,000	\$2,663,000
Part-time and temporary positions	102,249	251,000	265,000
Regular pay in excess of 52-week base		12,000	8,000
Payment above basic rates	7,197	16,000	20,000
Payments to other agencies for reimbursable details		48,000	30,000
Total personal services	744,345	2,962,000	2,986,000
02 Travel	39,930	146,000	160,000
03 Transportation of things	56		
04 Communication services	2,254	57,000	57,000
05 Rents and utility services		1,000	
06 Printing and reproduction	29,765	75,000	90,000
07 Other contractual services	2,350	69,000	34,000
Services performed by other agencies	56,283	128,000	125,000
08 Supplies and materials	60,354	33,000	33,000
09 Equipment	231,692	13,000	7,000
15 Taxes and assessments	1,495	7,000	8,000
Total obligations	1,168,524	3,491,000	3,500,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Departmental:						
Positions at rates in excess of \$14,800:						
Administrator	1	\$20,000	1	\$20,000	1	\$20,000
Deputy Administrator			1	15,000	1	15,000
General schedule grades:						
Grade 13. Rate \$14,800:						
Deputy administrator, aluminum			1	14,800	1	14,800
Deputy administrator, international activities and defense materials			1	14,800	1	14,800
Deputy administrator, progress evaluation	1	14,000	1	14,800	1	14,800
Deputy administrator, resources expansion					1	14,800
Director, policy development			1	14,800	1	14,800
General counsel			1	14,800	1	14,800

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Departmental—Continued						
General schedule grades—Continued						
Grade 17. Range \$13,000 to \$13,800:						
Assistant deputy administrator, aluminum			1	\$13,000	1	\$13,000
Assistant deputy administrator, production					1	13,000
Assistant deputy administrator, resources expansion					1	13,000
Deputy assistant administrator, labor			1	13,000	1	13,000
Director, construction division					1	13,000
Director, military and atomic energy					1	13,000
Director, production division					1	13,000
Director, requirements committee staff					1	13,000
Special assistant to administrator			1	13,600	1	13,600
Grade 16. Range \$12,000 to \$12,800:						
Assistant deputy administrator, international activities and defense materials	1	\$11,200	1	12,200	1	12,200
Director, expansion goals			1	12,200	1	12,200
Special assistant to administrator					1	12,000
Grade 15. Range \$10,800 to \$11,800:						
Assistant deputy administrator	1	10,000	4	43,200	4	43,200
Assistant director, division	2	20,750				
Assistant to director			1	11,800	1	11,800
Attorney	1	10,000	1	10,800	1	10,800
Attorney adviser			1	10,800	1	10,800
Business economist	1	10,000	2	21,600	3	32,400
Chief, branch			1	10,800	1	10,800
Deputy assistant administrator	1	10,000				
Deputy director	1	10,750				
Director, division	7	72,000	3	34,400	3	34,400
Director, wartime systems reports			1	11,800	1	11,800
Executive director, defense materials committee			1	10,800	1	10,800
Foreign affairs specialist	1	11,000				
Industrial analyst	1	10,500	9	97,700	9	97,700
Industrial specialist	24	245,000	35	384,750	38	417,150
Labor specialist			1	10,800	1	10,800
Materials accountant			1	10,800	1	10,800
Organization and methods examiner	1	10,000	1	10,800	1	10,800
Special assistant to administrator	2	20,750	2	21,850	1	10,800
Statistician	1	10,500	1	10,800	1	10,800
Transportation specialist	2	20,000	2	21,600	1	10,800
Grade 14. Range \$9,600 to \$10,600:						
Accountant			1	9,600	1	9,600
Assistant director	2	17,600				
Business economist	5	45,000	7	68,000	7	68,000
Business specialist	1	8,800	1	9,600	1	9,600
Industrial analyst	3	27,800	9	89,000	9	89,000
Industrial specialist	20	177,600	29	280,400	20	195,400
Investigator			1	9,600	1	9,600
Labor economist	2	17,600	1	9,600	1	9,600
Organization and methods examiner	1	8,800	1	9,600	1	9,600
Special assistant to chairman			1	9,600	1	9,600
Statistician	2	17,800	2	19,600	3	29,200
Grade 13. Range \$8,360 to \$9,360:						
Accountant	2	15,400	5	42,000	5	42,000
Business analyst			1	8,760	1	8,760
Business economist	4	31,400	6	51,160	3	26,280
Industrial analyst	8	62,000	17	150,520	17	150,520
Industrial specialist	10	76,000	18	152,280	11	93,560
Investigator	1	7,600				
Labor specialist			1	8,360	2	16,720
Research analyst			1	9,360	1	9,360
Statistician	3	24,600	5	42,400	5	42,400
Grade 12. Range \$7,040 to \$8,040:						
Accountant	4	26,400	5	37,000	3	22,720
Administrative Officer	1	7,400				
Business economist	3	19,800	9	65,760	6	44,040
Industrial analyst	1	6,400	5	36,200	5	36,200
Industrial specialist	1	6,400	2	14,080	2	14,480
Labor economist			1	7,440	1	7,440
Reports officer			1	7,040		
Statistician	3	19,600	2	14,280	2	14,280
Grade 11. Range \$5,940 to \$6,940:						
Accountant	8	45,600	12	76,080	11	70,140
Administrative assistant	1	5,600	2	12,080	2	12,080
Administrative officer	1	5,400	1	6,140	1	6,140
Business analyst			2	11,880	2	11,880
Business economist	3	16,400				
Chief, section	1	5,400	1	5,940	1	5,940
Industrial analyst			8	50,120	8	50,120
Industrial specialist	7	39,400	9	55,060	9	54,460
Labor economist			1	5,940	1	5,940
Records management officer			1	5,940	1	5,940
Reports officer			1	5,940	1	5,940
Statistician	1	5,400				
Grade 9. Range \$5,060 to \$5,810:						
Accountant	4	19,650	9	47,915	1	5,310
Administrative assistant	2	10,700	7	36,670	7	36,795
Administrative officer	2	9,825				
Attorney	1	4,600				
Attorney advisor			1	5,185	1	5,185
Business economist			1	5,185	1	5,185
Industrial analyst	2	10,075	4	20,990	4	20,990
Industrial specialist	3	14,800	2	10,370		
Statistician	4	19,150	4	20,240	1	5,060
Grade 8. Range \$4,620 to \$5,370	3	12,600	3	14,610	2	9,990
Grade 7. Range \$4,205 to \$4,955	29	118,425	48	213,340	44	192,770

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Departmental—Continued						
General schedule grades—Continued						
Grade 6. Range \$3,795 to \$4,545	40	\$150,875	39	\$157,255	35	\$142,075
Grade 5. Range \$3,410 to \$4,160	41	137,350	80	289,925	76	274,785
Grade 4. Range \$3,175 to \$3,655	25	74,035	34	112,430	29	96,315
Grade 3. Range \$2,950 to \$3,430	32	87,520	51	159,330	41	129,110
Grade 2. Range \$2,750 to \$3,230	2	4,900	3	8,410	1	2,750
Crafts, protective, and custodial grades:						
Grade 3. Range \$2,552 to \$3,032	4	9,248	2	5,504	2	5,504
Grade 2. Range \$2,420 to \$2,840	1	2,120	1	2,490	1	2,490
Total permanent, departmental	343	1,949,523	538	3,414,309	481	3,165,104
Deduct lapses	231	1,314,624	119	779,309	71	502,104
Net permanent, departmental (average number, net salary)	112	634,899	419	2,635,000	410	2,663,000
Part-time and temporary positions:						
Temporary employment		102,249		251,000		265,000
Regular pay in excess of 52-week base				12,000		8,000
Payment above basic rates: Overtime and holiday pay		7,197		16,000		20,000
Payments to other agencies for reimbursable details				48,000		30,000
01 Personal services		744,345		2,962,000		2,986,000

DEFENSE TRANSPORT ADMINISTRATION

Salaries and Expenses, Defense Transport Administration—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	169	201	201
Full-time equivalent of all other positions	7	17.3	15
Average number of all employees	67	202.3	195
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,737	\$5,785	\$5,901
Average grade	GS-7.4	GS-8.3	GS-8.3
Crafts, protective, and custodial grades:			
Average salary	\$2,378	\$2,736	\$2,736
Average grade	CPC-3.0	CPC-3.2	CPC-3.2
01 Personal services:			
Permanent positions	\$281,698	\$1,019,402	\$991,800
Part-time and temporary positions	61,725	114,177	113,385
Regular pay in excess of 52-week base		3,921	3,815
Payment above basic rates	3,265	3,500	3,500
Payments to other agencies for reimbursable details	12,339	13,529	
Total personal services	359,027	1,154,529	1,112,500
02 Travel	42,636	83,000	80,000
03 Transportation of things	718	50	500
04 Communication services	7,228	17,000	17,000
06 Printing and reproduction	2,782	5,000	5,000
07 Other contractual services	5,146	2,421	3,000
Services performed by other agencies	320,932	1,159,000	1,260,000
08 Supplies and materials	11,994	14,000	14,000
09 Equipment	118,501	27,000	5,000
15 Taxes and assessments	1,381	3,000	3,000
Total obligations	870,345	2,465,000	2,500,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Departmental:						
General schedule grades:						
Grade 18. Rate of \$14,800:						
Deputy administrator	1	\$14,000	1	\$14,800	1	\$14,800
Grade 17. Range \$13,000 to \$13,800:						
Director, equipment and materials	1	12,200	1	13,000	1	13,200
Director, inland water transport			1	13,000	1	13,000
Director, manpower	1	12,200	1	13,000	1	13,000
Director, port utilization			1	13,000	1	13,000
Director, railroad transport					1	13,000
Director, street and highways			1	13,000	1	13,000
Director, warehousing and storage	1	12,200	1	13,000	1	13,000
Executive assistant					1	13,000
General counsel	1	12,200	1	13,000	1	13,200
Grade 16. Range \$12,000 to \$12,800:						
Director, tax amortization and defense loans			1	12,000	1	12,000
Grade 15. Range \$10,800 to \$11,800:						
Administrative officer			1	10,800	1	10,800
Administrative assistant, staff assistant			1	10,800	1	10,800
Assistant general counsel	1	10,000	2	22,600	2	22,800
Deputy director, tax amortization and defense loans			1	10,800	1	10,800

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Departmental—Continued						
General schedule grades—Continued						
Grade 15. Range \$10,800 to \$11,800—Con.						
Chief, amortization specialist	1	\$10,000				
Chief, field operations	1	10,000	1	\$10,800	1	\$11,000
Chief, materials branch	1	10,000	1	10,800	1	11,000
Chief, passenger operations branch			1	10,800	1	10,800
Chief, property operations	1	10,000				
Chief, research and analysis branch			1	10,800	1	10,800
Chief, street and highway section			1	10,800	1	10,800
Information officer	1	10,000				
Materials specialist	1	10,000				
Storage specialist			1	10,800	1	10,800
Transportation specialist			1	10,800	1	10,800
Grade 14. Range \$9,600 to \$10,600:						
Administrative officer	1	8,800				
Amortization specialist			1	9,600	1	9,600
Assistant chief, amortization specialist	1	9,000				
Assistant chief, field operations	1	8,800	1	9,600	1	9,800
Assistant chief, utilization and traffic control			1	9,600	1	9,600
Assistant to executive assistant	1	8,800				
Attorney	1	8,800				
Chief, railroad section, programs branch	1	8,800	1	9,600	1	9,800
Chief, taxi section	1	8,800	1	9,600	1	9,800
Defense loan analyst			1	9,600	1	9,600
Industrial specialist			4	38,400	4	38,400
Information and editorial specialist			1	9,600	1	9,600
Special assistant to the administrator			1	9,600	1	9,600
Storage specialist	1	8,800	1	9,600	1	9,800
Transportation specialist	1	8,800	1	9,600	1	9,600
Grade 13. Range \$8,360 to \$9,360:						
Amortization specialist	1	7,600	3	26,280	3	26,280
Assistant administrative officer	1	7,600				
Assistant chief, passenger operations			1	8,360	1	8,360
Assistant chief, school bus			1	8,360	1	8,360
Assistant to administrative officer			1	8,360	1	8,360
Defense loan analyst	3	22,800	1	8,360	1	8,360
Field transportation representative	1	7,600				
Industrial specialist			2	16,720	2	16,720
Information specialist, press	1	7,600	1	8,560	1	8,560
Manpower liaison representative			1	8,360	1	8,360
Storage specialist			2	17,720	2	17,720
Transportation equipment specialist	1	7,600	1	8,360	1	8,360
Transportation specialist	1	7,600	1	8,360	1	8,560
Grade 12. Range \$7,040 to \$8,040:						
Amortization specialist			1	7,040	1	7,040
Defense loan analyst	4	26,800	4	29,360	4	29,360
Field representative			2	14,080	2	14,080
Information specialist	1	6,400	1	7,040	1	7,240
Manpower liaison representative	2	12,800	1	7,040	1	7,040
Personnel assistant	1	6,400				
Port utilization specialist			1	8,040	1	8,040
Program analyst	1	6,400	1	7,040	1	7,240
Statistician			1	7,040	1	7,040
Storage specialist	1	7,400				
Grade 11. Range \$5,940 to \$6,940:						
Administrative assistant			1	5,940	1	5,940
Amortization analyst			1	5,940	1	5,940
Amortization specialist	2	11,000	1	5,940	1	6,140
Defense loan analyst	4	22,600	6	36,640	6	36,640
Information and editorial specialist			1	5,940	1	5,940
Statistician			1	5,940	1	5,940
Transportation specialist			1	6,940	1	6,940
Grade 9. Range \$5,060 to \$5,810:						
Administrative assistant	2	9,200	1	5,185	1	5,185
Amortization specialist	1	4,600				
Budget analyst	1	4,600	1	5,185	1	5,185
Communications and records officer			1	5,185	1	5,185
Defense loan analyst	6	28,850	1	5,185	1	5,185
Investigator	1	5,225	1	5,685	1	5,685
Transportation economist	1	4,600	1	5,185	1	5,185
Grade 8. Range \$4,620 to \$5,370:						
Grade 7. Range \$4,205 to \$4,955:						
Grade 6. Range \$3,795 to \$4,545:						
Grade 5. Range \$3,410 to \$4,160:						
Grade 4. Range \$3,175 to \$3,655:						
Grade 3. Range \$2,950 to \$3,430:						
Grade 2. Range \$2,750 to \$3,230:						
Crafts, protective, and custodial grades:						
Grade 4. Range \$2,750 to \$3,230:						
Grade 3. Range \$2,552 to \$3,032:						
Total permanent, departmental	169	795,403	201	1,132,206	201	1,154,456
Deduct lapses	109.1	513,705	16	112,804	21	162,656
Net permanent, departmental (average number, net salary)	59.9	281,698	185	1,019,402	180	991,800
Part-time and temporary positions:						
W. A. E. employees		61,725		114,177		113,385
Regular pay in excess of 52-week base				3,921		3,815
Payments above basic rates: Overtime and holiday pay		3,265		3,500		3,500
Payments to other agencies for reimbursable details		12,339		13,529		
01 Total personal services		359,027		1,154,529		1,112,500

INDEPENDENT OFFICES—Continued

ECONOMIC STABILIZATION AGENCY

Salaries and Expenses, Economic Stabilization Agency—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE ADMINISTRATOR			
Total number of permanent positions.....	58	78	66
Full-time equivalent of all other positions.....	2	2	1
Average number of all employees.....	20	66	62
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,623	\$7,262	\$7,046
Average grade.....	GS-8.8	GS-10.4	GS-10.0
01 Personal services:			
Permanent positions.....	\$97,635	\$451,615	\$422,550
Part-time and temporary positions.....	24,207	16,850	13,000
Regular pay in excess of 52-week base.....		1,700	1,600
Payment above basic rates.....	3,724	4,680	4,000
Total personal services.....	125,566	474,845	441,150
02 Travel.....	20,394	19,110	17,900
15 Taxes and assessments.....	211	1,045	950
Unvouchered.....		5,000	5,000
Total obligations.....	146,171	500,000	465,000
ALLOTMENT TO OFFICE OF PRICE STABILIZATION			
Total number of permanent positions.....	9,655	13,131	12,741
Full-time equivalent of all other positions.....	38	9	5
Average number of all employees.....	2,141	11,469	11,253
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,574	\$5,290	\$5,291
Average grade.....	GS-7.5	GS-8.1	GS-8.1
01 Personal services:			
Permanent positions.....	\$10,147,029	\$57,816,851	\$57,792,200
Part-time and temporary positions.....	391,272	95,784	60,000
Regular pay in excess of 52-week base.....		222,372	222,300
Payment above basic rates.....	451,794	601,919	472,800
Total personal services.....	10,990,095	58,736,926	58,547,300
02 Travel.....	949,333	3,350,000	3,800,000
03 Transportation of things.....	302,446	393,500	243,000
04 Communication services.....	510,257	1,551,700	1,443,000
05 Rents and utility services.....	3,784	14,200	15,000
06 Printing and reproduction.....	1,181,715	1,741,000	1,887,900
07 Other contractual services.....	395,152	564,400	528,500
Services performed by other agencies.....	455,020	1,114,500	611,500
08 Supplies and materials.....	1,518,289	992,200	805,100
09 Equipment.....	6,147,461	519,300	166,000
13 Refunds, awards and indemnities.....		1,200	
15 Taxes and assessments.....	67,427	451,074	372,700
Total obligations.....	22,520,979	69,430,000	68,420,000
ALLOTMENT TO OFFICE OF RENT STABILIZATION			
Total number of permanent positions.....	2,634	3,073	3,073
Full-time equivalent of all other positions.....	7	16	19
Average number of all employees.....	2,520	2,700	2,935
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,125	\$4,532	\$4,532
Average grade.....	GS-6.3	GS-6.5	GS-6.5
01 Personal services:			
Permanent positions.....	\$10,658,759	\$12,134,800	\$13,174,250
Part-time and temporary positions.....	20,500	47,200	56,050
Regular pay in excess of 52-week base.....	215,500	51,000	51,700
Payment above basic rates.....	80,000	105,000	110,000
Payments to other agencies for reimbursable details.....	5,106	2,000	3,000
Total personal services.....	10,979,865	12,340,000	13,395,000
02 Travel.....	498,909	750,000	700,000
03 Transportation of things.....	62,035	135,000	102,000
04 Communication services.....	272,154	297,000	315,000
05 Rents and utility services.....	547,631	6,500	
06 Printing and reproduction.....	105,387	240,000	180,000
07 Other contractual services.....	76,449	55,000	60,000
Services performed by other agencies.....	14,894	21,000	15,000
08 Supplies and materials.....	94,884	175,000	155,000
09 Equipment.....	70,641	147,500	40,000
15 Taxes and assessments.....	12,000	35,000	38,000
Total obligations.....	12,734,849	14,202,000	15,000,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO WAGE STABILIZATION BOARD			
Total number of permanent positions.....	455	1,738	1,693
Full-time equivalent of all other positions.....	8	77	85
Average number of all employees.....	88	1,357	1,668
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,318	\$5,203	\$5,259
Average grade.....	GS-6.7	GS-7.7	GS-7.8
01 Personal services:			
Permanent positions.....	\$317,891	\$6,452,626	\$8,197,743
Part-time and temporary positions.....	95,313	851,400	970,600
Regular pay in excess of 52-week base.....		24,914	31,687
Payment above basic rates.....	27,955	139,080	2,970
Payments to other agencies for reimbursable details.....	27,405	56,480	
Total personal services.....	468,564	7,524,500	9,203,000
02 Travel.....	64,048	491,000	450,000
03 Transportation of things.....	6,901	28,700	20,000
04 Communication services.....	15,745	260,000	250,000
05 Rents and utility services.....	169	2,172	2,000
06 Printing and reproduction.....	60,383	258,204	200,000
07 Other contractual services.....	7,502	71,216	50,000
Services performed by other agencies.....	1,004,715	4,857,700	5,590,000
08 Supplies and materials.....	103,852	187,198	100,000
09 Equipment.....	790,442	244,310	10,000
15 Taxes and assessments.....	1,874	50,000	55,000
Total obligations.....	2,524,195	13,975,000	15,930,000
ALLOTMENT TO SALARY STABILIZATION BOARD			
Total number of permanent positions.....	6	357	504
Full-time equivalent of all other positions.....	1	4	3
Average number of all employees.....	2	157	435
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,050	\$5,583	\$5,735
Average grade.....	GS-8.2	GS-8.5	GS-8.9
01 Personal services:			
Permanent positions.....	\$2,198	\$845,215	\$2,373,902
Part-time and temporary positions.....	3,186	57,380	46,848
Regular pay in excess of 52-week base.....		6,000	9,100
Payment above basic rates.....	23	17,500	
Payments to other agencies for reimbursable details.....	1,455	20,000	
Total personal services.....	6,862	946,095	2,429,850
02 Travel.....	1,376	76,015	207,000
03 Transportation of things.....		7,000	15,000
04 Communication services.....	1,600	30,000	105,900
06 Printing and reproduction.....	511	80,650	100,000
07 Other contractual services.....		9,140	16,000
Services performed by other agencies.....		206,500	395,250
08 Supplies and materials.....	484	31,200	30,000
09 Equipment.....	35,383	99,000	5,000
15 Taxes and assessments.....	182	5,775	11,000
Total obligations.....	46,398	1,491,375	3,315,000
ALLOTMENT TO RAILROAD AND AIRLINE WAGE BOARD			
Total number of permanent positions.....		12	14
Full-time equivalent of all other positions.....		1	1
Average number of all employees.....		8	15
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$5,756	\$5,829
Average grade.....		GS-8.8	GS-8.9
01 Personal services:			
Permanent positions.....		\$42,411	\$81,610
Part-time and temporary positions.....		1,070	2,700
Regular pay in excess of 52-week base.....		266	314
Payments to other agencies for reimbursable details.....		2,793	1,620
Total personal services.....		46,540	86,244
02 Travel.....		600	1,800
04 Communication services.....		1,100	1,600
06 Printing and reproduction.....		800	2,600
07 Other contractual services.....		600	1,000
Services performed by other agencies.....			22,280
08 Supplies and materials.....		1,000	2,500
09 Equipment.....		9,200	1,600
15 Taxes and assessments.....		160	376
Total obligations.....		60,000	120,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
SUMMARY			
Total number of permanent positions.....	12,808	18,389	18,091
Full-time equivalent of all other positions.....	56	110	114
Average number of all employees.....	4,771	15,757	16,369
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,561	\$5,169	\$5,179
Average grade.....	GS-7.2	GS-7.8	GS-7.8
01 Personal services:			
Permanent positions.....	\$21,223,512	\$77,743,518	\$82,042,255
Part-time and temporary positions.....	534,478	1,069,684	1,149,198
Regular pay in excess of 52-week base.....	215,500	306,252	316,701
Payment above basic rates.....	563,496	868,179	589,770
Payments to other agencies for reimbursable details.....	33,966	81,273	4,620
Total personal services.....	22,570,952	80,068,906	84,102,544
02 Travel.....	1,534,060	4,686,725	5,176,700
03 Transportation of things.....	371,382	564,200	380,000
04 Communication services.....	799,756	2,139,800	2,115,500
05 Rents and utility services.....	551,584	22,872	17,000
06 Printing and reproduction.....	1,347,996	2,320,654	2,370,500
07 Other contractual services.....	479,103	700,356	655,500
Services performed by other agencies.....	1,474,629	6,199,700	6,634,030
08 Supplies and materials.....	1,717,509	1,386,598	1,092,600
09 Equipment.....	7,043,927	1,019,310	222,600
13 Refunds, awards and indemnities.....		1,200	
15 Taxes and assessments.....	81,694	543,054	478,026
Unvouchered.....		5,000	5,000
Total obligations.....	37,972,592	99,658,375	103,250,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO OFFICE OF THE ADMINISTRATOR						
Departmental:	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Positions at rates in excess of \$14,800:						
Administrator.....	1	\$20,000	1	\$20,000	1	\$20,000
General schedule grades:						
Grade 18. Rate of \$14,800:						
Assistant administrator.....			1	14,800	1	14,800
Assistant to administrator.....			1	14,800	1	14,800
General counsel.....	1	14,000	1	14,800	1	14,800
Economic adviser.....	1	14,000	1	14,800	1	14,800
Grade 17. Range \$13,000 to \$13,800:						
Assistant economic adviser.....			1	13,000	1	13,000
Deputy general counsel.....			1	13,000	1	13,000
Deputy assistant administrator.....			1	13,000	1	13,000
Grade 16. Range \$12,000 to \$12,800:						
Director, program planning.....			1	12,000	1	12,000
Information officer.....			1	12,000		
Grade 15. Range \$10,800 to \$11,800:						
Administrative officer.....	2	20,000				
Attorney.....	2	20,000	4	43,200	3	32,400
Budget adviser.....	1	10,000	1	10,800	1	10,800
Director, reports and secretariat.....			1	10,800	1	10,800
Economist.....	1	10,000	3	32,400	2	21,600
Information officer.....			1	10,800	1	10,800
Liaison officer.....	1	10,000	1	10,800		
Program planning officer.....	1	10,000	2	21,600	1	10,800
Reports officer.....	1	10,000				
Grade 14. Range \$9,600 to \$10,600:						
Economist.....	2	17,600	2	19,200	2	19,200
Information officer.....	1	8,800	2	19,200	2	19,200
Liaison officer.....			1	9,600	1	9,600
Personnel adviser.....			1	9,600	1	9,600
Special assistant to administrator.....			1	9,600		
Grade 13. Range \$8,360 to \$9,360:						
Economist.....	1	7,600				
Executive secretary (committees).....	1	7,600	1	8,560	1	8,560
Organization and methods examiner.....	1	7,600				
Personnel assistant.....	1	7,600	1	8,360	1	8,360
Press officer.....			1	8,360		
Program analyst.....			1	8,360	1	8,360
Grade 12. Range \$7,040 to \$8,040:						
Administrative officer.....	1	6,400				
Confidential assistant to administrator.....	1	6,400	1	7,040		
Economist.....			1	7,040	1	7,040
Grade 11. Range \$5,940 to \$6,940:						
Attorney.....			2	11,880		
Economist.....	1	5,400				
Grade 9. Range \$5,060 to \$5,810:						
Administrative assistant.....	1	4,600	1	5,060	1	5,060
Chief of section.....	1	4,600				
Editorial assistant.....			1	5,060	1	5,185
Information specialist.....	1	4,600				
Program analyst.....			1	5,060	1	5,060
Grade 8. Range \$4,620 to \$5,370.....	1	4,700	3	14,360	3	14,360
Grade 7. Range \$4,205 to \$4,955.....	8	31,100	9	37,845	8	33,640
Grade 6. Range \$3,795 to \$4,545.....	7	26,025	9	36,280	9	36,280
Grade 5. Range \$3,410 to \$4,160.....	8	26,525	5	19,050	4	14,640
Grade 4. Range \$3,175 to \$3,655.....	5	14,955	4	13,420	4	13,420
Grade 3. Range \$2,950 to \$3,430.....	3	7,950	4	11,880	4	11,880
Grade 2. Range \$2,750 to \$3,230.....	1	2,450				

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Departmental—Continued						
Crafts, protective, and custodial grades:						
Grade 4. Range \$2,750 to \$3,230.....			2	\$6,380	2	\$6,380
Grade 3. Range \$2,552 to \$3,032.....			1	2,792	1	2,872
Total permanent.....	58	\$340,505	78	566,587	66	466,097
Deduct lapses.....	40	242,870	13.8	114,972	5.2	43,547
Net permanent, departmental (average number, net salary).....	18	97,635	64.2	451,615	60.8	422,550
Part-time and temporary positions, W. A. E. employment.....		24,207		16,850		13,000
Payment in excess of 52-week base.....				1,700		1,600
Payment above basic rates: Overtime and holiday pay.....		3,724		4,680		4,000
01 Personal services.....		125,566		474,845		441,150
ALLOTMENT TO OFFICE OF PRICE STABILIZATION						
Departmental:						
Positions at rates in excess of \$14,800:						
Director of Price Stabilization.....	1	\$16,000	1	\$16,000	1	\$16,000
General schedule grades:						
Grade 18. Rate of \$14,800:						
Director of Price Operations.....	1	14,000	1	14,800	1	14,800
Grade 17. Range \$13,000 to \$13,800:						
Chief counsel.....			1	13,000	1	13,000
Director of accounting.....			1	13,000	1	13,000
Director of enforcement.....	1	12,200	1	13,000	1	13,000
Director of field operations.....	1	12,200	1	13,000	1	13,000
Director of public information.....	1	13,000	1	13,800	1	13,800
Division director.....	2	24,400	2	26,000	2	26,000
Economic adviser.....	1	12,200	1	13,000	1	13,000
Grade 16. Range \$12,000 to \$12,800:						
Assistant chief counsel.....	1	11,200	1	12,000	1	12,000
Assistant director.....	3	33,600	3	36,000	3	36,000
Assistant division director.....			1	12,000	1	12,000
Attorney adviser.....	1	11,200	1	12,000	1	12,000
Deputy chief counsel.....	1	11,200	1	12,000	1	12,000
Director of management.....	1	11,200	1	12,000	1	12,000
Division director.....	3	33,600	3	36,000	3	36,000
Economic adviser.....	1	11,200	1	12,000	1	12,000
Special assistant to the director.....	3	33,600	3	36,000	3	36,000
Grade 15. Range \$10,800 to \$11,800:						
Administrative officer.....	1	10,750	1	11,550	1	11,550
Assistant coordinator for purchase and sales.....			1	10,800	1	10,800
Assistant division counsel.....	1	10,000	1	10,800	1	10,800
Assistant division director.....	2	20,000	5	54,000	4	43,200
Assistant to director.....	8	80,000	8	86,400	7	73,800
Branch chief.....	32	328,500	48	530,200	45	497,800
Business analyst.....			1	10,800	1	10,800
Counsel to board of review.....	1	10,000	1	10,800	1	10,800
Deputy director.....	4	40,000	5	55,000	5	55,000
Director, management staff.....	1	10,000	1	10,800	1	10,800
Division director.....	26	250,000	31	335,550	31	335,550
Economist.....	6	60,000	8	86,400	6	64,800
Executive assistant.....	1	10,000	1	10,800	1	10,800
Executive officer.....	1	10,000	1	10,800	1	10,800
Field operations supervisor.....	1	10,000	1	10,800	1	10,800
Field price officer.....			1	10,800	1	10,800
Labor adviser.....	1	10,000	1	10,800	1	10,800
Liaison officer.....	2	20,000	2	21,600	2	21,600
Personnel director.....	1	10,750	1	11,550	1	11,550
Price economist.....	3	30,000	3	32,400	2	21,600
Section chief.....	2	20,000	4	43,200	3	32,400
Special agent.....			1	10,800	1	10,800
Special assistant to chief counsel.....	1	10,000	1	10,800	1	10,800
Special assistant to director.....	2	20,750	2	22,350	2	22,350
Grade 14. Change \$9,600 to \$10,600:						
Administrative officer.....	5	44,000	6	58,600	5	49,000
Assistant director.....	2	17,800	2	19,400	2	19,400
Assistant division director.....			1	9,600	1	9,600
Assistant to director.....	1	8,800	1	9,600	1	9,600
Attorney adviser.....	1	8,800	2	19,200	2	19,200
Branch chief.....	40	352,000	58	559,000	54	520,600
Branch counsel.....			1	9,600	1	9,600
Business analyst.....	2	17,600	4	38,400	3	28,800
Business specialist.....	2	18,600	2	20,200	2	20,200
Congressional liaison officer.....	1	8,800	1	9,600	1	9,600
Cost accountant.....	3	26,600	3	29,000	3	29,000
Deputy division director.....	3	26,400	5	48,000	4	38,400
Economist.....	13	114,400	20	195,200	17	166,400
Executive assistant.....	1	8,800	1	9,600	1	9,600
Executive officer.....	1	8,800	1	9,600	1	9,600
Field operations adviser.....	1	8,800	1	9,600	1	9,600
Inspector.....	4	35,200	4	38,400	4	38,400
Liaison officer.....	1	8,800	1	9,600	1	9,600
Organization and methods examiner.....	3	26,400	4	38,400	4	38,400
Price economist.....	7	61,800	8	77,200	7	67,600
Printing and distribution officer.....	1	8,800	1	9,600	1	9,600
Program analyst.....			1	9,600	1	9,600
Recording secretary.....	1	9,200	1	10,000	1	10,000
Section chief.....	70	616,000	92	885,000	87	837,000
Security officer.....	1	8,800	1	9,600	1	9,600
Special agent.....	7	61,600	11	107,000	11	107,000
Special agent, attorney.....	8	70,400	12	115,200	11	105,600
Special assistant to chief counsel.....	2	17,600	2	19,200	2	19,200
Special assistant to director.....	2	17,800	2	19,400	2	19,400
Staff assistant.....	1	8,800	1	9,600	1	9,600
Staff attorney.....	8	70,400	10	96,000	9	86,400

INDEPENDENT OFFICES—Continued

ECONOMIC STABILIZATION AGENCY—Continued

Salaries and Expenses, Economic Stabilization Agency—Con.

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
Departmental—Continued			
General schedule grades—Continued			
Grade 13. Range \$8,360 to \$9,360:			
Accountant.....	3 \$23,800	3 \$26,080	3 \$26,080
Administrative analyst.....	1 7,600	1 8,360	1 8,360
Administrative officer.....	8 60,800	10 83,600	9 75,240
Assistant branch chief.....	1 7,600	1 8,360	1 8,360
Attorney adviser.....	3 22,800	3 25,080	3 25,080
Branch chief.....	4 30,400	4 33,440	4 33,440
Branch counsel.....	1 7,600	1 8,360	1 8,360
Business analyst.....	88 685,200	111 942,840	107 909,400
Economist.....	8 60,800	9 75,240	9 75,240
Executive officer.....	2 15,200	2 17,720	2 17,720
Information specialist.....	9 68,400	12 100,320	11 91,960
Inspector.....	1 7,600	1 8,360	1 8,360
Liaison officer.....	1 7,600	1 8,360	1 8,360
Minority group adviser.....	1 7,600	1 8,360	1 8,360
Organization and methods examiners.....	4 30,400	5 42,200	4 33,840
Press officer.....	1 7,600	1 8,360	1 8,360
Price economist.....	31 235,600	38 323,250	33 281,450
Section chief.....	35 266,000	48 404,320	43 362,520
Security officer.....	3 22,800	3 25,080	3 25,080
Special agent.....	12 91,200	15 125,900	14 117,540
Special agent, attorney.....	11 83,600	15 125,600	14 117,240
Staff attorney.....	29 220,400	41 345,960	38 320,880
Grade 12. Range \$7,040 to \$8,040:			
Accountant.....	3 21,200	3 23,120	3 23,120
Administrative analyst.....	4 25,600	5 35,400	5 35,400
Administrative officer.....	7 44,800	10 72,400	9 65,360
Assistant branch chief.....	1 6,400	2 14,080	2 14,080
Branch chief.....	1 6,400	1 7,040	1 7,040
Budget examiner.....	3 19,200	3 21,120	3 21,120
Business analyst.....	47 300,800	60 424,310	54 382,070
Classification officer.....	4 26,400	4 28,960	4 28,960
Cost accountant.....	24 156,400	31 227,640	30 220,600
Economist.....	9 57,600	11 77,440	10 70,400
Information specialist.....	8 51,200	10 70,600	10 70,600
News editor.....	1 7,040	1 7,040	1 7,040
Organization and methods examiner.....	3 19,200	4 28,160	4 28,160
Placement officer.....	2 12,800	2 14,080	2 14,080
Price economist.....	13 83,200	18 128,320	16 114,240
Rate examiner.....	1 6,800	1 7,440	1 7,440
Section chief.....	9 58,800	11 85,440	11 85,440
Security officer.....	1 6,400	1 7,040	1 7,040
Special agent.....	1 7,040	1 7,040	1 7,040
Special agent, attorney.....	21 135,200	24 172,960	22 158,880
Staff attorney.....	35 224,000	41 292,040	37 263,880
Training officer.....	1 6,600	1 7,240	1 7,240
Unit head.....	1 7,400	1 8,040	1 8,040
Writer-radio, television, film.....	1 6,400	2 14,080	2 14,080
Grade 11. Range \$5,940 to \$6,940:			
Administrative analyst.....	1 5,400	1 5,940	1 5,940
Administrative assistant.....	3 16,200	3 17,820	3 17,820
Administrative officer.....	13 70,200	15 90,700	14 84,760
Archivist.....	1 5,400	1 5,940	1 5,940
Assistant administrative officer.....	1 5,600	1 6,140	1 6,140
Assistant section chief.....	1 5,600	1 6,140	1 6,140
Budget examiner.....	3 16,200	3 17,820	3 17,820
Business analyst.....	40 218,000	53 321,830	49 298,070
Business economist.....	2 10,800	2 11,880	2 11,880
Commodity specialist.....	1 6,400	1 6,940	1 6,940
Cost accountant.....	19 104,200	30 188,700	28 176,820
Economist.....	7 37,800	8 47,720	7 41,780
Information specialist.....	3 16,200	4 23,760	4 23,760
Investigator.....	16 86,400	20 119,800	18 107,920
Liaison officer.....	2 11,800	2 12,880	2 12,880
Organization and methods examiner.....	3 16,400	4 23,960	4 23,960
Placement officer.....	3 16,200	3 17,820	3 17,820
Position classifier.....	3 17,400	3 19,020	3 19,020
Price economist.....	15 81,000	19 114,060	17 102,180
Printing and distribution assistant.....	1 6,400	1 6,940	1 6,940
Rate examiner.....	1 5,400	1 5,940	1 5,940
Recording officer.....	2 10,800	1 5,940	1 5,940
Records analyst.....	2 10,800	2 11,880	2 11,880
Reports analyst.....	2 12,000	2 12,980	2 12,980
Section chief.....	2 10,800	2 11,880	2 11,880
Special agent.....	1 5,940	1 5,940	1 5,940
Special agent, attorney.....	6 32,400	8 47,520	8 47,520
Staff attorney.....	14 75,600	18 106,920	16 95,040
Statistician.....	1 5,940	1 5,940	1 5,940
Unit head.....	2 10,800	3 18,020	3 18,020
Grade 10. Range \$5,500 to \$6,250:			
Administrative assistant.....	1 5,375	1 5,875	1 5,875
Unit head.....	1 5,500	1 6,000	1 6,000
Grade 9. Range \$5,060 to \$5,810:			
Accountant.....	4 19,400	4 21,115	4 21,115
Administrative assistant.....	15 72,750	22 112,970	17 87,670
Administrative officer.....	3 13,800	4 20,240	4 20,240
Assistant section chief.....	1 4,975	1 5,435	1 5,435
Attorney adviser.....	3 13,925	3 15,180	3 15,180
Budget analyst.....	1 5,350	1 5,810	1 5,810
Budget examiner.....	4 19,400	4 20,365	4 20,365
Business analyst.....	25 121,750	33 188,035	30 172,855
Business economist.....	1 5,100	1 5,560	1 5,560

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF PRICE STABILIZATION—continued			
Departmental—Continued			
General schedule grades—Continued			
Grade 9. Range \$5,060 to \$5,810—Con.			
Conference writer.....	5 \$24,250	7 \$35,795	7 \$35,795
Cost accountant.....	23 111,550	30 157,940	27 142,760
Economist.....	9 43,650	11 55,660	11 55,660
Information specialist.....	3 13,800	4 20,240	4 20,240
Investigator.....	2 9,200	2 10,120	2 10,120
Organization and methods examiner.....	6 29,100	8 42,480	8 42,480
Position classifier.....	1 4,600	1 5,060	1 5,060
Price economist.....	11 53,850	16 80,985	16 80,985
Printing and publication assistant.....	3 13,925	3 15,930	3 15,930
Records analyst.....	2 9,200	3 15,180	3 15,180
Special agent.....	1 5,060	1 5,060	1 5,060
Special agent, attorney.....	8 38,800	9 45,540	9 45,540
Special agent, investigator.....	3 13,925	3 15,930	3 15,930
Staff attorney.....	24 117,150	32 162,045	29 146,865
Supervisor.....	1 4,725	1 5,185	1 5,185
Training officer.....	1 4,850	1 5,310	1 5,310
Unit head.....	4 19,400	5 26,925	5 26,925
Writer.....	1 4,600	1 5,060	1 5,060
Grade 8. Range \$4,620 to \$5,370.....	4 17,800	6 28,970	6 28,970
Grade 7. Range \$4,205 to \$4,955.....	196 800,950	258 1,116,565	240 1,045,080
Grade 6. Range \$3,795 to \$4,545.....	75 277,500	91 367,315	85 344,545
Grade 5. Range \$3,410 to \$4,160.....	449 1,513,750	547 1,963,505	509 1,833,925
Grade 4. Range \$3,175 to \$3,655.....	185 565,475	274 912,875	254 849,375
Grade 3. Range \$2,950 to \$3,430.....	165 463,650	216 672,840	201 628,590
Grade 2. Range \$2,750 to \$3,230.....	51 133,110	57 191,670	53 180,670
Grade 1. Range \$2,500 to \$2,980.....	9 21,240	9 23,700	8 21,200
Crafts, protective, and custodial grades:			
Grade 5. Range \$2,974 to \$3,454.....	1 3,154	1 3,454	1 3,454
Grade 4. Range \$2,750 to \$3,230.....	4 10,440	5 16,830	5 16,830
Grade 3. Range \$2,552 to \$3,032.....	25 60,300	28 77,398	26 72,294
Grade 2. Range \$2,420 to \$2,840.....	2 4,660	2 5,260	2 5,260
Grades established by wage board:			
Grade 13. Range \$3,827 to \$4,430.....	1 3,494	1 3,827	1 3,827
Grade 11. Range \$3,515 to \$4,077.....	1 3,224	1 3,515	1 3,515
Grade 9. Range \$3,182 to \$3,682.....	5 14,997	5 15,910	5 15,910
Grade 8. Range \$3,016 to \$3,494.....	2 6,198	2 6,510	2 6,510
Grade 5. Range \$2,538 to \$2,933.....	6 14,100	7 17,766	6 15,228
Grade 4. Range \$2,371 to \$2,746.....	7 15,435	8 20,939	7 18,568
Grade 3. Range \$2,205 to \$2,558.....	6 13,104	6 14,433	6 14,433
Total permanent, departmental.....	2,295	2,940	2,740
Deduct lapses.....	11,837,831	16,658,662	15,574,164
	8,611,611	3,620,614	2,481,364
Net permanent, departmental (average number, net salary).....	594	2,445	2,422
	3,226,220	13,038,048	13,092,800
Part-time and temporary positions:			
W. A. E. employment.....	391,272	95,784	60,000
Regular pay in excess of 52-week base.....		50,146	50,400
Payment above basic rates:			
Overtime and holiday pay.....	264,000	224,623	173,800
Night-work differential.....		3,500	4,000
All personal services, departmental.....	3,881,492	13,412,101	13,381,000
Field:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Attorney adviser.....	1 10,000		
Deputy regional director.....	11 110,000	13 141,150	13 141,150
District director.....		1 10,800	1 10,800
District enforcement director.....	2 20,000	5 54,500	5 54,500
Regional accounting executive.....		12 129,600	12 129,600
Regional counsel.....	12 120,500	13 140,400	13 140,400
Regional director.....	14 140,000	14 151,950	14 151,950
Regional price executive.....	13 130,500	14 151,950	14 151,950
Section chief.....	1 10,000	2 21,600	1 10,800
Trial attorney.....	1 10,000		
Grade 14. Range \$9,600 to \$10,600:			
Administrative officer.....	3 27,400		
Assistant regional accounting officer.....		3 28,800	3 28,800
Assistant regional counsel.....	6 52,800	11 105,600	11 105,600
Branch chief.....	16 140,800	54 521,600	54 521,600
Business analyst.....	7 63,400	2 19,200	
Cost accountant.....		4 38,400	2 19,200
Deputy director.....		10 97,000	10 97,000
Deputy district director.....	5 45,000	8 76,800	8 76,800
District counsel.....	7 61,800	11 105,600	11 105,600
District director.....	80 704,800	82 795,400	82 795,400
District enforcement director.....	60 525,000	81 777,600	77 739,200
District price executive.....	8 70,400	12 116,200	12 116,200
Division director.....	5 44,000		
Executive officer.....	11 99,000	13 127,800	13 127,800
Information and editorial specialist.....	3 27,400		
Regional economist.....	2 17,600		
Regional enforcement director.....	1 8,800	12 115,400	12 115,400
Regional information officer.....	8 71,400	13 126,800	13 126,800
Regional price economist.....	4 35,200	10 96,000	10 96,000
Section chief.....	6 52,000	22 211,200	22 211,200
Special agent.....	5 44,000		
Special agent, attorney.....		1 9,600	1 9,600
Staff attorney.....	8 70,400		
Trial attorney.....	3 26,400	6 57,600	6 57,600
Grade 13. Range \$8,360 to \$9,360:			
Administrative officer.....	5 39,000		
Administrative services officer.....		1 8,360	1 8,360
Assistant branch chief.....	5 37,240	2 16,720	2 16,720
Assistant regional counsel.....	1 7,600		
Assistant regional economist.....	3 22,800		

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
Field—Continued	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
General schedule grades—Continued						
Grade 13. Range \$8,360 to \$9,360—Con.						
Assistant regional enforcement director			6	\$50,160	6	\$50,160
Assistant regional information director			5	41,800	5	41,800
Assistant section chief	2	\$15,200	1	8,360	1	8,360
Attorney adviser	11	84,600				
Branch chief	14	106,400	12	100,320	12	100,320
Branch counsel	1	7,800	36	305,160	36	305,160
Budget and finance officer	7	55,800	13	111,080	13	111,080
Business analyst	25	187,400	41	342,960	35	292,800
Commodity counsel			8	66,880	8	66,880
Cost accountant			33	278,280	33	278,280
Deputy district director	17	129,400	20	167,800	20	167,800
District accounting executive			54	452,440	54	452,440
District counsel	40	303,160	70	589,880	70	589,880
District director	2	15,200	2	16,720	2	16,720
District economist	1	7,600				
District enforcement director	2	15,200	5	41,800	5	41,800
District information officer	5	39,000	9	75,440	9	75,440
Executive officer	4	30,400	9	76,240	9	76,240
Information and editorial specialist	7	53,200	1	8,360	1	8,360
Organizations representative	2	16,200	6	51,160	6	51,160
Personnel officer	11	87,000	11	93,560	11	93,560
Press and publication specialist			2	17,720	2	17,720
Price economist	1	7,600	15	126,000	15	126,000
Price executive	45	340,480	74	623,940	74	623,940
Regional economist	1	7,600				
Section chief	40		143		137	
		306,600		1,196,960		1,146,800
Special agent in charge	3	22,800				
Special agent, investigator	2	15,200	10	83,600	10	83,600
Special assistant, United States attorney	6	45,600	4	33,440	4	33,440
Staff attorney	12	91,200	3	25,080	3	25,080
Trial attorney	7	53,200	18	150,480	18	150,480
Grade 12. Range \$7,040 to \$8,040:						
Accountant			91	650,360	91	650,360
Administrative assistant			1	7,040	1	7,040
Administrative officer	30	198,400				
Administrative services officer			12	87,680	12	87,680
Assistant branch chief			2	14,080	2	14,080
Assistant branch counsel	2	12,800				
Assistant district counsel	15	96,000				
Assistant enforcement director			1	7,240	1	7,240
Assistant regional counsel	2	12,800				
Assistant section chief	8	51,600	3	21,120	3	21,120
Attorney			184		176	
				1,307,360		1,251,040
Attorney, adviser	46	299,400				
Branch chief	45	295,000	20	146,000	20	146,000
Branch counsel	3	19,200	1	7,040	1	7,040
Budget officer	8	52,800	11	80,240	11	80,240
Business analyst	170		187		177	
		1,098,400		1,329,480		1,259,080
Chief economist	1	6,400				
Chief employment officer	1	6,400				
Classification officer	4	26,400	5	36,000	5	36,000
Commodity counsel	15	96,000	63	446,720	63	446,720
Commodity inspector			12	85,280	12	85,280
Cost accountant	21	138,000				
Deputy district director	1	6,400				
Distribution analyst			1	8,040	1	8,040
District counsel	2	13,000	3	21,120	3	21,120
District economist	8	51,400				
District enforcement officer			2	14,080	2	14,080
District information officer	28	179,200	57	406,280	57	406,280
District price executive			2	14,080	2	14,080
Economist	9	58,200	108	772,040	98	701,640
Enforcement liaison officer	1	6,400				
Executive officer	20	134,600	61	443,360	61	443,360
Field relations officer	1	6,400				
Information and editorial specialist	12	79,200	7	49,280	7	49,280
Information specialist	25	164,200	27	194,880	27	194,880
Investigator	7	45,000	69	491,360	69	491,360
Organization and methods examiner	9	59,800	11	80,040	11	80,040
Organization representative	2	12,800	3	21,120	3	21,120
Personnel officer			2	14,080	2	14,080
Placement officer	7	44,800	8	56,520	8	56,520
Position classifier			1	7,040	1	7,040
Press and publication specialist			2	14,280	2	14,280
Price economist	19	123,600				
Radio and TV specialist			4	28,360	4	28,360
Resident inspector	1	6,400				
Section chief	165		409		409	
		1,081,000		2,906,560		2,906,560
Security officer	4	26,000	6	42,840	6	42,840
Special agent	32	210,200				
Special agent attorney	2	12,800				
Staff attorney	35	227,000				
Training officer	5	33,600	4	29,760	4	29,760
Trial attorney	25	161,200				
Grade 11. Range \$5,940 to \$6,940:						
Administrative assistant	1	5,400	110	672,000	110	672,000
Administrative officer	19	107,400	4	23,760	4	23,760
Assistant section chief	1	5,600	3	18,820	3	18,820
Attorney	29	163,100	121	731,740	115	696,100
Attorney adviser	26	145,200				
Branch counsel			2	11,880	2	11,880
Budget analyst			46	276,240	46	276,240

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
Field—Continued	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
General schedule grades—Continued						
Grade 11. Range \$5,940 to \$6,940—Con.						
Budget examiner	3	\$16,800	9	\$54,460	9	\$54,460
Budget officer	3	16,800	2	12,680	2	12,680
Business analyst	410		586		576	
		2,268,400		3,528,280		3,468,880
Classification officer	3	16,200	4	24,160	4	24,160
Commodity counsel	4	22,600	11	65,340	11	65,340
Commodity price specialist			4	23,960	4	23,960
Cost accountant	37	204,200				
Distribution officer			10	62,000	10	62,000
Distribution center chief	4	22,000				
District enforcement officer			1	5,940	1	5,940
District information officer			8	49,520	8	49,520
Economist	10	55,200	130	780,000	130	780,000
Executive officer	1	5,400	12	74,080	12	74,080
General services officer	2	11,400	9	54,460	9	54,460
Information and editorial specialist	19	105,600	2	11,880	2	11,880
Information officer	9	50,600				
Information specialist	17	92,100	24	142,960	24	142,960
Inspector, commodity	2	12,000	40	239,100	40	239,100
Investigator	80		494		479	
		442,400		2,984,620		2,895,520
Organization and methods examiner	4	23,800	4	23,760	4	23,760
Organization representative			1	5,940	1	5,940
Personnel officer	1	6,400	1	5,940	1	5,940
Placement officer	13	74,000	6	37,040	6	37,040
Position classifier	8	43,600	5	29,900	5	29,900
Price economist	30	165,600				
Principal investigator	1	5,400				
Printing and duplication officer			4	24,960	4	24,960
Qualifications rating examiner	1	5,400				
Radio and TV specialist			1	5,940	1	5,940
Records management officer	4	23,800	8	51,720	8	51,720
Section chief	10	57,400	13	77,220	13	77,220
Security and training officer			2	12,080	2	12,080
Special agent	90	500,100				
Special agent attorney	11	59,600				
Special agent investigator	9	49,000				
Staff attorney	15	82,000				
Statistician			2	11,880	2	11,880
Territorial counsel	2	10,800				
Training officer	7	39,200	1	5,940	1	5,940
Trial attorney	23	128,000				
Unit chief	5	28,000				
Grade 10. Range \$5,500 to \$6,250:						
Administrative officer	1	5,000				
Grade 9. Range \$5,060 to \$5,810:						
Accountant			69	361,265	69	361,265
Administrative assistant	20	99,500	39	207,840	39	207,840
Administrative officer	3	14,300	6	31,110	6	31,110
Assistant distribution chief	1	4,600				
Assistant district counsel	1	4,600				
Attorney	9	41,400	48	246,005	48	246,005
Attorney adviser	14	65,150				
Budget analyst	24	114,275				
Budget and finance officer	1	4,600	1	5,060	1	5,060
Budget examiner	5	24,125	6	32,235	6	32,235
Business analyst	326		398		393	
		1,542,725		2,058,885		2,033,585
Chief communication officer	3	13,925	1	5,185	1	5,185
Chief distribution center			2	10,120	2	10,120
Chief voucher audit unit			1	5,060	1	5,060
Classification officer			3	15,430	3	15,430
Commodity inspector			5	25,300	5	25,300
Commodity price specialist	2	9,200	12	61,220	12	61,220
Cost accountant	15	75,000				
Distribution analyst			4	20,990	4	20,990
District assistant			1	5,810	1	5,810
District commodity inspector, enforcement	1	5,350	8	40,480	8	40,480
Economist	10	46,000	65	329,900	60	304,600
Executive officer			1	5,060	1	5,060
Field representative			1	5,810	1	5,810
Fiscal accountant	2	9,325				
Forms analyst			1	5,060	1	5,060
General services officer			1	5,185	1	5,185
General supply assistant	1	4,725				
General supply officer	1	4,600				
Information and editorial specialist	8	36,800	1	5,060	1	5,060
Information officer	1	4,600	2	10,120	2	10,120
Information specialist	15	69,000	19	96,640	19	96,640
Interviewer			1	5,060	1	5,060
Investigator	100		635		620	
		478,625		3,298,230		3,222,330
Organization and methods examiner	1	4,600	2	10,245	2	10,245
Organization representative	2	9,200				
Personnel assistant	8	36,800	13	65,980	13	65,980
Placement officer	15	72,750	6	31,360	6	31,360
Position classifier	6	27,975	7	36,170	7	36,170
Price economist	18	84,550				
Price executive	1	4,600				
Printing and publication officer	3	13,800	4	22,365	4	22,365
Printing and publication statistician	1	5,350	2	10,495	2	10,495
Procurement officer	7	34,700	2	10,870	2	10,870
Qualification rating examiner			2	10,870	2	10,870
Rating examiner	3	14,050				
Records analyst	1	4,725				
Records management officer			4	21,365	4	21,365
Records officer	2	9,700				
Section chief	3	15,050	8	42,730	8	42,730
Security officer			1	5,060	1	5,060

INDEPENDENT OFFICES—Continued

ECONOMIC STABILIZATION AGENCY—Continued

Salaries and Expenses, Economic Stabilization Agency—Con.

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE PRICE STABILIZATION—continued			
Field—Continued			
General schedule grades—Continued			
Grade 9. Range \$5,060 to \$5,810—Con.			
Special agent	170 \$807, 445		
Special agent, attorney	5 24, 000		
Special agent, investigator	12 57, 450		
Staff attorney	20 95, 175		
Survey statistician	1 5, 350		
Training officer	8 37, 925	1 \$5, 185	1 \$5, 185
Trial attorney	3 13, 800		
Unit chief	1 4, 975		
Voucher audit supervisor	5 24, 250	2 10, 370	2 10, 370
Grade 8. Range \$4,620 to \$5,370	1 4, 950		
Grade 7. Range \$4,205 to \$4,955	490	654	642
	1, 960, 278	2, 844, 580	2, 794, 120
Grade 6. Range \$3,795 to \$4,545	29 107, 175	44 174, 765	43 170, 970
Grade 5. Range \$3,410 to \$4,160	364	547	537
	1, 220, 417	1, 972, 835	1, 938, 735
Grade 4. Range \$3,175 to \$3,655	895	1, 310	1, 286
	2, 736, 195	4, 363, 045	4, 286, 845
Grade 3. Range \$2,950 to \$3,430	1, 750	1, 726	1, 694
	4, 910, 540	5, 331, 177	5, 236, 777
Grade 2. Range \$2,750 to \$3,230	531	338	332
	1, 427, 848	1, 000, 772	984, 272
Grade 1. Range \$2,500 to \$2,980	25 55, 000	7 18, 140	7 18, 140
Crafts, protective, and custodial grades:			
Grade 6. Range \$3,200 to \$3,680	1 2, 900	2 6, 400	2 6, 400
Grade 5. Range \$2,974 to \$3,454	1 2, 674		
Grade 4. Range \$2,750 to \$3,230	1 2, 770	1 3, 150	1 3, 150
Grade 3. Range \$2,552 to \$3,032	98 226, 002	60 159, 668	59 157, 116
Grade 2. Range \$2,420 to \$2,840	20 43, 380	13 33, 490	13 33, 490
Grade 1. Range \$1,810 to \$2,170	3 4, 530		
Ungraded: \$1.46 per hour	1 3, 036	1 3, 036	1 3, 036
Total permanent, field	7, 360	10, 191	10, 000
	31, 905, 720	52, 462, 653	51, 488, 966
Deduct lapses	5, 851	1, 175	1, 175
	24, 984, 911	7, 683, 850	6, 789, 566
Net permanent, field (average number net salary)	1, 509	9, 015	8, 825
	6, 920, 809	44, 778, 803	44, 699, 400
Regular pay in excess of 52-week base		172, 226	171, 900
Payment above basic rates:			
Overtime and holiday pay	153, 046	193, 157	135, 000
Additional pay for service abroad	34, 748	180, 639	160, 000
All personal services, field	7, 108, 603	45, 324, 825	45, 166, 300
01 Personal services	10, 990, 095	58, 736, 926	58, 547, 300
ALLOTMENT TO OFFICE OF RENT STABILIZATION			
Departmental:			
Positions at rates in excess of \$14,800:			
Director of Rent Stabilization	1 \$14, 000	1 \$16, 000	1 \$16, 000
General schedule services:			
Grade 17. Range \$13,000 to \$13,800:			
Deputy director of Rent Stabilization			1 13, 000
Grade 16. Range \$12,000 to \$12,800:			
Deputy director Advisory Board		1 12, 000	1 12, 000
Chief counsel		1 12, 200	1 12, 200
Deputy director, public relations		1 12, 200	1 12, 200
Deputy director, program			1 12, 000
Grade 15. Range \$10,800 to \$11,800:			
General manager	1 10, 750	1 11, 550	
Special assistant to director	1 10, 000	1 10, 800	1 10, 800
Military liaison officer		1 11, 800	1 11, 800
General counsel	1 10, 750		
Director of Information	1 10, 000		
Deputy director, administration	1 10, 750	1 11, 800	1 11, 800
Grade 14. Range \$9,600 to \$10,600:			
Director, budget and finance branch	1 9, 000	1 10, 000	1 10, 000
Assistant general counsel	2 18, 400	3 30, 000	3 30, 000
Trial attorney, general	4 36, 000	4 39, 800	4 39, 800
National supervisor of field representatives	1 9, 800		
Coordinator of special assignments	1 8, 800	1 9, 800	1 9, 800
Director of compliance branch	1 8, 800	1 9, 800	1 9, 800
Director of personnel branch	1 8, 800	1 9, 800	1 9, 800
Deputy director of information	1 8, 800		
Director, administrative services branch		1 9, 600	1 9, 600
Special assistant		1 9, 600	1 9, 600
Deputy director, program		1 9, 600	
Director, field relations branch		1 9, 600	1 9, 600
Program assistant		2 19, 200	2 19, 200
Information and editorial specialist		1 9, 600	1 9, 600
Grade 13. Range \$8,360 to \$9,360:			
Chief, press branch	1 7, 600	1 8, 360	1 8, 360
Chief, radio-TV branch		1 8, 360	1 8, 360
Chief, field services branch		1 8, 360	1 8, 360
Field representative	9 71, 200	4 34, 240	4 34, 240

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF RENT STABILIZATION—continued			
Departmental—Continued			
General schedule grades—Continued			
Grade 13. Range \$8,360 to \$9,360—Con.			
Director, administrative services branch	1 \$7, 600		
Attorney adviser	9 71, 400	9 \$77, 240	9 \$77, 240
Trial attorney	7 54, 400	7 61, 320	7 61, 320
Special assistant to director	1 8, 600		
Statistical officer	1 7, 600		
Decontrol specialist	1 7, 800		
Chief, advisory board branch	1 8, 000		
Specialist assistants	3 22, 800		
Consultants	3 22, 800		
Assistant general manager	1 7, 600		
Congressional information officer		2 17, 720	2 17, 720
National hotel specialist		1 8, 360	1 8, 360
Assistant deputy director, advisory board		1 8, 360	1 8, 360
Criminal investigator		2 16, 720	2 16, 720
Grade 12. Range \$7,040 to \$8,040:			
Investigator	1 6, 600	2 15, 480	2 15, 480
Criminal investigator	2 13, 600		
Attorney adviser	5 34, 600	5 37, 200	5 37, 200
Archivist	1 6, 600		
Organization and methods examiner	1 7, 400		
Information and editorial specialist	3 19, 200	7 49, 280	7 49, 280
Board liaison officer	2 12, 800		
Commodity industry economist		1 7, 040	1 7, 040
Field representative		3 21, 120	3 21, 120
Placement officer		1 7, 040	1 7, 040
Field personnel officer		1 7, 240	1 7, 240
Assistant director, administrative services		1 7, 040	1 7, 040
Chief, planning and control section		1 7, 040	1 7, 040
Grade 11. Range \$5,940 to \$6,940:			
Cost accountant	1 5, 400	4 23, 960	4 23, 960
Chief, examiners section	1 5, 600		
Personnel procedures analyst	1 6, 400	1 6, 540	1 6, 540
Position classifier	1 5, 400	2 11, 880	2 11, 880
Assistant to director, budget and finance	1 6, 000	1 6, 740	1 6, 740
Archivist	1 5, 400		
Information and editorial specialist	1 5, 400	1 6, 140	1 6, 140
Assistant director, administrative services	1 5, 400		
Assistant board coordinator	1 5, 600		
Investigator	3 19, 200		
Placement officer	1 5, 400		
Section chief	1 5, 400	1 5, 940	1 5, 940
Board analyst	1 5, 600		
Special rent examiner		1 6, 340	1 6, 340
Personnel representative		1 6, 540	1 6, 540
Field assistant		3 17, 820	3 17, 820
Grade 10. Range \$5,500 to \$6,250:			
Budget analyst	1 5, 375	1 5, 875	
Grade 9. Range \$5,060 to \$5,810:			
Shorthand reporter	1 5, 100	1 5, 685	1 5, 685
Accountant	19 88, 250		
Position classifier	1 4, 850		
Employee relations assistant	1 4, 850	1 5, 435	1 5, 435
Fiscal auditor	1 4, 975	1 5, 185	1 5, 185
Fiscal accountant	1 4, 600	1 5, 310	1 5, 310
Correspondence specialist	1 5, 350		
Procurement and supply officer	1 4, 600	1 5, 060	1 5, 060
Chief, reproduction unit	1 4, 975		
Business economist	1 5, 350		
Archivist	2 9, 950	1 5, 060	1 5, 060
Information and editorial specialist	3 14, 925	1 5, 060	1 5, 060
Section chief	2 9, 200	3 15, 430	3 15, 430
Field assistant		1 5, 185	1 5, 185
Placement assistant		2 10, 495	2 10, 495
Storekeeper and storage assistant		1 5, 060	1 5, 060
Grade 8. Range \$4,620 to \$5,370:			
Time, leave, and payroll supervisor	1 4, 825	1 5, 370	1 5, 370
Grade 7. Range \$4,205 to \$4,955	13 54, 300	16 72, 655	17 76, 860
Grade 6. Range \$3,795 to \$4,545	8 31, 475	8 34, 360	8 34, 360
Grade 5. Range \$3,410 to \$4,160	23 81, 925	27 98, 770	27 98, 770
Grade 4. Range \$3,175 to \$3,655	52 165, 355	67 221, 790	67 221, 790
Grade 3. Range \$2,950 to \$3,430	47 139, 575	63 197, 936	63 197, 936
Grade 2. Range \$2,750 to \$3,230	27 70, 950	17 48, 830	17 48, 830
Crafts, protective, and custodial grades:			
Grade 4. Range \$2,750 to \$3,230	2 5, 380	1 3, 070	1 3, 070
Grade 3. Range \$2,552 to \$3,032	6 15, 504	10 28, 440	10 28, 440
Grade 2. Range \$2,420 to \$2,840	1 2, 252		
Ungraded positions at annual rates:			
Rates less than \$5,060	3 8, 695	7 20, 416	7 20, 416
Total permanent, departmental	305	324	324
	1, 411, 636	1, 584, 447	1, 576, 627
Deduct lapses	26 39, 780	28 136, 920	14 68, 124
Net permanent, departmental (average number, net salary)	279	296	310
	1, 371, 856	1, 447, 527	1, 508, 503
Part-time and temporary positions:			
Temporary employment	6, 000	2, 800	6, 000
Regular pay in excess of 52-week base	24, 000	5, 500	5, 500
Payment above basic rates: Overtime and holiday pay	9, 000	11, 500	11, 700
Payment to other agencies for reimbursable details	5, 106	2, 000	3, 000
All personal services, departmental	1, 415, 962	1, 469, 327	1, 534, 703

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO OFFICE OF RENT STABILIZATION—continued						
Field:						
General schedule services:						
Grade 15. Range \$10,800 to \$11,800:						
Regional director	4	\$43,500	7	\$81,350	7	\$81,350
Associate regional director	2	21,500				
Area rent director			4	43,200	4	43,200
Grade 14. Range \$9,600 to \$10,600:						
Deputy regional director	6	53,800	6	59,200	6	59,200
Regional attorney	6	53,800	6	59,200	6	59,200
Area rent director	8	74,000	3	30,600	3	30,600
Trial attorney, supervisor			8	77,200	8	77,200
Grade 13. Range \$8,360 to \$9,360:						
Regional board coordinator	5	39,200	7	59,720	7	59,720
Trial attorney, supervisor	9	70,600				
Area rent director	12	98,000	14	129,170	14	129,170
Area rent director-attorney	3	26,450	2	17,720	2	17,720
Area rent attorney	6	47,600	5	43,600	5	43,600
Deputy area rent director	2	15,200	4	35,240	4	35,240
Field representative	1	7,600	13	110,880	13	110,880
Regional compliance officer			7	58,720	7	58,720
Regional information officer			5	41,800	5	41,800
Attorney adviser			3	25,080	3	25,080
Trial attorney, general			5	41,800	5	41,800
Grade 12. Range \$7,040 to \$8,040:						
Regional information officer	3	21,200	5	36,200	5	36,200
Administrative officer	2	14,000	6	43,240	6	43,240
Field representative	5	33,600				
Supervising examiner	8	55,000	2	14,680	2	14,680
Area rent director	37	253,200	40	304,400	40	304,400
Deputy area rent director	5	34,000	10	74,600	10	74,600
Area rent director, attorney	6	41,200	8	57,720	8	57,720
Trial attorney	27	178,000	26	188,640	26	188,640
Supervising compliance negotiator	1	6,400	1	7,040	1	7,040
Regional accountant			5	34,700	5	34,700
Area rent attorney	12	80,400	11	82,800	11	82,800
Board liaison officer			2	14,080	2	14,080
Associate area rent director			1	7,040	1	7,040
Grade 11. Range \$5,940 to \$6,940:						
Information specialist	1	5,400				
Examiner-inspector	50	288,400	79	489,520	79	489,520
Investigator	1	6,400				
Accountant	2	12,000	1	6,540	1	6,540
Area rent director	41	237,400	67	408,080	67	408,080
Deputy area rent director	1	5,800				
Compliance negotiator	10	58,600	28	171,920	28	171,920
Trial attorney	22	132,200	6	36,240	6	36,240
Area rent director, attorney	11	66,000	20	124,600	20	124,600
Area rent attorney	33	191,600	36	226,825	36	226,825
Administrative assistant	4	25,400				
Associate area rent director			5	31,900	5	31,900
Board liaison officer			10	62,000	10	62,000
Chief, public service section			3	17,820	3	17,820
Field records and property officer			5	31,700	5	31,700
Grade 10. Range \$5,500 to \$6,250:						
Associate area rent director	2	11,375	21	124,468	21	124,468
Area rent director	2	10,750	4	22,250	4	22,250
Compliance negotiator			55	316,469	55	316,469
Examiner-inspector			1	6,125	1	6,125
Grade 9. Range \$5,060 to \$5,810:						
Investigator	21	109,688	24	136,063	24	136,063
Accountant	32	160,175	8	45,480	8	45,480
Field agent	1	5,350				
Area rent director	7	34,700	14	77,965	14	77,965
Examiner-inspector	327		334		334	
		1,622,841		1,796,168		1,796,168
Area rent representative	11	55,600				
Compliance negotiator	67	331,225	36	188,922	36	188,922
Area rent attorney	10	48,875	4	22,240	4	22,240
Records officer	1	4,725				
Field records and property officer	5	26,250				
Area rent director, attorney			4	20,865	4	20,865
Associate area rent director			24	131,455	24	131,455
Board liaison officer			31	158,775	31	158,775
Landlord-tenant consultant			4	20,240	4	20,240
Personnel officer			6	30,485	6	30,485
Grade 7. Range \$4,205 to \$4,955:						
	247		193		193	
		1,035,990		863,708		863,708
Grade 6. Range \$3,795 to \$4,545:						
	7	26,150	16	64,720	16	64,720
Grade 5. Range \$3,410 to \$4,160:						
	153		398		398	
		505,417		1,448,131		1,448,131
Grade 4. Range \$3,175 to \$3,655:						
	328		402		402	
		1,009,793		1,340,634		1,340,634
Grade 3. Range \$2,950 to \$3,430:						
	458		497		497	
		1,324,565		1,535,812		1,535,812
Grade 2. Range \$2,750 to \$3,230:						
	296		190		190	
		791,639		553,212		553,212
Crafts, protective, and custodial grades:						
Grade 3. Range \$2,252 to \$3,032:						
	6	15,162	6	16,112	6	16,112
Grade 2. Range \$2,420 to \$2,840:						
	2	4,730	1	2,700	1	2,700
Total permanent, field	2,329		2,749		2,749	
		9,432,450		12,309,764		12,309,764
Deduct lapses	95		361		143	
		145,547		1,622,491		644,017
Net permanent, field (average number, net salary)	2,234		2,388		2,606	
		9,286,903		10,687,273		11,665,747
Part-time and temporary positions: Temporary employment						
		14,500		44,400		50,050
Regular pay in excess of 52-week base						
		191,500		45,500		46,200
Payment above basic rates: Overtime and holiday pay						
		71,000		93,500		98,300
All personal services, field						
		9,563,903		10,870,673		11,860,297
01 Personal services						
		10,979,865		12,340,000		13,395,000

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO WAGE STABILIZATION BOARD						
Departmental:						
Positions at rates in excess of \$14,800:						
Chairman of the board	1	\$16,000	1	\$16,000	1	\$16,000
General schedule grades:						
Grade 18. Rate of \$14,800:						
Executive director			1	14,800	1	14,800
Grade 17. Range \$13,000 to \$13,800:						
Deputy executive director			1	13,000	1	13,000
Chief counsel			1	13,000	1	13,000
Grade 16. Range \$12,000 to \$12,800:						
Chairman, review and appeals committee			1	12,000	1	12,000
Chairman, national enforcement commission			1	12,000	1	12,000
Director, office of economic analysis			1	12,000	1	12,000
Director, office of case analysis			1	12,000	1	12,000
Director, office of disputes			1	12,000	1	12,000
Grade 15. Range \$10,800 to \$11,800:						
Assistant to chairman of the board	1	11,000	1	10,800		
Executive assistant to industry and labor members	3	30,000	3	32,400	3	32,400
Technical assistant to industry and labor members			4	43,200	4	43,200
Executive assistant			1	10,800	1	10,800
Special assistant to executive director			1	10,800	1	10,800
Director, agricultural wage division			1	10,800	1	10,800
Director, field operations			1	10,800	1	10,800
Public member, review and appeals committee			3	32,650	4	43,450
Chairman, health and welfare committee			1	11,550	1	11,550
Cochairman, construction industry stabilization committee			2	21,850	2	21,850
Associate director, office of economic analysis			1	10,800	1	10,800
Economic adviser			1	10,800	1	10,800
Director, policy analysis division			1	10,800	1	10,800
Associate chief counsel			2	21,600	2	21,600
Assistant chief counsel	2	20,000	2	21,600	2	21,600
Director, office of administrative management	1	10,000	1	10,800	1	10,800
Associate director, office of case analysis			1	10,800	1	10,800
Director, federal agencies division			1	10,800	1	10,800
Director, national case division			1	10,800	1	10,800
Director, board agencies division			1	10,800	1	10,800
Director, office of information			1	10,800	1	10,800
Chief counsel	1	10,000				
Deputy executive director	1	10,000				
Labor adviser	1	10,000				
Technical assistant to chairman of the board	1	10,000				
Grade 14. Range \$9,600 to \$10,600:						
Technical assistant to industry and labor members			5	48,000	5	48,000
Administrative officer			1	10,000	1	10,000
Assistant director, agricultural wage division			1	9,600	1	9,600
Assistant director, field operations			1	9,600	1	9,600
Wage and hour liaison officer	1	8,800	1	9,600	1	9,600
Legal counsel	1	8,800	1	9,600	1	9,600
Associate director, policy analysis division			1	9,600	1	9,600
Economist	3	26,400	4	38,400	4	38,400
Director, program statistics division			1	9,600	1	9,600
Attorney	4	35,400	4	38,400	5	48,000
Assistant director, office of administrative management	1	8,800	1	9,600	1	9,600
Director, organization and methods division			1	9,600	1	9,600
Director, budget and finance division	1	8,800	1	9,600	1	9,600
Director, personnel division	1	8,800	1	9,600	1	9,600
Director, administrative services division			1	9,600	1	9,600
Director, case standards division			1	9,600	1	9,600
Assistant director, national case division			2	19,200	2	19,200
Assistant director, Federal agencies division			1	9,600	1	9,600
Assistant director, board agencies division			1	9,600	1	9,600
Chief of news division	1	8,800	1	9,600	1	9,600
Chief, program division	1	8,800	1	9,600	1	9,600
Director, information	1	8,800				
Wage stabilization officer	1	8,800				
Grade 13. Range \$8,360 to \$9,360:						
Agricultural wage stabilization analyst			1	8,360		
Wage and hour liaison officer	1	7,600	1	8,360	1	8,360
Economist	3	22,800	3	25,080	3	25,080
Assistant director, program statistics division	1	7,600	1	8,360	1	8,360
Attorney	8	61,200	7	58,920	5	41,800
Security officer	1	7,600	1	8,360	1	8,360
Assistant director, organization and methods division			1	8,360	1	8,360
Organization and methods examiner			1	8,360	2	16,720
Assistant director, budget and finance division			1	8,360	1	8,360
Chief, budget branch	1	7,600	1	8,360	1	8,360
Assistant director, personnel division	1	8,600	1	9,360	1	9,360
Chief, classification branch			1	8,360	1	8,360
Chief, employment branch	1	7,600	1	8,360	1	8,360

INDEPENDENT OFFICES—Continued

ECONOMIC STABILIZATION AGENCY—Continued

Salaries and Expenses, Economic Stabilization Agency—Continued

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO WAGE STABILIZATION BOARD—continued						
Departmental—Continued						
General schedule grades—Continued						
Grade 13. Range \$8,360 to \$9,360—Con.						
Assistant director, administrative services division	1	\$7,600	1	\$8,360	1	\$8,360
Chief, public liaison unit			1	8,360	1	8,360
Assistant director, case standards division			1	8,360	1	8,360
Section chief, national case			6	50,360	6	50,360
Section chief, board agencies	4	30,400	4	33,440	4	33,440
Section chief, Federal agencies	1	7,600	1	8,360	1	8,360
Disputes officer	1	8,200	1	8,360	1	8,360
Information specialist	1	7,600	1	8,360	1	8,360
Administrative officer				8,360	1	8,360
Regional liaison officer				8,360	1	8,360
Attorney, supervisor	1	7,600			1	8,360
Director, economic analysis	1	7,600				
Assistant director, information	1	7,600				
Program coordinator	1	7,600				
Grade 12. Range \$7,040 to \$8,040:						
Economist	3	19,800	3	21,120	3	21,120
Supervisory analytical statistician	2	13,000	3	21,120	3	21,120
Attorney			4	29,160	4	29,160
Organization and methods examiner			3	21,120	2	14,080
Forms analyst			1	7,040	1	7,040
Budget examiner			2	14,480	2	14,480
Chief, fiscal branch	1	6,400	1	7,040	1	7,040
Position classifier			1	7,040	1	7,040
Chief, placement section			1	7,040	1	7,040
Chief, procurement, transportation and utilities branch	1	7,400	1	7,040	1	7,040
Chief, records administration branch			1	7,040	1	7,040
Chief, publications and distribution branch			1	7,040	1	7,040
Assistant chief, public liaison unit			1	7,040	1	7,040
Industrial relations analyst	2	12,800	11	77,640	9	63,560
Information specialist			1	7,040	1	7,040
Assistant to wage and hour liaison officer					1	7,040
Legal assistant					2	14,080
Chief, classification	1	6,400				
Grade 11. Range \$5,940 to \$6,940:						
Chief, board room services	1	5,400	1	5,940	1	5,940
Legal assistant			2	12,080	2	12,080
Economist	1	5,400	2	11,880	4	23,760
Statistician	2	10,800	4	23,760	4	23,760
Attorney	4	21,600	4	23,760	3	17,820
Assistant security officer			1	5,940	1	5,940
Budget examiner	1	5,600	1	5,940	2	11,8
Assistant chief, fiscal branch			1	5,940	1	5,940
Position classifier	4	21,600	4	23,760	3	17,820
Placement officer	2	11,200	2	11,880	2	11,880
Chief, training branch			1	6,940	1	6,940
Industrial relations analyst	2	11,600	15	89,100	15	89,100
Administrative officer			2	12,880	2	12,880
Field assistant				5,940	1	5,940
Executive assistant					1	5,940
Assistant chief, procurement, transportation and utilities branch					1	5,940
Methods examiner	4	21,800			1	5,940
Chief, procurement	1	5,400				
Investigator	1	5,400				
Printing and publications officer	1	5,600				
Grade 10. Range \$5,500 to \$6,250:						
Printing and publications officer	1	5,750				
Grade 9. Range \$5,060 to \$5,810:						
Reporter			3	15,180	3	15,180
Research assistant			1	5,060	1	5,060
Economist	3	14,675	3	15,180	2	10,120
Statistician			4	20,240	4	20,240
Attorney	3	13,800	5	25,425	4	20,365
Organization and methods examiner	3	13,800	2	10,245	2	10,245
Budget examiner	1	4,600	1	5,060	1	5,060
Fiscal analyst			1	5,810	1	5,810
Training officer	1	5,350	1	5,060	1	5,060
Chief, procurement and supply section			1	5,810	1	5,810
Chief, space and utilities section			1	5,560	1	5,560
Chief, transportation section	1	4,600	1	5,060	1	5,060
Records analyst	1	4,725	2	10,370	3	15,430
Chief, printing and reproduction section			1	5,060	1	5,060
Chief, distribution section			1	5,060	1	5,060
Industrial relations analyst			20	101,950	19	96,890
Administrative assistant	1	4,600	7	35,795	5	25,675
Chief, central records section	1	5,350			1	5,060
Placement officer	2	9,200				
Position classifier	1	4,600				
Secretary to chairman of the Board	1	4,600				
Grade 8. Range \$4,620 to \$5,370:						
Grade 7. Range \$4,205 to \$4,955:	43	169,350	67	289,485	61	263,505
Grade 6. Range \$3,795 to \$4,545:	17	63,150	29	113,930	32	125,315
Grade 5. Range \$3,410 to \$4,160:	59	197,400	109	392,190	92	331,720

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO WAGE STABILIZATION BOARD—continued						
Departmental—Continued						
General schedule grades—Continued						
Grade 4. Range \$3,175 to \$3,655	46	\$141,530	91	\$300,285	83	\$272,325
Grade 3. Range \$2,950 to \$3,430	97	262,410	78	236,500	61	184,110
Grade 2. Range \$2,750 to \$3,230	4	10,840	7	19,970	8	22,720
Grade 1. Range \$2,500 to \$2,980	1	2,680	1	2,980	1	2,980
Crafts, protective, and custodial grades:						
Grade 4. Range \$2,750 to \$3,230	1	2,450	2	5,980	2	5,980
Grade 3. Range \$2,552 to \$3,032	9	20,908	14	39,168	14	39,168
Grade 2. Range \$2,420 to \$2,840	2	4,240	3	7,470	3	7,470
Lithographic wage schedule grades:						
Grade 11. Range \$3,515 to \$4,077			1	3,515	1	3,515
Grade 9. Range \$3,182 to \$3,682	1	2,933	1	3,182	2	6,364
Grade 5. Range \$2,538 to \$2,933	1	2,350	4	10,400	3	7,862
Grade 4. Range \$2,371 to \$2,746					1	2,371
Total permanent, departmental	394	1,667,291	650	3,285,380	611	3,167,810
Deduct lapses	325.8	1,397,441	116.5	638,344	45.9	253,508
Net permanent, departmental (average number, net salary)	68.2	269,850	533.5	2,647,036	565.1	2,914,302
Part-time and temporary positions		95,313		374,173		368,600
Regular pay in excess of 52-week base				10,231		11,265
Payment above basic rates		27,955		138,800		
Payments to other agencies for reimbursable details		27,405		30,400		
All personal services, departmental	420,523		3,200,640		3,294,167	
Field:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800:						
Regional chairman			14	151,200	14	151,200
Vice chairman			8	86,400	8	86,400
Director, case analysis			14	151,200	14	151,200
Regional counsel			14	151,200	14	151,200
Grade 14. Range \$9,600 to \$10,600:						
Director, agricultural wage			5	49,000	5	49,000
Chief, enforcement and litigation			14	134,400	14	134,400
Chief, rulings and opinions			14	135,400	14	135,400
Associate director, case analysis			10	96,000	10	96,000
Regional chairman	1	8,800				
Grade 13. Range \$8,360 to \$9,360:						
Assistant director, agricultural wage			2	16,720	2	16,720
Assistant chief, rulings and opinions			8	66,880	8	66,880
Assistant chief, enforcement and litigation			9	75,240	9	75,240
Director, administrative management	12	92,800	14	120,640	14	120,640
Branch chief, case analysis			40	336,600	40	336,600
Regional information officer			8	66,880	7	58,520
Grade 12. Range \$7,040 to \$8,040:						
Executive assistant to chairman			14	99,160	14	99,160
Labor and industry executive assistant			42	300,880	42	300,880
Agricultural wage stabilization analyst			3	21,120	3	21,120
Trial attorney			8	56,320	11	77,440
Case analyst			32	227,080	32	227,080
Regional information officer			6	42,440	7	49,480
Grade 11. Range \$5,940 to \$6,940:						
Agricultural wage stabilization analyst			1	5,940	1	5,940
Attorney-adviser			15	90,500	15	90,500
Trial attorney			8	48,520	11	66,340
Budget officer	2	11,800	3	19,820		
Case analyst			58	347,120	58	347,120
Grade 9. Range \$5,060 to \$5,810:						
Agricultural wage stabilization analyst			2	11,120	2	11,120
Attorney-adviser			5	25,300	5	25,300
Trial attorney			12	61,470	9	46,290
Administrative assistant	4	20,150	13	71,405	13	71,405
Budget officer			1	5,810		
Personnel officer	4	20,025	12	64,845	12	64,845
Case analyst			72	371,320	72	371,320
Grade 8. Range \$4,620 to \$5,370:	1	4,450	109	470,845	104	449,820
Grade 7. Range \$4,205 to \$4,955:	5	20,125	29	113,430	28	109,635
Grade 6. Range \$3,795 to \$4,545:	1	3,700	106	390,210	106	390,210
Grade 5. Range \$3,410 to \$4,160:	12	41,575	207	700,185	211	712,885
Grade 4. Range \$3,175 to \$3,655:	11	34,825	140	444,120	138	437,820
Grade 3. Range \$2,950 to \$3,430:	7	19,670	1	3,150	1	3,150
Grade 2. Range \$2,750 to \$3,230:						
Crafts, protective, and custodial grades:						
Grade 3. Range \$2,552 to \$3,032:			2	5,104	2	5,104
Grade 2. Range \$2,420 to \$2,840:	1	2,120	12	30,510	12	30,510
Lithographic wage schedule grade:						
Grade 5. Range \$2,538 to \$2,933:			1	2,725		
Total permanent, field	61	280,040	1,088	5,668,209	1,082	5,643,874
Deduct lapses	49.5	231,999	341.6	1,862,619	63.2	360,433
Net permanent, field (average number, net salary)	11.5	48,041	746.4	3,805,590	1,018.8	5,283,441
Part-time and temporary positions				477,227		602,000
Regular pay in excess of 52-week base				14,683		20,422

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOCATION TO WAGE STABILIZATION BOARD—continued						
Payment above basic rates.....				\$280		\$2, 970
Payments to other agencies for reimbursable details.....				26, 080		
All personal services, field.....		\$48, 041		4, 323, 860		5, 908, 833
01 Personal services.....		468, 564		7, 524, 500		9, 203, 000
ALLOTMENT TO SALARY STABILIZATION BOARD						
Departmental:						
General schedule grades:						
Grade 17. Range \$13,000 to \$13,800:						
Executive director.....	1	\$12, 200	1	\$13, 000	1	\$13, 000
Grade 16. Range \$12,000 to \$12,800:						
Chief counsel.....			1	12, 000	1	12, 000
Deputy executive director.....			1	12, 000	1	12, 000
Director, office of case analysis.....			1	12, 000	1	12, 000
Director, office of program policy.....			1	12, 000	1	12, 000
Grade 15. Range \$10,800 to \$11,800:						
Associate chief counsel.....					1	10, 800
Chief hearing officer.....					1	10, 800
Deputy director, office of program policy.....					1	10, 800
Deputy director, office of case analysis.....			1	10, 800	1	10, 800
Director, industry relations staff.....			1	11, 800	1	11, 800
Director, public liaison staff.....	1	10, 750	1	11, 550	1	11, 550
Director, policy division.....			1	10, 800	1	10, 800
Director, operations analysis division.....			1	10, 800	1	10, 800
Director, statistical analysis division.....			1	10, 800	1	10, 800
Chief, legal planning and interpretations division.....			1	10, 800	1	10, 800
Chief, rulings and opinions division.....			1	10, 800	1	10, 800
Chief, compliance and litigation division.....			1	10, 800	1	10, 800
Director, general case division.....			1	10, 800	1	10, 800
Director, new plans and plants division.....					1	10, 800
Director, special case division.....			1	10, 800	1	10, 800
Grade 14. Range \$9,600 to \$10,600:						
Secretary to the board.....					1	9, 600
Hearing officer.....					1	9, 600
Deputy director, public liaison staff.....					1	9, 600
Economist.....					1	9, 600
Analyst.....					1	9, 600
Deputy director, statistical analysis division.....					1	9, 600
Special assistant to chief counsel.....					1	9, 600
Deputy director, legal planning and interpretations division.....					1	9, 600
Deputy director, rulings and opinions division.....			1	9, 600	1	9, 600
Chief, investigations branch.....			1	9, 600	1	9, 600
Chief, compliance branch.....			1	9, 600	1	9, 600
Chief, litigation branch.....			1	9, 800	1	9, 800
Deputy director, general case division.....					1	9, 600
Deputy director, new plans and plants division.....			1	9, 600	1	9, 600
Deputy director, special case division.....			1	9, 600	1	9, 600
Executive assistant.....			1	9, 600	1	9, 600
Deputy director, industry relations staff.....			1	9, 600	1	9, 600
Grade 13. Range \$8,360 to \$9,360:						
Administrative assistant to executive director.....					2	16, 720
Executive secretary, review and appeals staff.....					1	8, 360
Statistician.....			2	17, 320	2	17, 320
Analyst.....			2	16, 720	2	16, 720
Attorney.....			2	16, 720	2	16, 720
Deputy chief, investigations branch.....			1	8, 560	1	8, 560
Deputy chief, compliance branch.....			1	8, 360	1	8, 360
Chief, new plans branch.....					1	8, 360
Chief, basic compensation branch.....			1	8, 760	1	8, 760
Chief, auxiliary compensation branch.....			1	8, 360	1	8, 360
Chief, salary plans branch.....			1	8, 360	1	8, 360
Case analyst.....			2	16, 720	2	16, 720
Administrative officer.....			1	8, 560	1	8, 560
Salary stabilization adviser.....			7	61, 520	6	50, 160
Information specialist.....			2	16, 720	2	16, 720
Chief, special problems branch.....					1	8, 360
Chief, new criteria branch.....					1	8, 360
Grade 12. Range \$7,040 to \$8,040:						
Compensation specialist.....			4	29, 360	2	15, 280
Attorney.....			7	49, 280	7	49, 280
Investigator.....			2	14, 280	4	28, 160
Case analyst.....			9	63, 360	9	63, 360
Information specialist.....			1	7, 240		
Grade 11. Range \$5,940 to \$6,940:						
Compensation specialist.....			1	5, 940	1	5, 940
Statistician.....			1	5, 940	1	5, 940
Attorney.....			7	41, 580	8	47, 520
Investigator.....			5	29, 700	3	17, 820
Case analyst.....			9	53, 460	9	53, 460

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO SALARY STABILIZATION BOARD—continued						
Departmental—Continued						
General schedule grades—Continued						
Grade 11. Range \$5,940 to \$6,940—Con.						
Analyst.....					1	\$5, 940
Administrative assistant.....					1	5, 940
Expediter.....					1	5, 940
Liaison officer.....					1	5, 940
Grade 9. Range \$5,060 to \$5,810:						
Administrative assistant.....			1	\$5, 185	2	10, 120
Analyst.....			1	5, 060		
Statistician.....			1	5, 060	1	5, 060
Attorney.....			5	25, 300	7	35, 420
Investigators.....			2	10, 245	3	15, 180
Case analyst.....			15	77, 775	13	67, 655
Expediter.....	1	\$4, 600	1	5, 060		
Grade 8. Range \$4,620 to \$5,370:			1	4, 745	1	4, 745
Grade 7. Range \$4,205 to \$4,955:	2	7, 900	20	84, 600	18	76, 190
Grade 6. Range \$3,795 to \$4,545:	1	3, 950	11	43, 440	14	53, 755
Grade 5. Range \$3,410 to \$4,160:			25	89, 620	20	72, 570
Grade 4. Range \$3,175 to \$3,655:			24	79, 000	41	131, 055
Grade 3. Range \$2,950 to \$3,430:			26	76, 710	12	35, 640
Crafts, protective, and custodial grades:						
Grade 4. Range \$2,750 to \$3,230:			2	5, 500	3	8, 250
Grade 3. Range \$2,552 to \$3,032:			3	8, 536	3	8, 536
Total permanent, departmental.....	6	39, 400	231	1,281,206	251	1,458,326
Deduct lapses.....	5	37, 202	96	532, 361	20.5	163,399
Net permanent, departmental (average number, net salary).....	1	2, 198	135	748, 845	230.5	1, 294, 927
Part-time and temporary positions: Temporary employment.....		3, 186		57, 380		46, 848
Regular pay in excess of 52-week base.....				5, 625		4, 965
Payment above basic rates: Overtime and holiday pay.....		23		17, 500		
Payments to other agencies for reimbursable details.....		1, 455		20, 000		
All personal services, departmental.....		6, 862		849, 350		1, 346, 740
Field:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800:						
Regional director.....			8	86, 400	14	151, 200
Grade 14. Range \$9,600 to \$10,600:						
Deputy regional director.....			1	9, 600	2	19, 200
Regional attorney.....			8	76, 800	14	134, 400
Grade 13. Range \$8,360 to \$9,360:						
Analyst.....			4	33, 440	14	117, 040
Salary stabilization adviser.....			2	16, 720	14	117, 040
Grade 12. Range \$7,040 to \$8,040:						
Chief enforcement attorney.....			6	42, 240	14	98, 560
Analyst.....			8	56, 320	14	98, 560
Grade 11. Range \$5,940 to \$6,940:						
Chief investigator.....			8	47, 520	14	83, 160
Analyst.....			2	11, 880	2	11, 880
Grade 9. Range \$5,060 to \$5,810:						
Investigator.....			21	106, 260	37	187, 220
Analyst.....			2	10, 120	2	10, 120
Grade 7. Range \$4,205 to \$4,955:			20	84, 100	26	109, 330
Grade 5. Range \$3,410 to \$4,160:			16	54, 560	28	95, 480
Grade 4. Range \$3,175 to \$3,655:			14	44, 450	45	142, 875
Grade 3. Range \$2,950 to \$3,430:			6	17, 700	13	38, 350
Total permanent, field.....			126	698, 110	253	1, 414, 415
Deduct lapses.....			108.6	601, 740	51.5	335, 440
Net permanent, field (average number, net salary).....			17.4	96, 370	201.5	1, 078, 975
Regular pay in excess of 52-week base.....				375		4, 135
All personal services, field.....				96, 745		1, 083, 110
01 Personal services.....		6, 862		946, 095		2, 429, 850
ALLOTMENT TO RAILROAD AND AIRLINE WAGE BOARD						
Departmental:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800:						
Chairman of the Board.....			1	10, 800	1	10, 800
Grade 14. Range \$9,600 to \$10,600:						
Executive director.....			1	9, 600	1	9, 600
Enforcement attorney.....					1	9, 600
Grade 13. Range \$8,360 to \$9,360:						
Analyst.....			1	8, 360	1	8, 360
Grade 12. Range \$7,040 to \$8,040:						
Analyst.....			2	14, 080	2	14, 080
Grade 9. Range \$5,060 to \$5,810:						
Analyst.....			1	5, 060	1	5, 060
Grade 7. Range \$4,205 to \$4,955:			1	4, 205	1	4, 205
Grade 6. Range \$3,795 to \$4,545:			1	3, 795	1	3, 795
Grade 5. Range \$3,410 to \$4,160:			2	6, 820	3	9, 760
Grade 4. Range \$3,175 to \$3,655:			2	6, 350	2	6, 350
Total permanent, departmental.....			12	69, 070	14	81, 610

INDEPENDENT OFFICES—Continued

ECONOMIC STABILIZATION AGENCY—Continued

Salaries and Expenses, Economic Stabilization Agency—Continued

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO RAILROAD AND AIRLINE WAGE BOARD—continued	Num- Total ber salary	Num- Total ber salary	Num- Total ber salary
Deduct lapses.....		4.6 \$26,659	
Net permanent, departmental (av- erage number, net salary).....		7.4 42,411	14 \$81,610
Part-time and temporary positions: Tem- porary employment.....		1,070	2,700
Regular pay in excess of 52-week base.....		266	314
Payments to other agencies for reimburs- able details.....		2,793	1,620
01 Personal services.....		46,540	86,244

SMALL DEFENSE PLANTS ADMINISTRATION

Salaries and Expenses, Small Defense Plants Administration—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....		485	504
Full-time equivalent of all other positions.....		1	1
Average number of all employees.....		88	516
Average salary and grade:			
General schedule grades:			
Average salary.....		\$7,048	\$6,683
Average grade.....		GS-10.6	GS-10.0
01 Personal services:			
Permanent positions.....		\$605,761	\$3,460,550
Part-time and temporary positions.....		19,963	25,000
Regular pay in excess of 52-week base.....			13,500
Payment above basic rates.....		3,815	5,000
Payment to other agencies for reim- bursable details.....		461	
Total personal services.....		630,000	3,504,050
02 Travel.....		54,000	310,000
03 Transportation of things.....		100	6,500
04 Communication services.....		22,000	159,250
05 Rents and utility services.....		100	500
06 Printing and reproduction.....		13,000	38,000
07 Other contractual services.....		47,550	98,000
08 Supplies and materials.....		21,000	47,700
09 Equipment.....		134,000	21,000
15 Taxes and assessments.....		3,400	15,000
Obligations incurred.....		925,150	4,200,000

DETAIL OF PERSONAL SERVICES

	1951 actual	1952 estimate	1953 estimate
Departmental:	Num- Total ber salary	Num- Total ber salary	Num- Total ber salary
Positions at rates in excess of \$14,800:			
Administrator.....	1	\$17,500	1 \$17,500
Deputy administrator.....	2	30,000	2 30,000
General schedule grades:			
Grade 18. Rate of \$14,800:			
Director of office.....	1	14,800	1 14,800
Grade 17. Range \$13,000 to \$13,800:			
Director of office.....	1	13,000	1 13,000
Grade 16. Range \$12,000 to \$12,800:			
Assistant administrator.....	1	12,000	1 12,000
Director of office.....	6	72,000	6 72,000
Grade 15. Range \$10,800 to \$11,800:			
Assistant to administrator.....	1	10,800	1 10,800
Assistant to deputy administrator.....	2	21,600	2 21,600
Assistant to director of office.....	1	10,800	1 10,800
Attorney.....	2	21,600	2 21,600
Deputy director.....	2	21,600	2 21,850
Director of office.....	5	54,500	6 65,800
Division chiefs.....	12	129,600	12 130,350
Grade 14. Range \$9,600 to \$10,600:			
Administrative officer.....	2	19,200	3 28,800
Attorney.....	1	9,600	1 9,600
Business economist.....	3	28,800	3 28,800
Commodity industry analyst.....	4	38,400	4 38,400
Contract specialist.....	3	29,000	3 29,000
Deputy office director.....	4	38,400	4 38,600
Director of office.....	1	9,600	1 9,600
Financial specialist.....	1	9,800	1 9,800
Industrial specialist.....	10	96,000	10 96,000

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
Departmental—Continued	Num- Total ber salary	Num- Total ber salary	Num- Total ber salary
General schedule grades—Continued			
Grade 14. Range \$9,600 to \$10,600—Con.			
Information specialist.....	2	\$19,200	2 \$19,200
Loan examiner.....	1	8,528	1 8,528
Production specialist.....	2	19,200	2 19,200
Statistician.....	1	9,600	1 9,600
Grade 13. Range \$8,360 to \$9,360:			
Attorney.....	1	8,360	1 8,360
Business economist.....	1	8,360	1 8,360
Commodity industry analyst.....	4	33,440	4 33,440
Contract specialist.....	2	16,720	2 16,720
Division chief.....	2	16,720	2 16,863
Financial specialist.....	1	8,360	1 8,360
Information specialist.....	2	16,720	2 16,720
Industrial specialist.....	10	84,200	10 85,200
Investigator.....	2	16,720	2 16,720
Loan examiner.....	1	9,160	1 9,160
Organization and management ex- aminer.....	1	8,360	1 8,360
Production specialist.....	2	16,720	2 16,720
Statistician.....	1	8,360	1 8,360
Grade 12. Range \$7,040 to \$8,040:			
Administrative officer.....	1	7,040	1 7,040
Attorney.....	1	7,040	1 7,240
Commodity industry analyst.....	1	7,040	1 7,040
Contract specialist.....	1	7,040	1 7,040
Division chief.....	2	14,080	2 14,080
Industrial specialist.....	6	42,840	6 43,240
Loan examiner.....	1	7,040	1 7,040
Grade 11. Range \$5,940 to \$6,940:			
Accountant.....	1	6,740	1 6,940
Administrative officer.....	2	11,830	2 11,880
Commodity industry analyst.....	1	6,940	1 6,940
Contract specialist.....	1	5,940	1 5,940
Division chief.....	2	11,880	2 12,080
Procurement specialist.....	2	11,880	1 5,940
Statistician.....	1	5,940	1 5,940
Grade 9. Range \$5,060 to \$5,810:			
Budget analyst.....	1	5,060	1 5,060
Business economist.....	1	5,060	1 5,060
Editorial assistant.....	2	10,120	2 10,245
Organization and methods examiner.....	1	5,060	1 5,185
Placement officer.....	1	5,060	1 5,185
Records analyst.....	1	5,060	1 5,185
Grade 7. Range \$4,205 to \$4,955	23	97,965	23 99,715
Grade 6. Range \$3,795 to \$4,545	11	42,995	13 51,710
Grade 5. Range \$3,410 to \$4,160	29	103,550	29 106,140
Grade 4. Range \$3,175 to \$3,655	32	99,250	30 94,500
Grade 3. Range \$2,950 to \$3,430	10	29,500	10 30,100
Crafts, protective, and custodial grades:			
Grade 4. Range \$2,750 to \$3,230	1	2,990	1 3,070
Grade 3. Range \$2,552 to \$3,032	3	7,986	3 8,216
Total permanent, departmental.....	241	1,590,304	242 1,618,322
Deduct lapses.....	175	1,152,882	16 104,472
Net permanent, departmental (av- erage number, net salary).....	66	437,422	226 1,513,850
Part-time and temporary positions.....		19,963	25,000
Regular pay in excess of 52-week base.....			13,500
Payment above basic rates.....		3,815	5,000
Payment to other agencies for reimburs- able services.....		461	
All personal services, departmental.....		461,661	1,557,350
Field:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Air Force contract procurement specialist.....	1	10,800	1 10,800
Regional director.....	13	140,400	13 140,400
Grade 14. Range \$9,600 to \$10,600:			
Attorney.....	2	19,200	1 9,600
Financial specialist.....	12	115,200	13 124,800
Procurement, production and in- dustrial specialist.....	28	268,800	28 268,800
Procurement screening specialist.....	8	76,504	8 76,504
Grade 13. Range \$8,360 to \$9,360:			
Financial specialist.....			13 108,680
Procurement, production and in- dustrial specialist.....	43	359,480	43 359,480
Procurement screening specialist.....	56	468,160	62 518,320
Grade 12. Range \$7,040 to \$8,040:			
Financial specialist.....	4	28,160	4 28,160
Procurement, production and in- dustrial specialist.....	22	154,880	22 155,680
Procurement screening specialist.....	1	7,040	1 7,040
Grade 11. Range \$5,940 to \$6,940:			
Administrative officer.....	2	11,880	1 6,940
Financial specialist.....	1	5,940	
Grade 7. Range \$4,205 to \$4,955	2	8,410	2 8,410
Grade 6. Range \$3,795 to \$4,545	13	49,335	14 53,130
Grade 5. Range \$3,410 to \$4,160	12	40,920	14 47,740
Grade 4. Range \$3,175 to \$3,655	23	73,025	82 260,350
Total permanent, field.....	243	1,838,134	322 2,184,834
Deduct lapses.....	221	1,669,795	32 238,134
Net personal services, field (av- erage number, net salary).....	22	168,339	290 1,946,700
01 Personal services.....		630,000	3,504,050

Revolving Fund, Small Defense Plants Administration—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....			6
Average number of all employees.....			5
Average salary and grade:			
General schedule grades:			
Average salary.....			\$7,198
Average grade.....			GS-10.2
01 Personal services:			
Permanent positions.....			\$37,792
Regular pay in excess of 52-week base.....			165
Payment above basic rates.....			300
Total personal services.....			38,257
02 Travel.....			1,200
04 Communication services.....			900
15 Taxes and assessments.....			100
Obligations incurred.....			40,457

DETAIL OF PERSONAL SERVICES

	1951 actual	1952 estimate	1953 estimate
Departmental:			
General schedule grades:			
Grade 16. Range \$12,000 to \$12,800:			
Director of office.....			1 \$12,000
Grade 15. Range \$10,800 to \$11,800:			
Industrial engineer.....			1 10,800
Grade 14. Range \$9,600 to \$10,600:			
Industrial engineer.....			1 9,600
Grade 7. Range \$4,205 to \$4,955.....			1 4,205
Grade 5. Range \$3,410 to \$4,160.....			1 3,410
Grade 4. Range \$3,175 to \$3,655.....			1 3,175
Total permanent, departmental.....			6 43,190
Deduct lapses.....			0.7 5,398
Net permanent personal services.....			5.3 37,792
Regular pay in excess of 52-week base.....			165
Payment above basic rate.....			300
01 Personal services.....			38,257

FEDERAL SECURITY AGENCY

OFFICE OF THE ADMINISTRATOR

Salaries and Expenses, Defense Production Activities, Federal Security Agency—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	6	129	110
Full-time equivalent of all other positions.....		2	1
Average number of all employees.....	2	119	96
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$6,925	\$5,077	\$5,114
Average grade.....	GS-10.1	GS-7.3	GS-7.3
01 Personal services:			
Permanent positions.....	\$15,232	\$614,101	\$506,474
Part-time and temporary positions.....		3,761	761
Regular pay in excess of 52-week base.....		2,295	2,177
Payment above basic rates.....		9,436	3,000
Total personal services.....	15,232	629,593	512,412
02 Travel.....	465	14,648	8,545
03 Transportation of things.....		3,333	1,017
04 Communication services.....		5,710	4,657
06 Printing and reproduction.....	75	11,227	6,000
07 Other contractual services.....		3,015	1,340
08 Supplies and materials.....	3,896	12,415	7,575
09 Equipment.....		10,281	290
15 Taxes and assessments.....	25	3,491	3,164
Total obligations.....	19,693	693,713	545,000

DETAIL OF PERSONAL SERVICES

	1951 actual	1952 estimate	1953 estimate
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Chief of materials requirements.....	1 \$10,000	1 \$10,800	1 \$11,050
Public health specialist.....		1 10,800	1 10,800

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
Departmental—Continued			
General schedule grades—Continued			
Grade 15. Range \$10,800 to \$11,800—Con.			
Assistant division chief, Public Health Service.....		1 \$11,050	1 \$11,050
Associate director, Office of Education.....		1 10,800	1 10,800
Grade 14. Range \$9,600 to \$10,600:			
Liaison officer.....	1 \$9,200		
Assistant director, Office of Education.....		2 19,200	2 19,400
Assistant chief, technical operations branch.....		1 9,600	1 9,600
Assistant chief, program operations branch.....		1 9,600	
Grade 13. Range \$8,360 to \$9,360:			
Liaison officer.....		1 8,360	1 8,560
Requirements officer.....		1 8,360	1 8,560
Welfare and recreation program officer.....		1 8,360	
Assistant to the Director, Office of Education.....		1 8,560	
Chief, estimates and criteria.....		1 8,360	1 8,360
Architectural engineer.....		2 17,320	2 17,320
Civilian education requirements officer.....		7 60,320	7 60,720
Building materials specialist.....		1 8,560	1 8,560
Public health specialist.....		1 8,560	1 8,560
Hospital plant operations specialist.....		1 9,160	
NPA liaison officer.....		1 9,360	1 9,360
Administrative officer.....		1 8,360	1 8,560
Health statistician.....		1 8,360	1 8,360
Grade 12. Range \$7,040 to \$8,040:			
Associate civilian education requirements officer.....		5 36,000	5 35,600
Public health specialist.....		1 7,240	1 7,240
Program analyst.....		1 7,040	1 7,040
Grade 11. Range \$5,940 to \$6,940:			
Assistant to the chief, equipment branch.....		1 5,940	1 5,940
Grade 9. Range \$5,060 to \$5,810:			
Chief, case control section.....		1 5,060	1 5,185
Project analyst.....		2 10,120	1 5,185
Public health specialist.....		1 5,185	1 5,310
Administrative assistant.....		1 5,060	1 5,060
Grade 7. Range \$4,205 to \$4,955.....		8 33,765	8 34,390
Grade 6. Range \$3,795 to \$4,545.....	1 3,950	6 24,020	5 20,225
Grade 5. Range \$3,410 to \$4,160.....	2 6,200	18 63,880	16 58,935
Grade 4. Range \$3,175 to \$3,655.....	1 3,175	25 81,295	19 61,300
Grade 3. Range \$2,950 to \$3,230.....		20 60,680	19 58,130
Grade 2. Range \$2,750 to \$3,230.....			1 2,750
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032.....		1 2,632	1 2,712
Grade 2. Range \$2,420 to \$2,840.....		1 2,420	
Grades established by act of July 1, 1944 (42 U. S. C. 207):			
Director grade.....		5 41,097	4 37,731
Senior grade.....		3 22,971	1 7,669
Full grade.....		1 7,657	
Total permanent, departmental.....	6 32,525	129 675,912	110 580,022
Deduct lapses.....	3.6 17,293	12.4 61,811	15 73,548
Net permanent, departmental (average number, net salary).....	2.4 15,232	116.6 614,101	95 506,474
Part-time and temporary positions: Temporary employment.....		761	761
Regular pay in excess of 52-week base.....		2,295	2,177
Payment above basic rates: Overtime and holiday pay.....		9,436	3,000
All personal services, departmental.....	15,232	626,593	512,412
Field: Part-time and temporary positions.....		3,000	
01 Personal services.....	15,232	629,593	512,412

GENERAL SERVICES ADMINISTRATION

Emergency Operating Expenses, General Services Administration—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions.....	70	69	57
Full-time equivalent of all other positions.....	1		
Average number of all employees.....	21	68	57
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,506	\$4,689	\$4,762
Average grade.....	GS-7.0	GS-6.9	GS-6.9
Ungraded positions: Average salary.....	\$10,250		
01 Personal services:			
Permanent positions.....	\$109,249	\$315,412	\$268,495
Part-time and temporary positions.....	11,018	2,600	
Regular pay in excess of 52-week base.....		1,280	1,086
Payment above basic rates: Overtime and holiday pay.....	202		
Total personal services.....	120,469	319,292	269,581
02 Travel.....	26,161	20,100	17,480
03 Transportation of things.....	774		

GENERAL SERVICES ADMINISTRATION—Con.

Emergency Operating Expenses, General Services Administration—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
04 Communication services.....	\$2, 073	\$8, 175	\$7, 045
05 Rents and utility services.....	1, 959, 169	6, 000, 000	6, 300, 000
06 Printing and reproduction.....	5, 155	65, 683	46, 394
07 Other contractual services.....	3, 848, 606	2, 666, 440	1, 856, 900
08 Supplies and materials.....	124	2, 720	2, 410
09 Equipment.....	293	2, 400	190
15 Taxes and assessments.....	293	190	190
Total obligations.....	5, 962, 824	9, 085, 000	8, 500, 000

DETAIL OF PERSONAL SERVICES

	1951 actual	1952 estimate	1953 estimate
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800			
Administrative officer.....	2 \$21, 750		
Attorney-adviser.....	1 11, 000		
Director, controlled materials.....	1 10, 000	1 \$10, 800	1 \$10, 800
Grade 14. Range \$9,600 to \$10,600:			
Assistant director, controlled materials.....		1 10, 600	1 10, 600
Attorney.....	1 9, 000		
Grade 13. Range \$8,360 to \$9,360:			
Administrative assistant.....	1 7, 600		
Administrative officer.....	2 15, 200		
Attorney.....	1 7, 600	1 8, 360	
Commodity specialist.....	1 8, 600	7 61, 320	7 61, 320
Statistician.....	1 7, 800		
Grade 12. Range \$7,040 to \$8,040:			
Attorney.....	1 6, 400	1 7, 040	1 7, 040
Grade 11. Range \$5,940 to \$6,940:			
Administrative assistant.....	1 5, 400		
Attorney.....	1 5, 400	1 6, 140	1 6, 140
Commodity analyst.....		1 6, 940	1 6, 940
Grade 9. Range \$5,060 to \$5,810:			
Administrative assistant.....	2 10, 575		
Attorney.....	1 4, 600	1 5, 060	1 5, 060
Editorial specialist.....		2 10, 370	2 10, 370
Statistical assistant.....		1 5, 185	1 5, 185
Grade 7. Range \$4,205 to \$4,955.....	10 39, 125	10 42, 675	3 13, 240
Grade 5. Range \$3,410 to \$4,160.....	12 38, 325	16 59, 345	13 48, 240
Grade 4. Range \$3,175 to \$3,655.....	10 28, 750	11 35, 405	10 32, 230
Grade 3. Range \$2,950 to \$3,430.....	6 15, 900	7 20, 650	7 20, 650
Ungraded positions at annual rates of \$5,060 and above: Consultants.....	2 20, 500		
Total permanent, departmental.....	57 273, 525	61 289, 890	49 237, 815
Deduct lapses.....	40.7 179, 367	1.1 8, 118	0.4 2, 960
Net permanent, departmental (average number, net salary).....	16.3 94, 158	59.9 281, 772	48.6 234, 855
Part-time and temporary positions:			
W. A. E.....	11, 018	2, 600	
Regular pay in excess of 52-week base.....		1, 120	926
Payment above basic rates: Overtime and holiday pay.....	202		
All personal services, departmental.....	105, 378	285, 492	235, 781
Field:			
General schedule grades:			
Grade 9. Range \$5,060 to \$5,810:			
Realty officer.....	1 4, 600		
Grade 7. Range \$4,205 to \$4,955.....	7 32, 025	8 33, 640	8 33, 640
Grade 4. Range \$3,175 to \$3,655.....	5 16, 775		
Total permanent, field.....	13 53, 400	8 33, 640	8 33, 640
Deduct lapses.....	9 38, 309		
Net permanent, field (average number, net salary).....	4 15, 091	8 33, 640	8 33, 640
Regular pay in excess of 52-week base.....		160	160
All personal services, field.....	15, 091	33, 800	33, 800
01 Personal services.....	120, 469	319, 292	269, 581

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

Salaries and Expenses Defense Production Activities Agriculture—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO PRODUCTION AND MARKETING ADMINISTRATION			
Total number of permanent positions.....	268	476	378
Average number of all employees.....	263	467	372

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO PRODUCTION AND MARKETING ADMINISTRATION—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5, 415	\$5, 916	\$5, 926
Average grade.....	GS-8.5	GS-8.5	GS-8.5
01 Personal services:			
Permanent positions.....	\$1, 424, 156	\$2, 761, 000	\$2, 210, 000
Regular pay in excess of 52-week base.....		9, 980	8, 100
Total personal services.....	1, 424, 156	2, 770, 980	2, 218, 100
02 Travel.....	42, 786	56, 570	49, 000
03 Transportation of things.....	2, 984	6, 253	5, 500
04 Communication services.....	23, 424	33, 700	29, 000
05 Rents and utility services.....	1, 353	6, 228	5, 200
06 Printing and reproduction.....	19, 887	29, 840	25, 000
07 Other contractual services:			
Transferred to—			
“Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture”.....	2, 021, 417		
“Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938, Agriculture”.....	594, 883	120, 000	215, 000
Other.....	24, 697	25, 480	19, 000
08 Supplies and materials.....	13, 652	17, 383	14, 500
09 Equipment.....	35, 693	5, 275	2, 100
13 Refunds, awards, and indemnities.....	15	1	
15 Taxes and assessments.....	1, 693	3, 290	2, 600
Total obligations.....	4, 206, 640	3, 075, 000	2, 585, 000
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions.....	22	10	8
Full-time equivalent of all other positions.....	5	2	2
Average number of all employees.....	28	13	10
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5, 002	\$5, 516	\$4, 376
Average grade.....	GS-7.8	GS-7.6	GS-6.0
01 Personal services:			
Permanent positions.....	\$116, 227	\$64, 133	\$40, 933
Part-time and temporary positions.....	15, 693	6, 524	7, 335
Regular pay in excess of 52-week base.....		343	132
Payment above basic rates.....	820		
Total personal services.....	132, 740	71, 000	48, 400
02 Travel.....	19, 368	6, 150	3, 780
03 Transportation of things.....	11		
04 Communication services.....	1, 000	400	290
06 Printing and reproduction.....	584		
07 Other contractual services:	4, 855	1, 500	1, 100
Services performed by other agencies.....	3, 266	1, 500	1, 100
08 Supplies and materials.....	1, 945	300	220
09 Equipment.....	546		
15 Taxes and assessments.....	93	150	110
Total obligations.....	164, 408	81, 000	55, 000
ALLOTMENT TO OFFICE OF FOREIGN AGRICULTURAL RELATIONS			
Total number of permanent positions.....	24	25	20
Average number of all employees.....	14	20	14
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4, 404	\$5, 093	\$5, 102
Average grade.....	GS-6.9	GS-7.5	GS-7.6
01 Personal services:			
Permanent positions.....	\$70, 285	\$105, 180	\$86, 900
Regular pay in excess of 52-week base.....		400	325
Payment above basic rates.....	132		
Total personal services.....	70, 417	105, 580	87, 225
02 Travel.....	729		550
04 Communication services.....	807	800	100
06 Printing and reproduction.....		1, 400	1, 200
07 Other contractual services:	15		
Services performed by other agencies.....		20	25
08 Supplies and materials.....	7	50	425
09 Equipment.....	105		300
15 Taxes and assessments.....	70	150	175
Total obligations.....	72, 150	108, 000	90, 000
ALLOTMENT TO BUREAU OF AGRICULTURAL ECONOMICS			
Total number of permanent positions.....		25	31
Full-time equivalent of all other positions.....		3	3
Average number of all employees.....	13	19	25

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO BUREAU OF AGRICULTURAL ECONOMICS—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$4,943	\$4,945
Average grade.....		GS-7.5	GS-7.4
01 Personal services:			
Permanent positions.....	\$48,699	\$82,700	\$110,700
Part-time and temporary positions.....		7,500	7,500
Regular pay in excess of 52-week base.....		300	400
Total personal services.....	48,699	90,500	118,600
02 Travel.....	940	5,000	12,500
04 Communication services.....			400
05 Rents and utility services.....	959		
06 Printing and reproduction.....		500	1,200
07 Other contractual services: Services performed by other agencies.....	2,400	3,500	
08 Supplies and materials.....	195	200	700
09 Equipment.....			800
15 Taxes and assessments.....	80	300	800
Total obligations.....	53,273	100,000	135,000

ALLOTMENT TO OFFICE OF THE SOLICITOR			
Total number of permanent positions.....		8	8
Average number of all employees.....	9	8	6
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,451	\$5,210	\$5,220
Average grade.....	GS-8.8	GS-7.9	GS-7.9
01 Personal services:			
Permanent positions.....	\$40,510	\$39,498	\$33,570
Regular pay in excess of 52-week base.....		152	130
Total personal services.....	40,510	39,650	33,700
02 Travel.....	336	1,000	700
04 Communication services.....		300	200
06 Printing and reproduction.....		100	100
08 Supplies and materials.....		250	200
15 Taxes and assessments.....		200	100
Total obligations.....	40,846	41,500	35,000

ALLOTMENT TO OFFICE OF INFORMATION			
Total number of permanent positions.....	8	8	7
Average number of all employees.....	2	6	5
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,205	\$5,250	\$5,250
Average grade.....	GS-8.0	GS-7.6	GS-7.6
01 Personal services:			
Permanent positions.....	\$6,417	\$32,492	\$29,538
Regular pay in excess of 52-week base.....		78	62
Total personal services.....	6,417	32,570	29,600
03 Transportation of things.....	453	500	500
04 Communication services.....	5	100	100
06 Printing and reproduction.....	44	14,000	12,000
07 Other contractual services: Services performed by other agencies.....	2,220	10,000	7,000
08 Supplies and materials.....	136	700	700
15 Taxes and assessments.....	22	130	100
Total obligations.....	9,297	58,000	50,000

ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions.....	4	4	3
Full time equivalent of all other positions.....	1	2	2
Average number of all employees.....	3	6	5
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,750	\$7,906	\$6,305
Average grade.....	GS-9.2	GS-11.2	GS-9.0
01 Personal services:			
Permanent positions.....	\$11,534	\$27,000	\$18,915
Part-time and temporary positions.....	5,396	13,000	13,000
Regular pay in excess of 52-week base.....		75	75
Payment above basic rates.....	157		
Total personal services.....	17,087	40,075	31,990
02 Travel.....	4,360	15,700	9,800
04 Communication services.....	147	325	310
06 Printing and reproduction.....	822	5,000	7,500
07 Other contractual services: Services performed by other agencies.....	11		

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE SECRETARY—continued			
08 Supplies and materials.....	\$64	\$400	\$400
09 Equipment.....	245		
15 Taxes and assessments.....	116		
Total obligations.....	22,852	61,500	50,000
SUMMARY			
Total number of permanent positions.....	326	556	455
Full-time equivalent of all other positions.....	6	7	7
Average number of all employees.....	332	539	437
01 Personal services:			
Permanent positions.....	\$1,717,828	\$3,112,003	\$2,530,556
Part-time and temporary positions.....	21,089	27,024	27,835
Regular pay in excess of 52-week base.....		11,328	9,224
Payment above basic rates.....	1,109		
Total personal services.....	1,740,026	3,150,355	2,567,615
02 Travel.....	68,519	84,420	76,330
03 Transportation of things.....	3,448	6,753	6,000
04 Communication services.....	25,383	35,625	30,400
05 Rents and utility services.....	2,312	6,228	5,200
06 Printing and reproduction.....	21,337	50,840	47,000
07 Other contractual services:			
Transferred to—			
“Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture”.....	2,021,417		
“Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938, Agriculture”.....	594,883	120,000	215,000
Services performed by other agencies.....	7,897	15,020	8,125
Other.....	29,567	26,980	20,100
08 Supplies and materials.....	15,999	19,283	17,145
09 Equipment.....	36,589	5,275	3,200
13 Refunds, awards, and indemnities.....	15	1	
15 Taxes and assessments.....	2,074	4,220	3,885
Total obligations.....	4,569,466	3,525,000	3,000,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO PRODUCTION AND MARKETING ADMINISTRATION						
Departmental:						
General schedule grades:	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Grade 16. Range \$12,000 to \$12,800:						
Branch director.....	2	\$22,400	2	\$24,000	2	\$24,400
Grade 15. Range \$10,800 to \$11,800:						
Chief, manpower staff.....	1	10,000	1	10,800	1	11,050
Chief, program staff.....			1	10,800	1	11,050
Chief, office.....			1	11,550	1	11,800
Deputy branch director.....	3	30,000	2	21,600	2	22,100
Grade 14. Range \$9,600 to \$10,600:						
Chief, office.....	1	8,800				
Assistant to branch director.....	1	8,800	7	70,800	6	62,200
Assistant chief, program staff.....			1	9,600	1	9,800
Administrative officer.....	1	9,000	3	30,800	3	31,200
Chief, division.....			3	29,600	3	30,000
Economist.....	4	36,400	6	58,000	5	49,600
Industrial specialist.....	4	35,200	6	57,600	6	58,800
Labor economist.....			3	28,800	3	29,400
Marketing specialist.....			1	9,600	1	9,800
Program coordinator.....	1	9,400	1	10,200	1	10,400
Grade 13. Range \$8,360 to \$9,360:						
Administrative officer.....	5	40,000	12	103,720	9	79,640
Agricultural economist.....	2	15,600	8	68,080	7	60,920
Analytical statistician.....	1	7,600	2	16,720	2	17,120
Assistant to branch director.....			2	18,520	2	18,720
Assistant division chief.....			1	9,360	1	9,360
Commodity industrial analyst.....			1	8,360	1	8,360
Industrial engineer.....			1	8,360	1	8,560
Industrial specialist.....	4	31,400	16	136,560	10	87,400
Liaison officer.....			1	9,160	1	9,360
Marketing specialist.....			4	36,640	3	28,280
Section chief.....			7	61,520	5	44,400
Grade 12. Range \$7,040 to \$8,040:						
Administrative officer.....	8	53,400	11	82,840	8	62,920
Agricultural economist.....	2	13,600	7	51,680	5	37,400
Assistant program coordinator.....			2	14,880	2	15,280
Assistant division chief.....			1	7,040	1	7,240
Dairy manufacturing technician.....			1	7,840	1	8,040
Industrial specialist.....	4	27,400	12	88,080	11	82,840
Marketing specialist.....			11	84,640	8	63,220
Section chief.....			1	7,040	1	7,240
Grade 11. Range \$5,940 to \$6,940:						
Administrative officer.....	2	10,800	6	37,440	4	24,960
Analytical statistician.....	1	6,200	4	25,560	3	20,220
Budget analyst.....			1	6,140	1	6,340
Economist.....			2	11,880	2	12,280
Industrial specialist.....	8	45,000	11	67,140	10	63,000
Marketing specialist.....			4	25,360	3	19,420
Section chief.....			1	5,940	1	6,140
Grade 10. Range \$5,500 to \$6,250:						
Administrative assistant.....			1	6,125	1	6,250

DEPARTMENT OF AGRICULTURE—Continued

OFFICE OF THE SECRETARY—Continued

Salaries and Expenses, Defense Production Activities, Agriculture—Continued

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO PRODUCTION AND MARKETING ADMINISTRATION—continued						
Departmental—Continued	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
General schedule grades—Continued						
Grade 9. Range \$5,060 to \$5,810:						
Administrative assistant.....	1	\$4,600	2	\$10,245	1	\$5,310
Economist.....	1	4,725	5	26,550	4	22,615
Industrial analyst.....	1	4,600	2	10,995	2	11,120
Industrial specialist.....			1	5,810	1	5,810
Marketing specialist.....			1	5,810	1	5,810
Statistical assistant.....			1	5,060	1	5,185
Grade 7. Range \$4,205 to \$4,955.....	5	21,750	34	158,470	24	111,920
Grade 6. Range \$3,795 to \$4,545.....	1	4,075	2	8,965	2	9,090
Grade 5. Range \$3,410 to \$4,160.....	12	43,450	47	183,420	38	155,560
Grade 4. Range \$3,175 to \$3,655.....	10	32,030	39	136,230	36	127,745
Grade 3. Range \$2,950 to \$3,430.....	5	14,290	28	87,865	22	69,305
Grade 2. Range \$2,750 to \$3,230.....			2	5,980	2	6,060
Crafts, protective, and custodial grades:						
Grade 3. Range \$2,552 to \$3,032.....	3	7,476	4	11,328	4	11,568
Total permanent, departmental.....	94	557,996	337	2,047,103	278	1,733,608
Deduct:						
Lapses.....			0.2	2,242	1	6,181
Portion of salaries shown above paid from other accounts.....	40	237,446	36.2	229,324	36	222,514
Add portion of salaries carried in other position schedules paid from this account.....	204	1,081,707	145.4	834,796	119	641,487
Net permanent, departmental (average number, net salary).....	258	1,402,257	446	2,650,333	360	2,146,400
Regular pay in excess of 52-week base.....				9,980		8,100
Total personal services, departmental.....		1,402,257		2,660,313		2,154,500
Field: Add portion of salaries carried in other position schedules paid from this account.....	5	21,899	21	110,667	12	63,600
01 Personal services.....		1,424,156		2,770,980		2,218,100
ALLOTMENT TO FOREST SERVICE						
Departmental:						
General schedule grades:						
Grade 14. Range \$9,600 to \$10,600:						
Production coordination.....	1	\$9,200	1	\$10,200		
Grade 12. Range \$7,040 to \$8,040:						
Assistant coordinator.....	1	6,400	1	7,240	1	\$7,240
Grade 5. Range \$3,410 to \$4,160.....	1	3,100	1	3,535	1	3,660
Grade 4. Range \$3,175 to \$3,655.....	2	6,310	1	3,655	1	3,655
Grade 3. Range \$2,950 to \$3,430.....			1	2,950	1	2,950
Total permanent, departmental.....	5	25,010	5	27,580	4	17,505
Deduct lapses.....	0.5	2,720			0.8	4,019
Add portion of salaries carried in other positions schedules paid from this account.....	1.3	8,168	0.9	7,058	1.1	8,818
Net permanent, departmental.....	5.8	30,458	5.9	34,638	4.3	22,304
Regular pay in excess of 52-week base.....				106		49
Total personal services, departmental.....		30,458		34,744		22,353
Field: Add portion of salaries carried in other position schedules paid from this account (average number, net salary).....	16.8	85,769	5.3	29,495	3.3	18,629
Part-time and temporary positions:						
Temporary employment.....		15,486		6,524		7,335
W. A. E. employment.....		207				
Regular pay in excess of 52-week base.....				237		83
Payment above basic rates.....		820				
Total personal services, field.....		102,282		36,256		26,047
01 Personal services.....		132,740		71,000		48,400
ALLOTMENT TO OFFICE OF FOREIGN AGRICULTURAL RELATIONS						
Departmental:						
General schedule grades:						
Grade 14. Range \$9,600 to \$10,600:						
Foreign country specialist.....	1	\$9,800				
Agricultural economist.....			2	\$19,800	1	\$10,000
Grade 13. Range \$8,360 to \$9,360:						
Commodity specialist.....	1	7,800				
Regional specialist.....	1	7,600				

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO OFFICE OF FOREIGN AGRICULTURAL RELATIONS—continued						
Departmental—Continued	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
General schedule grades—Continued						
Grade 13. Range \$3,360 to \$9,360—Con.						
Agricultural economist.....			2	\$16,920	2	\$16,720
Grade 12. Range \$7,040 to \$8,040:						
Commodity specialist.....	1	\$6,600				
Agricultural economist.....			1	7,240	1	7,240
Grade 11. Range \$5,940 to \$6,940:						
Commodity specialist.....	2	10,800				
Agricultural economist.....			2	12,280	4	24,160
Grade 9. Range \$5,060 to \$5,810:						
Commodity specialist.....	2	9,325				
Agricultural economist.....			3	15,555	1	5,060
Grade 7. Range \$4,205 to \$4,955.....			2	8,410	1	4,205
Grade 6. Range \$3,795 to \$4,545.....	1	4,200	1	4,545		
Grade 5. Range \$3,410 to \$4,160.....	7	24,200	3	11,105	2	7,570
Grade 4. Range \$3,175 to \$3,655.....	4	12,860	7	23,425	2	7,230
Grade 3. Range \$2,950 to \$3,430.....	3	8,110	1	2,950	5	14,750
Crafts, protective, and custodial grades:						
Grade 3. Range \$2,552 to \$3,032.....	1	2,332	1	2,552	1	2,552
Total permanent, departmental.....	24	103,627	25	124,782	20	99,487
Deduct:						
Lapses.....	3.6	13,110	0.9	3,834	1.9	5,084
Portion of salaries shown above paid from other accounts.....	6.1	20,232	4.3	15,768	3.8	7,503
Net permanent, departmental (average number, net salary).....	14.3	70,285	19.8	105,180	14.3	86,900
Regular pay in excess of 52-week base.....				400		325
Payment above basic rates.....		132				
01 Personal services.....		70,417		105,580		87,225
ALLOTMENT TO BUREAU OF AGRICULTURAL ECONOMICS						
Departmental:						
General schedule grades:						
Grade 13. Range \$8,360 to \$9,360:						
Agricultural economist.....			2	\$17,520	2	\$17,720
Social scientist.....					1	8,360
Grade 12. Range \$7,040 to \$8,040:						
Agricultural economist.....			1	7,640	1	7,640
Agricultural statistician.....			1	7,640	1	7,840
Social scientist.....			1	7,040	1	7,240
Grade 11. Range \$5,940 to \$6,940:						
Agricultural economist.....			1	6,140	1	6,140
Analytical statistician.....			1	5,940	1	5,940
Grade 9. Range \$5,060 to \$5,810:						
Agricultural economist.....			2	10,120	2	10,320
Analytical statistician.....			1	5,310	1	5,435
Grade 7. Range \$4,205 to \$4,955.....			3	12,865	4	17,445
Grade 5. Range \$3,410 to \$4,160.....			4	13,890	4	14,390
Grade 4. Range \$3,175 to \$3,655.....			1	3,335	2	6,635
Grade 3. Range \$2,950 to \$3,430.....			1	2,950	2	5,900
Total permanent, departmental.....			19	100,390	23	121,005
Deduct lapses.....			7	33,471	7	35,175
Add portion of salaries carried in other position schedules paid from this account.....	10	\$34,953				
Net permanent, departmental (average number, net salary).....	10	34,953	12	66,919	16	85,830
Regular pay in excess of 52-week base.....				240		300
All personal services, departmental.....		34,953		67,159		86,130
Field:						
General schedule grades:						
Grade 11. Range \$5,940 to \$6,940:						
Agricultural economist.....					1	5,940
Agricultural statistician.....			1	6,340	1	6,340
Grade 5. Range \$3,410 to \$4,160.....			1	4,035	1	4,035
Grade 4. Range \$3,175 to \$3,655.....			1	3,335	2	6,510
Grade 3. Range \$2,950 to \$3,430.....			2	6,380	2	6,380
Grade 2. Range \$2,750 to \$3,230.....			1	3,070	1	3,070
Total permanent, field.....			6	23,160	8	32,275
Deduct:						
Lapses.....			1.9	6,959	1.9	7,000
Amount paid by State agencies.....			0.1	420	0.1	405
Add portion of salaries carried in other position schedules paid from this account.....	3	13,746				
Net permanent, field (average number, net salary).....	3	13,746	4	15,781	6	24,870
W. A. E. employment.....				7,500		7,500
Regular pay in excess of 52-week base.....				60		100
All personal services, field.....		13,746		23,341		32,470
01 Personal services.....		48,699		90,500		118,600

DETAIL OF PERSONAL SERVICES

ALLOTMENT TO OFFICE OF THE SOLICITOR	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Departmental:						
General schedule grades:						
Grade 12. Range \$7,040 to \$8,040:			3	\$21,720	3	\$21,720
Attorney						
Grade 11. Range \$5,940 to \$6,940:			1	6,140	1	6,140
Attorney			4	13,820	4	13,900
Grade 4. Range \$3,175 to \$3,655						
Total permanent, departmental			8	41,680	8	41,760
Deduct:						
Lapses			0.2	1,970	2	8,190
Portion of salaries shown above paid from other accounts			0.2	1,597		
Add portion of salaries carried in other position schedules paid from this account	9	\$40,510	0.1	1,385		
Net permanent departmental (average number, net salary)	9	40,510	7.7	39,498	6	33,570
Regular pay in excess of 52-week base				152		130
01 Personal services		40,510		39,650		33,700
ALLOTMENT TO OFFICE OF INFORMATION						
Departmental:						
General schedule grades:						
Grade 12. Range \$7,040 to \$8,040:			2	\$15,080	2	\$15,280
Information specialist						
Grade 11. Range \$5,940 to \$6,940:						
Information specialist	1	\$5,400	1	5,940	1	6,140
Grade 7. Range \$4,205 to \$4,955	1	3,950	2	8,410	2	8,535
Grade 4. Range \$3,175 to \$3,655			1	3,175	1	3,255
Grade 3. Range \$2,950 to \$3,430	2	5,460	2	6,380	1	3,030
Total permanent, departmental	4	14,810	8	38,985	7	36,240
Deduct lapses	2	8,393	1.5	6,493	1.8	6,702
Net permanent, departmental (average number, net salary)	2	6,417	6.5	32,492	5.2	29,538
Regular pay in excess of 52-week base				78		62
01 Personal services		6,417		32,570		29,600
ALLOTMENT TO OFFICE OF THE SECRETARY						
Departmental:						
General schedule grades:						
Grade 18. Range \$14,800:			1	\$14,800		
Special assistant						
Grade 15. Range \$10,800 to \$11,800:			1	10,800	1	\$10,800
Administrative officer						
Grade 14. Range \$9,600 to \$10,600:						
Administrative officer	1	\$9,800				
Grade 11. Range \$5,940 to \$6,940:						
Investigator	1	5,400	1	5,940		
Grade 7. Range \$4,205 to \$4,955	1	3,950	1	4,330	1	4,455
Grade 5. Range \$3,410 to \$4,160	1	3,850	1	3,660	1	3,660
Total permanent, departmental	4	23,000	5	39,530	3	18,915
Deduct lapses	2	11,466	1	12,530		
Net permanent, departmental (average number, net salary)	2	11,534	4	27,000	3	18,915
Regular pay in excess of 52-week base				75		75
Payments above basic rates		157				
All personal services, departmental		11,691		27,075		18,990
Field: Part-time and temporary positions: W. A. E. employment		5,396		13,000		13,000
01 Personal services		17,087		40,075		31,990

DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

Salaries and Expenses, Defense Production Activities, Department of Commerce—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY			
Total number of permanent positions	4,186	4,926	4,203
Full-time equivalent of all other positions	21	31	20
Average number of all employees	1,344	4,534	3,890
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,799	\$5,433	\$5,467
Average grade	GS-7.6	GS-7.9	GS-8.0
01 Personal services:			
Permanent positions	\$6,384,802	\$23,991,000	\$21,350,000
Part-time and temporary positions	194,614	310,000	200,000
Regular pay in excess of 52-week base		88,000	69,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY—continued			
01 Personal services—Continued			
Payment above basic rates	\$131,815	\$218,000	\$181,000
Payments to other agencies for reimbursable details	23,939	15,000	
Total personal services	6,735,170	24,622,000	21,800,000
02 Travel	419,600	990,000	1,033,000
03 Transportation of things	6,981	5,000	5,000
04 Communication services	276,294	750,000	696,000
05 Rents and utility services	14,249	62,000	63,000
06 Printing and reproduction	712,418	948,000	767,000
07 Other contractual services	244,229	343,000	252,000
Services performed by other agencies	922,000	2,141,000	1,950,000
08 Supplies and materials	450,909	215,000	175,000
09 Equipment	2,172,929	204,000	30,000
13 Refunds, awards, and indemnities	162	1,000	
15 Taxes and assessments	34,682	130,000	129,000
Total obligations	11,989,623	30,411,000	26,900,000
ALLOTMENT TO OFFICE OF FIELD SERVICE			
Total number of permanent positions	\$1,340	\$1,600	\$1,360
Full-time equivalent of all other positions		1	2
Average number of all employees	399	1,422	1,179
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,353	\$5,152	\$5,245
Average grade	GS-7.3	GS-8.0	GS-8.0
01 Personal services:			
Permanent positions	\$1,715,247	\$7,081,000	\$5,996,200
Part-time and temporary positions		15,000	30,000
Regular pay in excess of 52-week base		27,200	23,000
Payment above basic rates		18,800	18,800
Total personal services	1,715,247	7,142,000	6,068,000
02 Travel	270,426	500,000	465,000
03 Transportation of things	10,516	30,000	28,000
04 Communication services	207,846	442,000	400,000
05 Rents and utility services	2,669	1,000	1,000
06 Printing and reproduction	11,533	20,000	15,000
07 Other contractual services	17,866	35,000	30,000
08 Supplies and materials	97,277	90,000	80,000
09 Equipment	519,347	30,000	8,000
15 Taxes and assessments	17,134	60,000	55,000
Total obligations	2,869,861	8,350,000	7,150,000
ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions	190	143	120
Average number of all employees	87	119	92
Average salaries and grades:			
General schedule grades:			
Average salary	\$3,109	\$3,768	\$3,912
Average grade	GS-4.2	GS-5.1	GS-5.3
Crafts, protective and custodial grades:			
Average salary	\$2,313	\$2,774	\$2,854
Average grade	CPC-3.0	CPC-3.0	CPC-3.0
Ungraded positions:			
Average salary	\$2,342		
01 Personal services:			
Permanent positions	\$243,064	\$444,200	\$353,800
Part-time and temporary positions	100	1,000	2,000
Regular pay in excess of 52-week base		1,800	1,200
Payment above basic rates	14,323	6,000	5,000
Payments to other agencies for reimbursable details	614		
Total personal services	258,101	453,000	362,000
02 Travel	565	1,000	500
03 Transportation of things	152	50	
04 Communication services	706	750	500
06 Printing and reproduction	431	12,000	3,000
07 Other contractual services	4,461	3,700	1,500
08 Supplies and materials	1,292	4,500	4,000
09 Equipment	17,648	1,000	500
15 Taxes and assessments	1,154	2,000	2,000
Total obligations	284,510	478,000	374,000
ALLOTMENT TO INDUSTRY EVALUATION BOARD			
Total number of permanent positions	9	27	27
Full-time equivalent of all other positions		1	1
Average number of all employees	3	22	28
Average salaries and grades:			
General schedule grades:			
Average salary	\$6,814	\$6,539	\$6,604
Average grade	GS-10.8	GS-9.5	GS-9.5

DEPARTMENT OF COMMERCE—Continued

OFFICE OF THE SECRETARY—Continued

Salaries and Expenses, Defense Production Activities, Department of Commerce—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO INDUSTRY EVALUATION BOARD—continued			
01 Personal services:			
Permanent positions.....	\$18,105	\$132,000	\$178,310
Part-time and temporary positions.....		6,560	12,000
Regular pay in excess of 52-week base.....		680	680
Payment above basic rates.....	10		
Payments to other agencies for reimbursable details.....		760	4,010
Total personal services.....	18,115	140,000	195,000
02 Travel.....	1,043	4,200	8,000
04 Communication services.....	347	3,000	3,700
06 Printing and reproduction.....	39	3,000	6,000
07 Other contractual services.....	260	500	500
Services performed by other agencies.....		14,600	9,900
08 Supplies and materials.....	493	2,800	4,300
09 Equipment.....	12,306	3,500	3,000
15 Taxes and assessments.....	57	400	600
Total obligations.....	32,660	172,000	231,000

ALLOTMENT TO OFFICE OF INTERNATIONAL TRADE			
Total number of permanent positions.....	63	45	45
Average number of all employees.....	29	43	37
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,355	\$4,707	\$4,817
Average grade.....	GS-6.8	GS-6.8	GS-6.8
01 Personal services:			
Permanent positions.....	\$124,702	\$200,665	\$174,872
Regular pay in excess of 52-week base.....		815	433
Payment above basic rates.....	53		
Total personal services.....	124,755	201,480	175,305
02 Travel.....		5,000	3,000
04 Communication services.....	903	3,000	2,500
06 Printing and reproduction.....	404	1,000	1,000
07 Other contractual services.....	241	1,000	1,000
Services performed by other agencies.....	337	600	600
08 Supplies and materials.....	679	1,470	1,295
09 Equipment.....	33,396	50	
15 Taxes and assessments.....	281	400	300
Total obligations.....	160,996	214,000	185,000

ALLOTMENT TO OFFICE OF TRANSPORTATION			
Total number of permanent positions.....	4	16	15
Full-time equivalent of other positions.....	1	2	2
Average number of all employees.....	1	14	12
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$6,163	\$6,308
Average grade.....		GS-9.6	GS-9.9
01 Personal services:			
Permanent positions.....	\$691	\$63,445	\$54,520
Part-time and temporary positions.....	4,953	19,225	20,280
Regular pay in excess of 52-week base.....		330	200
Total personal services.....	5,644	83,000	75,000
02 Travel.....	5,971	26,000	17,000
04 Communication services.....		1,300	1,000
06 Printing and reproduction.....		1,200	1,000
07 Other contractual services.....		2,000	2,000
08 Supplies and materials.....		4,100	3,000
09 Equipment.....	5,293	2,400	1,000
Total obligations.....	16,908	120,000	100,000

ALLOTMENT TO OFFICE OF INDUSTRY AND COMMERCE			
Total number of permanent positions.....		6	12
Full-time equivalent of all other positions.....		1	
Average number of all employees.....		4	7
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$6,632	\$5,515
Average grade.....		GS-10.2	GS-8.3

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF INDUSTRY AND COMMERCE—continued			
01 Personal services:			
Permanent positions.....		\$18,735	\$40,400
Part-time and temporary positions.....		4,425	3,880
Regular pay in excess of 52-week base.....		140	220
Total personal services.....		23,300	44,500
02 Travel.....		6,200	7,200
04 Communication services.....		200	300
06 Printing and reproduction.....		7,400	7,200
07 Other contractual services.....		400	200
08 Supplies and materials.....		700	600
09 Equipment.....		800	
Total obligations.....		39,000	60,000

SUMMARY			
Total number of permanent positions.....	\$5,792	6,740	5,782
Full-time equivalent of all other positions.....	22	36	25
Average number of all employees.....	1,863	6,131	5,245
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,741	\$5,335	\$5,386
Average grade.....	GS-7.4	GS-7.9	GS-8.0
Crafts, protective, and custodial grades:			
Average salary.....	\$2,313	\$2,774	\$2,854
Average grade.....	CPC-3.0	CPC-3.0	CPC-3.0
Ungraded positions:			
Average salary.....	\$2,342		
01 Personal services:			
Permanent positions.....	\$8,486,611	\$31,931,045	\$28,148,102
Part-time and temporary positions.....	199,667	356,210	268,160
Regular pay in excess of 52-week base.....		118,965	94,733
Payment above basic rates.....	146,201	242,800	204,800
Payment to other agencies for reimbursable details.....	24,553	15,760	4,010
Total personal services.....	8,857,032	32,664,780	28,719,805
02 Travel.....	697,605	1,532,400	1,533,700
03 Transportation of things.....	17,649	35,050	33,000
04 Communication services.....	486,096	1,200,250	1,104,000
05 Rents and utility services.....	16,918	63,000	64,000
06 Printing and reproduction.....	724,825	1,007,600	800,200
07 Other contractual services.....	267,057	385,600	287,200
Services performed by other agencies.....	922,337	2,156,200	1,960,500
08 Supplies and materials.....	550,650	318,570	268,195
09 Equipment.....	2,760,919	241,750	42,500
13 Refunds, awards, and indemnities.....	162	1,000	
15 Taxes and assessments.....	53,303	192,800	186,900
Total obligations.....	15,354,558	39,799,000	35,000,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY						
Departmental:	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Positions at rates in excess of \$14,800:						
Administrator.....	1	\$16,000	1	\$16,000	1	\$16,000
General schedule grades:						
Grade 18. Rate of \$14,800:						
Assistant administrator, policy co-ordination.....			1	14,800	1	\$14,800
Assistant administrator, textile, leather and specialty equipment.....	1	14,000	1	14,800	1	14,800
Assistant administrator, facilities and construction.....	1	14,000	1	14,800	1	14,800
Deputy administrator.....			1	14,800		
General counsel.....	1	14,000	1	14,800	1	14,800
Grade 17. Range \$13,000 to \$13,800:						
Assistant administrator, industry advisory committees.....	1	12,200	1	13,200	1	13,200
Assistant administrator, public information.....	1	12,200	1	13,000	1	13,000
Assistant administrator, policy co-ordination.....	1	12,200	1	13,000		
Assistant administrator, production and distribution controls.....	1	12,200	1	13,000	1	13,000
Assistant administrator, small business.....			1	13,000	1	13,000
Associate general counsel.....	1	12,200	1	13,000		
Deputy assistant administrator, civilian requirements.....	1	12,200	1	13,000	1	13,000
Deputy assistant administrator, industrial and agricultural equipment.....	1	12,200	1	13,000	1	13,000
Deputy assistant administrator, labor.....	1	12,200	1	13,000	1	13,000
Deputy assistant administrator, policy coordination.....			1	13,000	1	13,000

BUDGET FOR DEFENSE PRODUCTION ACTIVITIES

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DETAIL OF PERSONAL SERVICES—continued

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY—continued						
Departmental—Continued						
General schedule grades—Continued						
Grade 17. Range \$13,000 to \$13,800—Con.	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
Director, aluminum and magnesium	1	\$12,200	1	\$13,000	1	\$13,000
Director, consumers durable goods	1	12,200	1	13,000	1	13,000
Director, electrical equipment			1	13,000	1	13,000
Director, foreign division					1	13,000
Director, general industrial equipment			1	13,000	1	13,000
Director, industrial expansion			1	13,000	1	13,000
Director, leather and leather products			1	13,000	1	13,000
Director, miscellaneous metals and minerals			1	13,000	1	13,000
Director, orders and regulations			1	13,000	1	13,000
Director, tin, lead and zinc	1	12,200				
Director, water resources			1	13,000	1	13,000
Grade 16. Range \$12,000 to \$12,800:						
Assistant administrator, administration			1	12,000	1	12,000
Assistant director, orders and regulations	1	11,200	1	12,000	1	12,000
Assistant general counsel	4	44,800	4	48,200	4	48,200
Business specialist	1	11,200				
Chairman, appeals board	1	11,200	1	12,000	1	12,000
Deputy assistant administrator, production analysis			1	12,000	1	12,000
Deputy assistant administrator, public information			1	12,000	1	12,000
Deputy director, aluminum and magnesium			1	12,000		
Deputy director, copper			1	12,000	1	12,000
Deputy director, electrical equipment			1	12,000		
Deputy director, general industrial equipment			1	12,000		
Deputy director, motion picture, photographic products			1	12,000	1	12,000
Deputy director, program coordination			1	12,000		
Deputy director, tin, lead and zinc			1	12,000	1	12,000
Deputy director, salvage			1	12,000		
Deputy director, scientific and technical			1	12,200	1	12,200
Director, priorities and directives			1	12,000	1	12,000
Director, program coordination			1	12,000	1	12,000
Director, aluminum and magnesium	1	11,200				
Director, construction controls	1	11,200	1	12,000	1	12,000
Director, product assignment	1	11,200	1	12,000	1	12,000
Director, production controls systems			1	12,000	1	12,000
Director, rubber	1	11,200	1	12,000		
Director, technical coordination	1	11,200	1	12,000	1	12,000
Industrial specialist	2	22,400				
Member, appeals board	1	11,200	2	24,000	2	24,000
Special assistant to administrator			2	24,200	2	24,200
Grade 15. Range \$10,800 to \$11,800:						
Attorney adviser	6	61,250	9	99,450	9	99,450
Attorney	2	20,000	2	21,600	2	21,600
Assistant director, division	6	61,250	10	110,000	8	87,900
Assistant deputy administrator			1	10,800	1	10,800
Assistant to assistant administrator			3	32,900	2	22,100
Assistant to administrator	2	20,250	1	10,800	1	10,800
Business analyst	2	20,250	1	10,800	1	10,800
Business economist	2	20,000	6	66,550	4	44,950
Chief, branch	2	21,000	20	217,000	20	217,000
Civil engineer			1	10,800	1	10,800
Deputy administrator for administration	1	10,500	1	10,800		
Deputy director, division	2	20,000	5	54,000	5	54,000
Director, division	17	176,000	16	174,550	16	174,550
Executive secretary	2	21,500	2	23,100	2	23,100
Fiscal economist	1	10,250				
Industrial adviser	5	50,750	7	76,350	7	76,350
Industrial analyst	26	261,250	35	379,710	30	325,000
Industrial specialist	46	472,750	81	886,600	77	844,100
Information and editorial specialist	1	10,000	4	43,200	1	10,800
International economist			1	11,550	1	11,550
Investigator	1	10,000	2	21,600	2	21,600
Laboratory specialist			1	10,800	1	10,800
Orders and regulations analyst	3	31,250	1	10,800	1	10,800
Production specialist	1	10,000				
Statistician			1	10,800	1	10,800
Grade 14. Range \$9,600 to \$10,600:						
Administrative officer	1	8,800	3	29,800	3	29,800
Assistant chief, branch			1	10,600	1	10,600
Assistant director, division	2	17,800	3	28,800	3	28,800
Attorney adviser	7	63,200	12	116,300	12	116,300
Business analyst	5	44,200	7	67,200	4	38,400
Business economist	2	17,600	5	48,000	5	48,000
Business specialist	1	8,800				
Chief, branch	10	88,400	46	443,400	46	443,400
Committee secretary			1	9,600	1	9,600
Construction engineer	2	\$18,600				
Deputy director, division	2	18,600	2	19,200	1	9,600
Director, division	3	26,400	1	9,600	1	9,600
Educational analyst	1	8,800	1	9,800	1	9,800
Electrical engineer	2	17,800				
Executive officer	2	17,600	1	9,600	1	9,600
Fiscal economist	1	8,800				
Historian			2	19,200	2	19,200

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY—continued						
Departmental—Continued	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
General schedule grades—Continued						
Grade 14. Range \$9,600 to \$10,600—Con.						
Industrial adviser	1	\$8,800	1	\$9,800	1	\$9,800
Industrial analyst	143		121		102	
	1,273,400		1,168,400		984,800	
Industrial economist	11	97,800	5	48,600	5	48,600
Industrial specialist	45	403,400	80	777,400	70	681,000
Information and editorial specialist	12	106,600	10	97,000	8	77,800
International economist	2	18,000	1	9,800	1	9,800
Investigator	2	18,600	5	48,500	5	48,500
Laboratory specialist			1	9,600	1	9,600
Labor representative	1	8,800	1	9,600	1	9,600
Labor specialist			5	48,000	5	48,000
Mechanical engineer	1	8,800				
Orders and regulations analyst	1	8,800	4	38,600	4	38,600
Organization and methods exam- iner	4	35,200	1	9,600	1	9,600
Program analyst	2	18,600	3	29,800	3	29,800
Recording secretary			1	9,600	1	9,600
Security officer	1	9,000	1	10,000	1	10,000
Special assistant to Administrator	1	8,800	3	29,400		
Statistician	2	17,600	3	29,800	3	29,800
Grade 13. Range \$8,360 to \$9,360:						
Accountant			1	8,560	1	8,560
Administrative assistant	1	7,600				
Administrative officer	4	31,400	3	25,080	3	25,080
Architectural engineer	2	16,200	1	8,360		
Attorney adviser	8	60,800	6	50,160	6	50,160
Business analyst	5	38,600	5	41,800	5	44,200
Business economist	6	47,200	11	92,160	6	50,360
Business specialist	4	31,000	3	25,480		
Chief, branch			4	34,240	4	34,240
Chief, section	5	39,600	19	160,240	20	168,600
Construction engineer	7	54,600	6	50,160	4	33,840
Educational analyst	1	8,000				
Employee relations officer	1	7,600	1	8,360	1	8,360
Executive officer			1	9,360	1	9,360
Industrial adviser	4	30,800	4	33,840	1	8,360
Industrial analyst	239		298		240	
	1,838,200		2,515,480		2,025,800	
Industrial economist	5	38,000	6	50,760	6	50,760
Industrial specialist	55	433,700	94	793,840	75	638,800
Information and editorial specialist	20	156,400	20	169,200	12	102,720
International economist	1	8,600				
Investigator	4	33,000	6	52,960	6	51,960
Labor economist			2	16,720	2	16,720
Labor specialist			3	25,080	3	25,080
Mechanical engineer	4	30,400	1	8,360	1	8,360
Organization and methods examiner	11	83,800	11	91,960	10	83,800
Orders and regulations analyst	3	23,000	8	66,880	8	66,880
Placement officer	2	15,200	2	16,720	1	8,360
Position classifier	2	15,200	2	16,720	2	16,720
Security specialist	1	7,600	2	16,720	2	16,720
Statistician	4	31,400	9	75,240	9	75,240
Training officer			3	25,080	3	25,080
Grade 12. Range \$7,040 to \$8,040:						
Administrative assistant			1	7,040		
Administrative officer	4	25,600	6	42,640	6	42,440
Architectural engineer	1	6,800	1	7,040		
Assistant branch chief			2	14,080	1	7,040
Assistant recording secretary			1	7,040	1	7,040
Attorney adviser	3	19,400	3	21,120	3	21,120
Budget examiner	6	39,000	5	35,800	5	35,800
Business analyst	1	7,400	2	14,080	3	21,120
Business economist	4	27,400	4	29,160	4	29,160
Business specialist	4	27,800	4	30,160	1	8,040
Chief, section	7	47,400	12	86,080	12	86,080
Construction engineer	2	12,800	1	7,040	1	7,040
Economic analyst	1	7,200	1	7,040	1	7,040
Electrical engineer	1	6,400	1	7,040	1	7,040
Industrial analyst	194		190		158	
	1,281,600		1,368,000		1,138,720	
Industrial economist	3	19,400	9	63,360	3	21,120
Industrial specialist	33	221,000	58	416,320	50	362,800
Information and editorial specialist	9	60,400	9	64,760	8	56,320
International economist			1	8,040	1	8,040
Investigator	7	45,200	6	42,640	6	42,640
Labor economist			2	14,080	2	14,080
Loan analyst	1	6,600	1	7,040		
Organization and methods examiner	20	130,600	20	142,800	19	135,560
Orders and regulations analyst	2	12,800				
Placement officer	4	26,000	5	35,600	4	28,160
Position classifier	2	12,800	3	21,120	2	14,080
Program report officer			1	7,040	1	7,040
Security specialist	1	6,400				
Special assistant to administrator	1	6,400	1	7,040		
Statistician	6	39,400	13	91,520	13	91,920
Training officer			1	7,040	1	7,040
Grade 11. Range \$5,940 to \$6,940:						
Administrative assistant	3	16,200	2	11,880	2	11,880
Administrative officer	9	50,000	9	53,860	9	53,860
Attorney adviser	3	16,200	3	18,020	3	18,020
Budget examiner	1	5,400	1	5,940	1	5,940
Business analyst	2	11,000	2	11,880	1	5,940
Business economist			2	12,880	2	12,880
Business specialist	2	10,800	2	11,880	1	5,940
Chief, section	8	44,000	10	60,200	9	53,860
Chief, summary writer	1	5,400	1	5,940	1	5,940
Committee operating assistant	1	5,400	1	5,940	1	5,940
Communication specialist			1	5,940	1	5,940
Construction engineer	1	6,400	1	6,940	1	6,940
Employee relations officer	2	11,200	2	12,280	2	12,280

DEPARTMENT OF COMMERCE—Continued

OFFICE OF THE SECRETARY—Continued

Salaries and Expenses, Defense Production Activities, Department of Commerce—Continued

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO NATIONAL PRODUCTION AUTHORITY—continued			
Departmental—Continued			
General schedule grades—Continued			
Grade 11. Range \$5,946 to \$6,940—Con.			
Industrial adviser	1 \$5,800		
Industrial analyst	158	172	151
Industrial economist	1 5,400	8 49,320	8 49,320
Industrial specialist	14 80,800	21 126,540	19 116,860
Information and editorial specialist	9 48,800	10 60,400	10 60,400
International economist	4 22,600	1 6,540	1 6,540
Investigator	4 23,000	3 18,020	3 18,020
Labor economist	1 5,400	2 11,880	2 11,880
Labor specialist		3 17,820	3 17,820
Organization and methods examiner	17 94,800	8 47,720	8 47,720
Placement officer	3 16,200	5 30,100	4 24,160
Position classifier	3 16,600	5 30,500	3 18,220
Security specialist	1 5,400	1 5,940	1 5,940
Space analyst	2 10,800	3 17,820	3 17,820
Statistician	5 27,600	14 83,960	13 78,220
Training officer	1 5,400	1 5,940	1 5,940
Grade 10. Range \$5,500 to \$6,250:			
Chief, section	1 5,250		
Grade 9. Range \$5,060 to \$5,810:			
Accountant	2 9,575	4 20,365	2 10,245
Administrative assistant	13 61,550	22 113,695	20 105,450
Administrative officer	2 9,450	1 5,185	1 5,185
Attorney adviser	1 4,600	1 5,435	1 5,435
Budget examiner	1 4,600	1 5,185	1 5,185
Business economist	5 23,625	2 10,120	2 10,120
Chief, section	10 47,750	12 61,470	6 30,660
Correspondence specialist	1 5,350	1 5,810	1 5,810
Employee relations officer	1 4,850	2 10,370	2 10,370
Industrial analyst	149 713,650	164 842,715	134 695,040
Industrial economist	2 9,950	6 30,610	6 30,610
Industrial specialist	2 9,450	11 56,410	12 62,220
Information and editorial specialist	4 18,525	3 15,180	3 15,180
International economist	2 9,825	1 5,060	1 5,060
Investigator	3 15,425		
Labor economist	1 4,600	1 5,810	1 5,810
Mechanical engineer	2 9,200	1 5,060	1 5,060
Organization and methods examiner	2 9,450	2 10,870	2 10,870
Personnel assistant	1 4,725	1 5,185	1 5,185
Placement officer	7 32,700	10 50,850	7 36,370
Position classifier	3 14,300	4 20,740	4 20,740
Records analyst		1 5,060	1 5,060
Space analyst	2 9,200	1 5,060	1 5,060
Statistician	13 61,050	19 97,265	19 98,890
Summary writer		8 40,730	8 40,730
Supply officer	1 4,975	1 5,435	1 5,435
Training officer		1 5,060	1 5,060
Grade 8. Range \$4,620 to \$5,370	5 21,000	7 32,715	8 37,335
Grade 7. Range \$4,205 to \$4,955	319	383	326
	1,281,925	1,669,640	1,431,785
Grade 6. Range \$3,795 to \$4,545	125 460,950	157 622,065	135 543,920
Grade 5. Range \$3,410 to \$4,160	635	807	736
	2,118,375	2,911,075	2,674,095
Grade 4. Range \$3,175 to \$3,655	519	678	619
	1,566,605	2,238,865	2,046,855
Grade 3. Range \$2,950 to \$3,430	768	649	501
	2,091,750	1,990,005	1,525,570
Grade 2. Range \$2,750 to \$3,230	55 139,870	70 199,140	29 81,750
Crafts, protective, and custodial grades:			
Grade 6. Range \$3,200 to \$3,680	1 2,900	1 3,200	
Grade 4. Range \$2,750 to \$3,230	3 7,830	4 11,640	4 11,720
Grade 3. Range \$2,552 to \$3,032	124 286,448	102 265,120	70 186,720
Grade 2. Range \$2,420 to \$2,840		1 2,560	1 2,560
Total permanent, departmental	4,186	4,926	4,203
Deduct lapses	19,782,828	26,468,560	22,781,760
	2,863	423	333
	13,398,026	2,477,560	1,431,760
Net permanent, departmental (average number, net salary)	1,323	4,503	3,870
Part-time and temporary positions:			
Temporary employment	6,384,802	23,991,000	21,350,000
Regular pay in excess of 52-week base	194,614	310,000	200,000
Payment above basic rates:			
Overtime and holiday pay	131,815	210,000	170,000
Night-work differential		2,500	4,000
Living and quarters allowance		5,500	7,000
Payments to other agencies for reimbursable details	23,939	15,000	
01 Personal services	6,735,170	24,622,000	21,800,000
ALLOTMENT TO OFFICE OF FIELD SERVICE			
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Special assistant to the director	1 \$10,000	1 \$10,800	1 \$11,050
Grade 14. Range \$9,600 to \$10,600:			
Assistant to the director	2 17,600	3 29,200	3 29,400

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF FIELD SERVICE—continued			
Departmental—Continued			
General schedule grades—Continued			
Grade 13. Range \$8,360 to \$9,360:			
Industrial specialist	4 \$31,400	6 \$51,160	4 \$35,040
Grade 12. Range \$7,040 to \$8,040:			
Industrial specialist	1 6,600		
Grade 11. Range \$5,940 to \$6,940:			
Budget analyst	1 5,400	1 5,940	1 6,140
Grade 9. Range \$5,060 to \$5,810:			
Administrative assistant	1 4,600	1 5,060	1 5,185
Business analyst		1 5,060	1 5,185
Grade 7. Range \$4,205 to \$4,955	3 12,475	2 9,660	2 9,910
Grade 5. Range \$3,410 to \$4,160	5 16,125	11 39,010	11 39,635
Grade 4. Range \$3,175 to \$3,655	8 23,800	8 25,640	8 25,960
Grade 3. Range \$2,950 to \$3,430	6 16,140	6 17,700	6 17,940
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032	2 4,504	2 5,264	2 5,344
Total permanent, departmental	34 148,644	42 204,494	40 190,789
Deduct lapses	22 93,830	5 23,535	8 38,440
Net permanent, departmental	12 54,814	37 180,959	32 152,349
Regular pay in excess of 52-week base		691	591
All personal services, departmental	54,814	181,650	152,940
Field:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Attorney	9 90,750	16 173,550	16 174,550
Grade 14. Range \$9,600 to \$10,600:			
Assistant to regional director	4 35,200	6 58,200	4 39,400
Attorney	3 26,400	1 9,600	1 9,800
Grade 13. Range \$8,360 to \$9,360:			
Attorney		1 8,360	1 8,360
Compliance officer		13 108,680	13 108,680
District manager	2 16,400	40 335,600	20 168,600
Industrial analyst	13 98,800	40 334,400	40 335,600
Information specialist	2 15,200	8 66,880	8 67,080
Grade 12. Range \$7,040 to \$8,040:			
District manager	42 269,200	13 91,920	13 96,120
Industrial analyst	72 461,000	125 880,200	110 781,800
Investigator, compliance	16 103,200	25 176,800	25 178,400
Information specialist	7 44,800	8 56,320	8 56,920
Grade 11. Range \$5,940 to \$6,940:			
Administrative assistant	1 6,400	2 12,880	2 12,880
Industrial analyst	280	280	210
	1,542,500	1,693,700	1,305,900
Information specialist	4 21,600		
Investigator, compliance	90 497,100	160 961,500	160 970,500
Personnel assistant	1 5,600	1 6,140	1 6,140
Grade 9. Range \$5,060 to \$5,810:			
Administrative assistant	1 4,725	5 25,550	5 25,800
Attorney		1 5,060	1 5,060
Industrial analyst	74 350,275	70 364,075	53 282,430
Information specialist	1 5,350	1 5,810	1 5,810
Investigator, compliance	64 303,775	93 479,955	93 485,705
Grade 7. Range \$4,205 to \$4,955	19 74,175	25 106,625	20 87,475
Grade 6. Range \$3,795 to \$4,545		5 18,975	5 19,500
Grade 5. Range \$3,410 to \$4,160	6 19,850	15 52,400	15 53,650
Grade 4. Range \$3,175 to \$3,655	194 584,710	270 884,210	215 721,025
Grade 3. Range \$2,950 to \$3,430	374	320	266
	1,033,303	986,335	840,075
Grade 2. Range \$2,750 to \$3,230	25 61,330	10 27,580	10 28,140
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032	2 4,504	4 10,208	4 10,368
Total permanent, field	1,306	1,558	1,320
Deduct lapses	919	174	175
	4,015,714	1,041,472	1,041,917
Net permanent, field (average number, net salary)	387	1,384	1,145
Part-time and temporary positions:			
W. A. E. employment	1,660,433	6,900,041	5,843,851
Regular pay in excess of 52-week base		15,000	30,000
Payment above basic rates:		26,509	22,409
Overtime and holiday pay		10,000	10,000
Additional pay for service abroad		8,800	8,800
All personal services, field	1,660,433	6,960,350	5,915,060
01 Personal services	1,715,247	7,142,000	6,068,000
ALLOTMENT TO OFFICE OF THE SECRETARY			
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Special assistant to Assistant Secretary	1 \$10,800		
Grade 14. Range \$9,600 to \$10,600:			
Deputy security officer	1 \$9,800	1 10,600	1 \$10,600
Organization and methods examiner		1 9,600	1 9,800
Grade 13. Range \$8,360 to \$9,360:			
Government accountant	1 7,600	1 8,360	1 8,560
Industrial specialist	1 7,600	1 8,360	1 8,560
Investigator	1 7,600	1 8,360	1 8,560
Special assistant		1 8,360	1 8,560
Grade 12. Range \$7,040 to \$8,040:			
Budget analyst	1 6,400	1 7,040	1 7,240

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE SECRETARY—continued			
Departmental—Continued			
General schedule grades—Continued			
Grade 12. Range \$7,040 to \$8,040—Con.			
Placement officer	1 \$6,400		
Publications writer		1 \$7,040	1 \$7,040
Grade 11. Range \$5,940 to \$6,940:			
Administrative officer	1 5,400	1 5,940	1 6,140
Attorney-adviser		1 5,940	1 5,940
Investigator		1 6,140	1 6,340
Placement officer	1 5,400	1 5,940	1 6,140
Printing and publications officer	1 5,400	1 5,940	1 6,140
Grade 9. Range \$5,060 to \$5,810:			
Budget analyst	1 4,600	1 5,060	
Illustrator	1 4,725	1 5,310	1 5,435
Placement officer		1 5,810	1 5,810
Printing and publications assistant	3 15,050	4 21,615	4 21,990
Grade 8. Range \$4,620 to \$5,370	1 4,950		
Grade 7. Range \$4,205 to \$4,995	11 44,200	10 44,675	10 45,800
Grade 6. Range \$3,795 to \$4,545	2 6,900	6 24,395	6 25,145
Grade 5. Range \$3,410 to \$4,160	8 4,800	10 36,475	8 30,155
Grade 4. Range \$3,175 to \$3,655	34 97,700	34 95,515	30 85,135
Grade 3. Range \$2,950 to \$3,430	75 198,750	43 129,090	30 91,540
Grade 2. Range \$2,750 to \$3,230	19 46,550	10 28,540	8 23,600
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032	11 24,772	9 24,968	9 25,688
Ungraded positions at annual rates less than \$5,060	15 35,134		
Total permanent, departmental	190 569,731	143 529,873	120 459,918
Deduct lapses	103 326,667	24 85,673	28 106,118
Net permanent, departmental (average number, net salary)	87 243,064	119 444,200	92 353,800
Part-time and temporary positions	100	1,000	2,000
Regular pay in excess of 52-week base		1,800	1,200
Payment above basic rates	14,323	6,000	5,000
Payment to other agencies for reimbursable details	614		
01 Personal services	258,101	453,000	362,000

ALLOTMENT TO INDUSTRY EVALUATION BOARD			
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Assistant staff director	1 10,000	2 21,600	2 \$21,850
Chairman, Industry Evaluation Board	1 10,000	1 10,800	1 11,050
Staff director, Industry Evaluation Board	1 10,000	1 11,050	1 11,300
Grade 14. Range \$9,600 to \$10,400:			
Assistant to staff director		1 9,600	1 9,600
Industrial specialist	1 9,200	3 28,800	3 28,800
Grade 13. Range \$8,360 to \$9,160:			
Industrial specialist		4 33,840	4 33,840
Grade 12. Range \$7,040 to \$7,840:			
Industrial specialist	1 6,400	1 7,040	1 7,040
Grade 11. Range \$5,940 to \$6,740:			
Industrial specialist	1 5,400	1 5,940	1 5,940
Grade 9. Range \$5,060 to \$5,560		1 5,060	1 5,185
Grade 7. Range \$4,205 to \$4,705	1 4,325	2 9,160	2 9,285
Grade 6. Range \$3,795 to \$4,295		1 3,920	1 4,045
Grade 5. Range \$3,410 to \$3,910	1 3,350	5 17,550	5 18,175
Grade 3. Range \$2,950 to \$3,270	1 2,650	4 12,200	4 12,200
Total permanent, departmental	9 61,325	27 176,560	27 178,310
Deduct lapses	6 43,220	6 44,560	
Net permanent, departmental (average number, net salary)	3 18,105	21 132,000	27 178,310
Part-time and temporary positions		6,560	12,000
Regular pay in excess of 52-week base		680	680
Payment above basic rates	10		
Payment to other agencies for reimbursable details		760	4,010
01 Personal services	18,115	140,000	195,000

ALLOTMENT TO OFFICE OF INTERNATIONAL TRADE			
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Assistant director	1 \$10,750	1 \$11,550	1 \$11,800
Grade 14. Range \$9,600 to \$10,600:			
International economist	2 18,200	2 19,800	2 20,200
Grade 13. Range \$8,360 to \$9,360:			
International economist	6 46,800	1 8,360	1 8,560
Grade 12. Range \$7,040 to \$8,040:			
International economist	6 40,600	3 22,120	3 22,320
Grade 11. Range \$5,940 to \$6,940:			
International economist	4 21,800	5 30,300	5 30,900
Grade 9. Range \$5,060 to \$5,810:			
International economist	1 4,600	1 5,060	1 5,185
Grade 7. Range \$4,205 to \$4,955	5 19,250	9 38,095	9 39,220
Grade 5. Range \$3,410 to \$4,160	15 47,625	7 24,995	7 25,870
Grade 4. Range \$3,175 to \$3,655	7 21,405	7 23,905	7 24,385
Grade 3. Range \$2,950 to \$3,430	15 40,630	8 24,560	8 25,200
Grade 2. Range \$2,750 to \$3,230	1 2,690	1 3,070	1 3,150
Total permanent, departmental	63 274,350	45 211,815	45 216,790

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF INTERNATIONAL TRADE—continued			
Deduct lapses	34 \$149,648	2 \$11,150	8 \$41,918
Net permanent, departmental (average number, net salary)	29 124,702	43 200,665	37 174,872
Regular pay in excess of 52-week base		815	433
Payment above basic rate	53		
01 Personal services	124,755	201,480	175,305
ALLOTMENT TO OFFICE OF TRANSPORTATION			
Departmental:			
General schedule grades:			
Grade 14. Range \$9,600 to \$10,600:			
Director		1 \$9,600	2 \$19,200
Assistant director		1 9,600	
Transportation economist			1 9,600
Special assistant		1 9,800	
Grade 13. Range \$8,360 to \$9,360:			
Planning officer		1 8,360	1 8,360
Assistant to director	1 \$7,600	1 8,360	1 8,360
Grade 12. Range \$7,040 to \$8,040:			
Business analyst		1 7,040	1 7,040
Grade 11. Range \$5,940 to \$6,940:			
Transportation economist			1 5,940
Grade 9. Range \$5,060 to \$5,810:			
Transportation economist		2 10,120	1 5,060
Grade 7. Range \$4,205 to \$4,955	2 7,650	3 12,615	3 12,615
Grade 6. Range \$3,795 to \$4,554	1 3,450	3 11,760	2 7,965
Grade 5. Range \$3,410 to \$4,160		2 7,195	2 7,195
Total permanent, departmental	4 18,700	16 100,390	15 91,335
Deduct lapses	4 18,009	4 36,945	5 35,815
Net permanent departmental (average number, net salary)	691	12 63,445	10 54,520
Part-time and temporary positions	4,953	19,225	20,280
Regular pay in excess of 52-week base		330	200
01 Personal services	5,644	83,000	75,000

ALLOTMENT TO OFFICE OF INDUSTRY AND COMMERCE			
Departmental:			
General schedule grades:			
Grade 14. Range \$9,600 to \$10,600:			
Business economist		1 \$9,800	1 \$10,000
Grade 13. Range \$8,360 to \$9,360:			
Business economist		2 16,920	2 17,320
Grade 12. Range \$7,040 to \$8,040:			
Business economist			1 7,040
Grade 11. Range \$5,940 to \$6,940:			
Business economist			1 5,940
Grade 9. Range \$5,060 to \$5,810:			
Business economist		2 10,120	2 10,370
Grade 5. Range \$3,410 to \$4,160			1 3,410
Grade 4. Range \$3,175 to \$3,655			1 3,175
Grade 3. Range \$2,950 to \$3,430		1 2,950	3 8,930
Total permanent, departmental		6 39,790	12 66,185
Deduct lapses		3 21,055	5 25,785
Net permanent, departmental (average number, net salary)		3 18,735	7 40,400
Part-time and temporary positions		4,425	3,880
Regular pay in excess of 52-week base		140	220
01 Personal services		23,300	44,500

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SECRETARY

Salaries and Expenses, Defense Production Activities, Department of the Interior—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE PRODUCTION STAFF			
Total number of permanent positions	47	52	27
Full-time equivalent of all other positions	1	1	1
Average number of all employees	18	34	25
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,600	\$6,703	\$7,613
Average grade	GS-8.8	GS-9.8	GS-10.9
01 Personal services:			
Permanent positions	\$91,039	\$207,500	\$171,400
Part-time and temporary positions	5,000	5,100	5,000

DEPARTMENT OF THE INTERIOR—Continued

OFFICE OF THE SECRETARY—Continued

Salaries and Expenses, Defense Production Activities, Department of the Interior—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE PRODUCTION STAFF—continued			
01 Personal services—Continued			
Regular pay in excess of 52-week base		\$900	\$700
Payment above basic rates	\$2,000	1,000	800
Total personal services	98,039	214,500	177,900
02 Travel	9,125	1,000	1,000
04 Communication services	2,401	2,500	2,000
06 Printing and reproduction	2,235	2,500	1,500
07 Other contractual services	32,243	5,500	3,500
08 Supplies and materials	1,743	2,500	1,500
09 Equipment	31,270	3,000	1,000
15 Taxes and assessments	300	700	600
Total obligations	177,356	232,200	189,000

ALLOTMENT TO DEFENSE SOLID FUELS ADMINISTRATION			
Total number of permanent positions	49	48	55
Full-time equivalent of all other positions	3	1	1
Average number of all employees	25	49	48
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,979	\$6,446	\$6,460
Average grade	GS-9.1	GS-9.0	GS-9.0
01 Personal services:			
Permanent positions	\$126,167	\$299,200	\$299,300
Part-time and temporary positions	7,700	8,300	5,000
Regular pay in excess of 52-week base		1,200	1,200
Payment above basic rates	1,200	1,500	1,300
Payments to other agencies for reimbursable details	2,840		
Total personal services	137,907	310,200	306,800
02 Travel	36,228	28,000	20,000
03 Transportation of things	1,100		
04 Communication services	3,013	7,000	7,000
05 Rents and utility services		7,000	6,000
06 Printing and reproduction	2,857	12,000	7,000
07 Other contractual services		75,000	75,000
Services performed by other agencies	92,338	5,000	5,000
08 Supplies and materials	3,473	3,000	2,000
09 Equipment	42,506	1,200	1,200
15 Taxes and assessments	600		
Total obligations	320,022	448,400	430,000

ALLOTMENT TO DEFENSE ELECTRIC POWER ADMINISTRATION			
Total number of permanent positions	110	147	139
Full-time equivalent of all other positions	2	2	2
Average number of all employees	47	120	120
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,998	\$5,636	\$5,495
Average grade	GS-7.8	GS-8.1	GS-7.8
01 Personal services:			
Permanent positions	\$222,494	\$659,400	\$662,500
Part-time and temporary positions	14,956	11,900	11,500
Regular pay in excess of 52-week base		2,800	3,000
Payment above basic rates	4,543	5,100	1,000
Payments to other agencies for reimbursable details	440	1,100	1,000
Total personal services	242,433	680,300	679,000
02 Travel	69,843	187,300	187,000
03 Transportation of things	4,109	1,300	500
04 Communication services	16,555	49,700	42,000
05 Rents and utility services		100	
06 Printing and reproduction	13,696	19,600	15,000
07 Other contractual services	1,535	6,500	5,000
Services performed by other agencies	10,268	9,600	7,500
08 Supplies and materials	12,694	18,900	15,000
09 Equipment	51,109	23,300	3,000
Total obligations	422,242	996,600	954,000

ALLOTMENT TO DEFENSE MINERALS EXPLORATION ADMINISTRATION			
Total number of permanent positions	113	65	
Full-time equivalent of all other positions	13	1	
Average number of all employees	43	54	

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE MINERALS EXPLORATION ADMINISTRATION—con.			
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,678	\$6,343	
Average grade	GS-8.9	GS-9.4	
01 Personal services:			
Permanent positions	\$225,696	\$326,600	
Part-time and temporary positions	15,000	8,000	
Regular pay in excess of 52-week base		1,300	
Payment above basic rates		700	
Total personal services	240,696	336,600	
02 Travel	18,531	8,000	
03 Transportation of things	7,659	600	
04 Communication services	3,808	8,000	
05 Rents and utility services		200	
06 Printing and reproduction	13,790	4,500	
07 Other contractual services	5,222	10,000	
Services performed by other agencies	584,647	312,000	
08 Supplies and materials	7,835	3,000	
09 Equipment	68,672	5,000	
15 Taxes and assessments	1,966	2,300	
Total obligations	952,826	690,200	

ALLOTMENT TO DEFENSE FISHERIES ADMINISTRATION			
Total number of permanent positions	28	26	15
Average number of all employees	7	15	15
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,797	\$6,138	\$5,655
Average grade	GS-9.7	GS-9.1	GS-8.1
Ungraded positions: Average salary		\$4,400	\$7,500
01 Personal services:			
Permanent positions	\$49,947	\$94,387	\$84,053
Part-time and temporary positions		3,900	7,500
Regular pay in excess of 52-week base		243	221
Payment above basic rates	88		
Total personal services	50,035	98,530	91,774
02 Travel	5,859	7,096	9,780
03 Transportation of things	555	1,845	300
04 Communication services	2,520	3,717	4,866
05 Rents and utility services	883	1,041	
06 Printing and reproduction	900	889	1,300
07 Other contractual services	5,625	1,801	1,500
08 Supplies and materials	5,270	869	1,300
09 Equipment	20,880	450	1,100
15 Taxes and assessments	253	162	80
Total obligations	92,780	116,400	112,000

ALLOTMENT TO PETROLEUM ADMINISTRATION FOR DEFENSE			
Total number of permanent positions	237	315	315
Full-time equivalent of all other positions	3	8	3
Average number of all employees	85	284	300
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,756	\$6,225	\$6,379
Average grade	GS-9.3	GS-9.2	GS-9.5
01 Personal services:			
Permanent positions	\$467,698	\$1,769,000	\$1,860,000
Part-time and temporary positions	6,120	44,000	20,000
Regular pay in excess of 52-week base		7,500	7,500
Payment above basic rates	12,983	45,000	26,500
Payments to other agencies for reimbursable details	17,108		
Total personal services	503,909	1,865,500	1,914,000
02 Travel	69,696	133,500	100,000
03 Transportation of things	782	1,300	2,000
04 Communication services	26,721	52,000	60,000
05 Rents and utility services	1,351	300	1,000
06 Printing and reproduction	23,791	75,000	80,000
07 Other contractual services	72,025	36,000	40,000
Services performed by other agencies	98,500	98,000	33,000
08 Supplies and materials	25,300	27,000	55,000
09 Equipment	159,673	35,200	15,000
15 Taxes and assessments	3,372	13,300	15,000
Total obligations	985,120	2,337,100	2,315,000

SUMMARY			
Total number of permanent positions	584	653	551
Full-time equivalent of all other positions	12	13	7
Average number of all employees	225	556	508

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
SUMMARY—continued			
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,660	\$6,103	\$6,120
Average grade	GS-8.9	GS-8.9	GS-9.0
01 Personal services:			
Permanent positions	\$1,183,041	\$3,356,087	\$3,077,253
Part-time and temporary positions	48,776	81,200	49,000
Regular pay in excess of 52-week base		14,743	12,621
Payment above basic rates	20,814	52,500	29,600
Payments to other agencies for reimbursable details	20,388	1,100	1,000
Total personal services	1,273,019	3,505,630	3,169,474
02 Travel	209,282	364,896	317,780
03 Transportation of things	14,205	5,045	2,800
04 Communication services	55,018	122,917	115,866
05 Rents and utility services	2,234	1,641	1,000
06 Printing and reproduction	57,269	109,489	103,800
07 Other contractual services	116,650	71,801	57,000
Services performed by other agencies	785,753	494,600	115,500
08 Supplies and materials	56,315	57,269	77,800
09 Equipment	374,110	69,950	22,100
15 Taxes and assessments	6,491	17,662	16,880
Total obligations	2,950,346	4,820,900	4,000,000

DETAIL OF PERSONAL SERVICES

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE PRODUCTION STAFF			
Departmental:			
General schedule grades:			
Grade 17. Range \$13,000 to \$13,800:			
Chief research economist	1 \$12,200	1 \$13,000	
Executive assistant for defense production	1 12,200	1 13,000	1 \$13,000
Grade 16. Range \$12,000 to \$12,800:			
Director of information	1 11,200	1 12,000	1 12,000
Executive officer	1 11,200	1 12,000	1 12,200
Head program group	1 11,200	1 12,000	
Grade 15. Range \$10,800 to \$11,800:			
Attorney-adviser	1 10,000	1 10,800	1 11,050
Administrative officer		1 10,800	
Economist			1 10,800
Order clearance specialist	1 10,000	1 10,800	1 11,050
Grade 14. Range \$9,600 to \$10,600:			
Attorney-adviser	1 8,800	1 9,600	1 9,800
Classification examiner	1 9,200		
Economist	1 8,800	2 19,200	1 9,600
Financial analyst	1 9,200	1 10,200	1 10,200
Industrial specialist		1 9,600	1 9,600
Management analyst	1 8,800	1 9,600	
Grade 13. Range \$8,360 to \$9,360:			
Accounting analyst	1 7,600		
Budget examiner	1 7,800		
Budget and finance officer		1 8,760	
Economist		1 8,360	1 8,360
Historian		1 9,160	1 9,360
Personnel officer		1 8,360	
Program requirements analyst		1 8,360	1 8,360
Survey statistician		1 8,360	1 8,360
Grade 12. Range \$7,040 to \$8,040:			
Economist	1 6,400	1 7,040	1 7,240
Information and editorial specialist	1 6,800	1 7,440	
Grade 11. Range \$5,940 to \$6,940:			
Administrative assistant	1 5,400	1 5,940	1 6,140
Fiscal accountant		1 6,540	
General services officer		1 6,340	
Placement officer	1 5,400		
Position classifier		1 6,140	
Grade 9. Range \$5,060 to \$5,810:			
Administrative assistant	1 4,975	1 5,435	1 5,560
Attorney	1 4,600	1 5,060	
Economist	1 4,600	1 5,060	1 5,060
Position classifier	1 4,600		
Grade 7. Range \$4,205 to \$4,955:			
Economist	4 16,300	4 17,945	1 4,830
Grade 6. Range \$3,795 to \$4,545:			
Economist	1 3,575	6 24,395	1 3,795
Grade 5. Range \$3,410 to \$4,160:			
Economist	5 16,375	5 18,050	5 18,550
Grade 4. Range \$3,175 to \$3,655:			
Economist	9 26,835	5 16,355	
Grade 3. Range \$2,950 to \$3,430:			
Economist	3 7,950	2 6,140	1 3,030
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032:			
	4 9,248	1 2,792	1 2,792
Total permanent, departmental	47 250,058	52 344,632	27 200,737
Deduct:			
Lapses	29.8 159,019	14.7 97,132	3.9 29,337
Portion of salaries shown above paid from other accounts		7 40,000	
Net permanent, departmental (average number, net salary)	17.2 91,039	30.3 207,500	23.1 171,400
Part-time and temporary positions: W. A. E. employment	5,000	5,100	5,000
Regular pay in excess of 52-week base		900	700
Payment above basic rates: Overtime and holiday pay	2,000	1,000	800
01 Personal services	98,039	214,500	177,900

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE SOLID FUELS ADMINISTRATION			
Departmental:			
General schedule grades:			
Grade 18. Rate of \$14,800:			
Administrator	1 \$14,000	1 \$14,800	1 \$14,800
Grade 17. Range \$13,000 to \$13,800:			
Deputy administrator	2 24,400	2 26,000	2 26,400
Grade 15. Range \$10,800 to \$11,800:			
Administrative officer			1 10,800
Division director	4 40,000	4 43,200	4 43,700
General counsel	1 10,000	1 10,800	1 11,050
Grade 14. Range \$9,600 to \$10,600:			
Assistant director		1 9,600	1 9,600
Executive officer	1 8,800		
Industrial specialist	2 17,600	3 28,800	3 29,000
Information officer	1 8,800	1 9,600	1 9,800
Grade 13. Range \$8,360 to \$9,360:			
Administrative officer	1 7,600		
Attorney-adviser	1 7,600	1 8,360	1 8,560
Budget and finance officer	1 7,600		
Commodity industry analyst	2 15,200	3 25,280	3 25,680
Personnel officer	1 7,600		1 8,560
Grade 12. Range \$7,040 to \$8,040:			
Commodity industry analyst	2 12,800	1 7,040	1 7,240
Grade 11. Range \$5,940 to \$6,940:			
Administrative assistant			1 6,140
Fiscal accountant			1 6,540
Grade 10. Range \$5,500 to \$6,250:			
Administrative assistant	1 5,625	1 6,250	1 6,250
Grade 9. Range \$5,060 to \$5,810:			
Administrative assistant		1 5,060	1 5,060
Freight transportation analyst	1 4,600	1 5,060	1 5,185
Grade 7. Range \$4,205 to \$4,955:			
Economist	6 24,825	6 27,605	5 23,150
Grade 6. Range \$3,795 to \$4,545:			
Economist	7 27,025	4 17,180	5 21,350
Grade 5. Range \$3,410 to \$4,160:			
Economist	6 19,975	8 29,905	9 34,040
Grade 4. Range \$3,175 to \$3,655:			
Economist	4 11,660	2 6,430	4 13,660
Grade 3. Range \$2,950 to \$3,430:			
Economist	2 5,300	5 15,550	5 15,790
Crafts, protective, and custodial grades:			
Grade 4. Range \$2,750 to \$3,230:			
	1 2,450		
Grade 3. Range \$2,552 to \$3,032:			
	1 2,412	2 5,664	2 5,744
Total permanent, departmental	49 285,872	48 302,184	55 348,099
Deduct:			
Lapses	27.3 159,705	4.4 27,984	3.7 23,799
Portion of salaries shown above paid from other accounts			4.5 25,000
Add portion of salaries carried in other position schedules paid from this account		4 25,000	
Net permanent, departmental (average number, net salary)	21.7 126,167	47.6 299,200	46.8 299,300
Part-time and temporary positions:			
W. A. E. employment	7,700	8,300	5,000
Regular pay in excess of 52 week base		1,200	1,200
Payment above basic rates: Overtime and holiday pay	1,200	1,500	1,300
Payments to other agencies for reimbursable details	2,840		
01 Personal services	137,907	310,200	306,800
ALLOTMENT TO DEFENSE ELECTRIC POWER ADMINISTRATION			
Departmental:			
General schedule grades:			
Grade 17. Range \$13,000 to \$13,800:			
Deputy administrator	1 \$12,200	1 \$13,000	1 \$13,000
Director, materials and equipment division	1 12,200	1 13,000	1 13,000
General counsel		1 13,000	1 13,000
Grade 16. Range \$12,000 to \$12,800:			
Branch chief	2 22,400	3 36,000	4 48,000
Grade 15. Range \$10,800 to \$11,800:			
Assistant branch chief		1 10,800	1 10,800
Attorney-adviser	1 10,000	2 21,600	1 10,800
Branch chief	2 20,000	2 21,600	2 21,600
Commodity industry analyst		1 10,800	1 10,800
Director of administrative management	1 10,000	1 10,800	1 10,800
Electrical engineer	1 10,000		
Industrial specialist		1 10,800	1 10,800
Regional engineer	2 20,000	4 43,200	5 54,000
Grade 14. Range \$9,600 to \$10,600:			
Assistant branch chief	1 8,800	1 9,600	1 9,600
Assistant division chief		1 9,600	1 9,600
Assistant regional engineer	2 17,600	3 28,800	3 28,800
Attorney-adviser	1 8,800	1 9,600	
Commodity industry analyst		1 9,600	1 9,600
Electrical engineer	3 26,400	3 28,800	2 19,200
Information officer	1 8,800	1 9,600	1 9,600
Production specialist	2 17,600	1 9,600	1 9,600
Staff assistant		1 9,600	1 9,600
Grade 13. Range \$8,360 to \$9,360:			
Budget and finance officer	1 7,600	1 8,560	
Chief, inventory control section	1 7,600	1 8,360	1 8,360
Economist		1 8,360	1 8,360
Electrical engineer	7 53,600	7 58,520	4 33,440
Forms and procedures officer			1 8,360
Personnel officer	1 7,600	1 8,360	
Grade 12. Range \$7,040 to \$8,040:			
Classification officer	1 6,400	1 7,040	
Economist	1 6,400	1 7,040	
Electrical engineer	1 6,400	1 7,040	

DEPARTMENT OF THE INTERIOR—Continued

OFFICE OF THE SECRETARY—Continued

Salaries and Expenses, Defense Production Activities, Department of the Interior—Continued

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE ELECTRIC POWER ADMINISTRATION—continued			
Departmental—Continued			
General schedule grades—Continued			
Grade 12. Range \$7,040 to \$8,040—Con.			
Forms and procedures officer	1 \$6,400	1 \$7,040	1 \$7,040
Personnel officer		1 7,040	1 7,040
Production specialist		1 7,040	1 7,040
Grade 11. Range \$5,940 to \$6,940:			
Attorney-adviser		1 5,940	1 5,940
Budget and procedures assistant		1 5,940	1 5,940
Commodity-industry analyst		1 6,140	1 6,140
General services officer	1 5,400	1 5,940	1 5,940
Placement officer	1 5,400	1 5,940	
Grade 9. Range \$5,060 to \$5,810:			
Accounting and auditing assistant		1 5,060	
Administrative assistant		2 10,120	2 10,120
Attorney-adviser	1 4,600		
Commodity-industry analyst	1 5,350		
Forms assistant		1 5,060	1 5,060
Personnel assistant		1 5,060	1 5,060
Statistical assistant	1 4,600	1 5,060	1 5,060
Grade 7. Range \$4,205 to \$4,955:	10 38,375	8 34,765	9 38,970
Grade 6. Range \$3,795 to \$4,545:	4 14,050	11 42,995	11 43,495
Grade 5. Range \$3,410 to \$4,160:	19 59,900	25 88,500	24 85,465
Grade 4. Range \$3,175 to \$3,655:	19 55,025	23 73,185	18 57,790
Grade 3. Range \$2,950 to \$3,430:	17 45,290	18 53,340	21 62,430
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032:	1 2,332	2 5,744	1 2,552
Total permanent, departmental	110 547,122	145 816,649	133 741,802
Deduct lapses	64.9 324,628	27.3 159,149	18 88,842
Net permanent, departmental (average number, net salary)	45.1 222,494	117.7 657,500	115 652,960
Part-time and temporary positions:			
Temporary employment	385	4,000	4,000
W. A. E. employment	14,571	7,900	7,500
Regular pay in excess of 52-week base		2,800	3,000
Overtime and holiday pay	4,543	5,100	1,000
Payments to other agencies for reimbursable details	440	1,100	1,000
All personal services, departmental	242,433	678,400	669,460
Field:			
General schedule grades:			
Grade 5. Range \$3,410 to \$4,160:		1 3,410	3 10,230
Grade 3. Range \$2,950 to \$3,430:		1 2,950	3 8,850
Total permanent, field		2 6,360	6 19,080
Deduct lapses		1.4 4,460	3 9,540
Net permanent, field (average number, net salary)		0.6 1,900	3 9,540
01 Personal services	242,433	680,300	679,000

DETAIL OF PERSONAL SERVICES—continued

	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE MINERALS EXPLORATION ADMINISTRATION—con.			
Departmental—Continued			
General schedule grades—Continued			
Grade 12. Range \$7,040 to \$8,040:			
Attorney	1 \$6,400	1 \$7,240	
Auditor		4 28,160	
Economist	2 12,800	1 7,040	
Industrial specialist	2 12,800		
Information officer		1 8,040	
Mining engineer	3 19,200	6 42,240	
Grade 11. Range \$5,940 to \$6,940:			
Commodity industry analyst	3 16,200		
Mining engineer	2 10,800		
Grade 9. Range \$5,060 to \$5,810:			
Administrative assistant	2 9,200		
Grade 7. Range \$4,205 to \$4,955:	7 27,650	3 13,490	
Grade 6. Range \$3,795 to \$4,545:	6 21,075	7 27,815	
Grade 5. Range \$3,410 to \$4,160:	16 53,225	5 18,050	
Grade 4. Range \$3,175 to \$3,655:	8 23,400	2 6,350	
Grade 3. Range \$2,950 to \$3,430:	20 53,560	11 32,450	
Grade 2. Range \$2,750 to \$3,230:	1 2,450		
Crafts, protective, and custodial grades:			
Grade 3. Range \$2,552 to \$3,032:		1 2,632	
Total permanent, departmental	113 641,560	65 408,637	
Deduct lapses	73.3 415,864	15.3 97,037	
Add portion of salaries carried in other position schedules paid from this account		3 15,000	
Net permanent, departmental	39.7 225,696	52.7 326,600	
Part-time and temporary positions: W. A. E. employment	15,000	8,000	
Regular pay in excess of 52-week base		1,300	
Payment above basic rates: Overtime and holiday pay		700	
01 Personal services	240,696	336,600	
ALLOTMENT TO DEFENSE FISHERIES ADMINISTRATION			
Departmental:			
General schedule grades:			
Grade 15. Range \$10,800 to \$11,800:			
Deputy administrator	1 \$10,000	1 \$10,800	
Program director	1 10,000		
Executive officer		1 10,800	1 \$11,050
Grade 14. Range \$9,600 to \$10,600:			
Chief, material facilities branch	1 8,800	1 9,600	1 9,800
Chief, economic facilities branch	1 8,800	1 9,600	1 9,800
Commodity industry analyst	1 8,800	1 9,600	
Grade 13. Range \$8,360 to \$9,360:			
Commodity industry analyst	1 7,600	1 8,360	1 8,560
Grade 12. Range \$7,040 to \$8,040:			
Commodity industry analyst	1 6,400	1 7,040	1 7,040
Grade 9. Range \$5,060 to \$6,185:			
Statistician	1 4,600	1 5,060	1 5,185
Grade 7. Range \$4,205 to \$5,335:	1 3,825	1 4,205	1 4,330
Grade 6. Range \$3,795 to \$4,920:	2 7,275	2 7,965	2 8,215
Grade 5. Range \$3,410 to \$4,535:	4 12,900	4 14,265	3 11,230
Grade 4. Range \$3,175 to \$3,995:		2 6,590	2 6,590
Grade 3. Range \$2,950 to \$3,670:	1 2,650	1 2,950	1 3,030
Total permanent, departmental	16 91,650	18 106,835	15 84,830
Deduct lapses	10 58,984	5 28,070	777
Net permanent, departmental	6 32,666	13 78,765	15 84,053
Part-time and temporary positions: W. A. E. employment		3,900	7,500
Regular pay in excess of 52-week base		201	221
Pay above basic rates: Overtime and holiday pay	13		
All personal services, departmental	32,679	82,866	91,774
Field:			
General schedule grades:			
Grade 13. Range \$8,360 to \$9,360:			
Commodity industry analyst	6 45,800	4 33,440	
Grade 12. Range \$7,040 to \$8,040:			
Commodity industry analyst	1 6,400	1 7,040	
Grade 11. Range \$5,940 to \$6,940:			
Commodity industry analyst	1 5,400		
Grade 7. Range \$4,205 to \$5,330:	2 7,775	1 4,455	
Grade 5. Range \$3,410 to \$4,535:	2 7,075	2 7,820	
Total permanent, field	12 72,450	8 52,755	
Deduct lapses	9.5 55,169	6 39,659	
Add portion of salaries carried in other position schedules paid from this account		0.5 2,526	
Net permanent, field	2.5 17,281	2.5 15,622	
Regular pay in excess of 52-week base		42	
Pay above basic rates: Overtime and holiday pay	75		
All personal services, field	17,356	15,664	
01 Personal services	50,035	98,530	91,774

ALLOTMENT TO DEFENSE MINERALS EXPLORATION ADMINISTRATION

Departmental:

General schedule grades:

Grade 17. Range \$13,000 to \$13,800:

Administrator 3 \$36,600 | 1 \$13,000 | |

Division director | | |

Grade 16. Range \$12,000 to \$12,800:

Assistant division director 1 11,200 | | |

Branch chief 2 22,400 | | |

Grade 15. Range \$10,800 to \$11,800:

Assistant director 1 10,000 | | |

Chief economist 1 10,000 | | |

Chief of branch 6 60,000 | | |

Commodity industrial analyst 1 10,000 | | |

Division director | 2 21,850 | |

Executive secretary 1 10,000 | | |

General counsel 1 10,000 | 1 10,800 | |

Mining engineer | 1 10,800 | |

Special assistant to Administrator 2 20,000 | 1 10,800 | |

Grade 14. Range \$9,600 to \$10,600:

Assistant chief of branch 1 8,800 | | |

Attorney 2 17,600 | 1 9,600 | |

Auditor | 1 9,600 | |

Chief of branch 3 26,400 | | |

Division director | 1 9,600 | |

Industrial specialist 1 8,800 | | |

Mining engineer 3 26,400 | 1 9,600 | |

Grade 13. Range \$8,360 to \$9,360:

Attorney | 2 16,720 | |

Chief of division 1 8,200 | 1 9,160 | |

Division director | 2 16,720 | |

Economic analyst 1 7,600 | | |

Industrial specialist 1 7,600 | | |

Mining engineer 8 61,200 | 8 66,880 | |

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO PETROLEUM ADMINISTRATION FOR DEFENSE						
Departmental:						
General schedule grades:						
Grade 18. Rate of \$14,800:						
Assistant deputy administrator	1	\$14,000	1	\$14,800	1	\$14,800
Deputy administrator			1	14,800	1	14,800
Grade 17. Range \$13,000 to \$13,800:						
Assistant deputy administrator (foreign)	1	12,200	1	13,200	1	13,200
Assistant deputy administrator			1	13,000	1	13,000
Finance counselor	1	12,200				
Senior assistant deputy administrator	1	12,200	1	13,200	1	13,200
Special assistant to deputy administrator	1	12,200	1	13,200	1	13,200
Grade 16. Range \$12,000 to \$12,800:						
Assistant general counsel			1	12,000	1	12,000
Director, foreign supply and transportation			1	12,000	1	12,000
Director, natural gas production and processing division	1	11,200	1	12,000	1	12,000
Director, production division			1	12,000	1	12,000
Finance counselor			1	12,000	1	12,000
Supervising attorney adviser	1	11,200				
Grade 15. Range \$10,800 to \$11,800:						
Administrative officer			1	10,800	1	11,050
Assistant general counsel			1	10,800	1	10,800
Attorney adviser	2	20,000	2	21,600	2	21,600
Commodity-industry analyst	23	232,000	27	293,100	28	306,400
Director, administrative division	1	10,000	1	10,800		
Information and editorial specialist	1	10,000	1	10,800	1	11,050
Petroleum engineer	1	10,000	1	10,800	1	11,050
Special assistant to deputy administrator	2	20,750	1	10,800	1	11,050
Manpower counselor	1	10,000				
Grade 14. Range \$9,600 to \$10,600:						
Administrative officer (assistant to special assistant to deputy administrator)	1	\$8,800	1	\$9,600	1	\$9,800
Assistant director (administrative division)	1	8,800				
Attorney adviser	2	17,600	1	9,600	1	9,600
Budget and finance officer			1	9,600	1	9,600
Commodity-industry analyst	14	123,200	21	201,600	21	203,600
Finance analyst	1	8,800	1	9,600	1	9,800
Information and editorial specialist	1	8,800	1	9,600	1	9,800
Investigator (general)	1	8,800	1	9,600	1	9,800
Special assistant to deputy administrator	1	8,800	1	9,600	1	9,800
Grade 13. Range \$8,360 to \$9,360:						
Assistant to executive secretary			1	8,360	1	8,560
Attorney adviser			2	16,720	2	16,720
Commodity-industry analyst	19	145,200	24	200,840	24	202,840
Financial analyst			1	8,360	1	8,360
Personnel officer	1	7,800	1	8,560	1	8,760
Security administrative analyst			1	8,360	1	8,560
Grade 12. Range \$7,040 to \$8,040:						
Business analyst			1	7,040	1	7,040
Commodity-industry analyst	11	70,400	16	112,640	16	113,240
Financial analyst			1	7,040	1	7,040
Placement and employee relations officer	1	6,800	1	7,440	1	7,640
Position classifier	1	6,600				
Grade 11. Range \$5,940 to \$6,940:						
Commodity-industry analyst	5	27,000	7	41,580	7	42,180
Fiscal accountant	1	5,400				
General services officer	1	5,400	1	5,940	1	6,140
Manpower specialist	1	5,600	1	6,140	1	6,340
Organization and methods examiner	2	11,800	1	5,940	1	6,140
Grade 10. Range \$5,500 to \$6,250:						
Commodity-industry analyst	2	10,000	2	11,000	2	11,250
Grade 9. Range \$5,060 to \$5,810:						
Accountant			1	5,060	1	5,185
Administrative assistant	2	9,325	3	15,555	3	15,555
Administrative officer	1	4,725	1	5,310	1	5,435
Appointment unit supervisor	1	4,600	1	5,060	1	5,185
Attorney adviser	1	4,600	1	5,060	1	5,185
Budget analyst			1	5,060	1	5,185
Commodity-industry analyst	3	13,800	6	30,360	6	30,935
Methods examiner	1	4,725	1	5,185	1	5,310
Placement officer	1	4,725	1	5,310	1	5,435
Position classifier	1	4,600	1	5,185	1	5,310
Property and stock control officer	1	4,600				
Visual information specialist			1	5,060	1	5,185
Grade 8. Range \$4,620 to \$5,370:						
Grade 7. Range \$4,205 to \$4,955:						
Grade 6. Range \$3,795 to \$4,545:						
Grade 5. Range \$3,410 to \$4,160:						
Grade 4. Range \$3,175 to \$3,655:						
Grade 3. Range \$2,950 to \$3,430:						
Crafts, protective, and custodial grades:						
Grade 4. Range \$2,750 to \$3,230:						
Grade 3. Range \$2,552 to \$3,032:						
Total permanent, departmental	232	1,329,633	311	1,918,872	311	1,942,482
Deduct lapses	152	868,996	31	177,762	15	111,407
Net permanent, departmental (average number, net salary)	80	460,637	280	1,741,110	296	1,831,075
Part-time and temporary positions: Temporary employment		6,120		44,000		20,000
Regular pay in excess of 52-week base				7,390		7,380
Payment above basic rates: Overtime and holiday pay		12,983		44,100		26,345

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO PETROLEUM ADMINISTRATION FOR DEFENSE—continued						
Payments to other agencies for reimbursable details		\$17,108				
All personal services, departmental		496,848		\$1,836,600		\$1,884,800
Field:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800:						
Commodity-industry analyst	1	10,000	1	10,800	1	11,050
Grade 14. Range \$9,600 to \$10,600:						
Commodity-industry analyst	1	8,800	1	9,600	1	9,800
Grade 12. Range \$7,040 to \$8,040:						
Commodity-industry analyst	1	6,400				
Grade 6. Range \$3,795 to \$4,545:			1	4,295	1	4,420
Grade 5. Range \$3,410 to \$4,160:	1	3,725				
Grade 4. Range \$3,175 to \$3,655:			1	3,655	1	3,655
Grade 3. Range \$2,950 to \$3,430:	1	2,650				
Total permanent, field	5	31,575	4	28,350	4	28,925
Deduct lapses	4	24,514		460		
Net permanent, field (average number, net salary)	1	7,061	4	27,890	4	28,925
Regular pay in excess of 52-week base				110		120
Payment above basic rates: Overtime and holiday pay				900		155
All personal services, field		7,061		28,900		29,200
01 Personal services		503,909		1,865,500		1,914,000

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Salaries and Expenses, Defense Production Activities, Justice—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
Total number of permanent positions	10	48	38
Average number of all employees	2	17	33
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,740	\$5,638	\$5,769
Average grade	GS-9.6	GS-8.8	GS-8.8
Crafts, protective, and custodial grades:			
Average salary		\$2,552	\$2,632
Average grade		CPC-3.0	CPC-3.0
01 Personal services:			
Permanent positions	\$13,307	\$97,330	\$183,605
Regular pay in excess of 52-week base		370	745
Total personal services	13,307	97,700	184,350
02 Travel		2,000	8,450
04 Communication services		300	860
06 Printing and reproduction			1,500
07 Other contractual services			1,150
08 Supplies and materials			825
09 Equipment			16,215
15 Taxes and assessments	30		1,650
Total obligations	13,337	100,000	215,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Departmental:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800:						
Attorney	1	\$10,000	4	\$43,200	3	\$32,400
Grade 14. Range \$9,600 to \$10,600:						
Attorney	2	17,600	4	38,400	3	29,400
Grade 13. Range \$8,360 to \$9,360:						
Attorney			1	8,960	1	9,160
Grade 12. Range \$7,040 to \$8,040:						
Attorney	1	6,400	4	28,160	4	28,760
Grade 11. Range \$5,940 to \$6,940:						
Attorney	1	5,400				
Grade 9. Range \$5,060 to \$5,810:						
Attorney	1	4,600	3	15,180	3	15,555
Grade 7. Range \$4,205 to \$4,955:			1	4,205	1	4,330
Grade 6. Range \$3,795 to \$4,545:	1	3,575	4	15,305	3	12,010
Grade 5. Range \$3,410 to \$4,160:	1	3,350	3	10,230	2	7,195
Grade 4. Range \$3,175 to \$3,655:			8	26,080	7	23,545
Grade 3. Range \$2,950 to \$3,430:	1	2,650				
Crafts, protective, and custodial grades:						
Grade 3. Range \$2,552 to \$3,032:			1	2,552	1	2,632
Total permanent, departmental	10	57,400	33	192,272	28	164,987

DEPARTMENT OF JUSTICE—Continued

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Con.

Salaries and Expenses, Defense Production Activities, Justice—Con.

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
Deduct lapses.....	8	\$44,093	21	\$122,142	3	\$17,036
Net permanent, departmental (average number, net salary).....	2	13,307	12	70,130	25	147,951
Regular pay in excess of 52-week base.....				270		569
All personal services, departmental.....		13,307		70,400		148,520
Field:						
General schedule grades:						
Grade 11. Range \$5,940 to \$6,940:						
Assistant attorney.....			10	59,400	7	41,580
Grade 4. Range \$3,175 to \$3,655.....			5	15,875	3	9,525
Total permanent, field.....			15	75,275	10	51,105
Deduct lapses.....			10	48,075	2	15,446
Net permanent, field (average number, net salary).....			5	27,200	8	35,659
Regular pay in excess of 52-week base.....				100		171
All personal services, field.....				27,300		35,830
01 Personal services.....		13,307		97,700		184,350

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

Salaries and Expenses, Defense Production Activities, Labor—

OBLIGATIONS BY OBJECTS

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions.....	29	37	34
Average number of all employees.....	16	35	33
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,214	\$4,692	\$4,664
Average grade.....	GS-6.4	GS-6.5	GS-6.5
01 Personal services:			
Permanent positions.....	\$65,410	\$141,252	\$132,819
Regular pay in excess of 52-week base.....		578	521
Payment above basic rates.....	2,383	3,400	3,000
Total personal services.....	67,793	145,230	136,340
02 Travel.....	4,107	8,000	8,000
03 Transportation of things.....	281	1,360	
04 Communication services.....	75	600	600
06 Printing and reproduction.....	462	600	600
07 Other contractual services.....	6,084	1,000	1,000
08 Supplies and materials.....	1,057	700	700
09 Equipment.....	24,631	4,750	
15 Taxes and assessments.....	316	760	760
Total obligations.....	104,806	163,000	148,000
ALLOTMENT TO DEFENSE MANPOWER ADMINISTRATION			
Total number of permanent positions.....	13	17	21
Full-time equivalent of all other positions.....	2	2	2
Average number of all employees.....	7	18	22
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$7,517	\$7,783	\$7,697
Average grade.....	GS-10.6	GS-11.0	GS-10.3
01 Personal services:			
Permanent positions.....	\$37,385	\$108,755	\$155,300
W. A. E. employment.....	6,673	18,935	8,100
Regular pay in excess of 52-week base.....		430	600
Payment above basic rates.....	350	1,605	1,000
Total personal services.....	44,408	129,725	165,000
02 Travel.....	11,648	19,000	13,800
03 Transportation of things.....	53	25	50
04 Communications.....	1,351	2,500	2,400
06 Printing and reproductions.....	5,688	6,000	2,000
07 Other contractual services.....	252	500	250
Services performed by other agencies.....	11,194	22,000	32,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO DEFENSE MANPOWER ADMINISTRATION—continued			
08 Supplies and materials.....	\$2,553	\$2,900	\$1,800
09 Equipment.....	14,622	1,750	200
15 Taxes and assessments.....	308	600	500
Total obligations.....	92,077	185,000	218,000
ALLOTMENT TO BUREAU OF LABOR STANDARDS			
Total number of permanent positions.....	27	27	27
Average number of all employees.....	4	21	26
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,329	\$5,962	\$5,962
Average grade.....	GS-9.6	GS-9.6	GS-9.6
01 Personal services:			
Permanent positions.....	\$20,089	\$122,592	\$153,592
Regular pay in excess of 52-week base.....		608	608
Total personal services.....	20,089	123,200	154,200
02 Travel.....	1,204	17,300	18,000
03 Transportation of things.....		500	700
04 Communication services.....		750	1,000
06 Printing and reproduction.....		31,000	26,000
07 Other contractual services.....		16,000	11,000
08 Supplies and materials.....		2,000	2,000
09 Equipment.....	9,234		
15 Taxes and assessments.....	209	850	1,100
Total obligations.....	30,736	191,600	214,000
ALLOTMENT TO BUREAU OF APPRENTICESHIP			
Total number of permanent positions.....	166	157	106
Average number of permanent positions.....	60	150	101
Average salaries and grades:			
General schedule grades:			
Average salary.....	3,602	4,738	5,098
Average grade.....	GS-5.7	GS-7.4	GS-7.9
01 Personal services:			
Permanent positions.....	\$257,266	\$710,750	\$514,600
Regular pay in excess of 52-week base.....		2,750	2,000
Payment above basic rates.....		500	400
Total personal services.....	257,266	714,000	517,000
02 Travel.....	35,049	60,500	46,000
03 Transportation of things.....	1,823	2,500	1,500
04 Communication services.....	6,390	8,000	6,000
05 Rents and utility services.....	19,107	10,000	
06 Printing and reproduction.....		3,500	2,000
07 Other contractual services.....		4,000	2,000
08 Supplies and materials.....	9,048	6,000	4,000
09 Equipment.....	77,287	2,500	1,000
15 Taxes and assessments.....	2,380	6,000	4,500
Total obligations.....	409,373	817,000	584,000
ALLOTMENT TO BUREAU OF EMPLOYMENT SECURITY			
Total number of permanent positions.....	191	112	119
Average number of all employees.....	23	97	114
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,479	\$5,903	\$5,918
Average grade.....	GS-9.2	GS-8.7	GS-8.7
01 Personal services:			
Permanent positions.....	\$127,318	\$566,505	\$669,916
Regular pay in excess of 52-week base.....		2,530	2,694
Total personal services.....	127,318	569,035	672,610
02 Travel.....	6,460	48,078	53,000
03 Transportation of things.....	55	1,547	1,000
04 Communication services.....	3,000	8,625	8,625
05 Rents and utility services.....		10	300
06 Printing and reproduction.....		6,213	13,500
08 Supplies and materials.....		1,862	1,862
09 Equipment.....	45,219	3,270	2,800
15 Taxes and assessments.....	70	360	1,303
Total obligations.....	182,122	639,000	755,000
ALLOTMENT TO BUREAU OF LABOR STATISTICS			
Total number of permanent positions.....	53	37	41
Average number of all employees.....	3	28	39

OBLIGATIONS BY OBJECTS—continued

Object classification	1951 actual	1952 estimate	1953 estimate
ALLOTMENT TO BUREAU OF LABOR STATISTICS—continued			
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,147	\$4,092	\$4,204
Average grade	GS-7.3	GS-5.8	GS-6.3
01 Personal services:			
Permanent positions	\$14,763	\$115,495	\$165,451
Part-time and temporary positions		135	1,136
Regular pay in excess of 52-week base		433	635
Total personal services	14,763	116,063	167,222
02 Travel	613	3,380	2,913
03 Transportation of things			343
04 Communication services		1,340	2,201
05 Rents and utility services		777	1,500
06 Printing and reproduction	1,615	154	1,050
08 Supplies and materials		2,178	3,262
09 Equipment	6,846	9,961	
15 Taxes and assessments	21	147	2,509
Total obligations	23,858	134,000	181,000
SUMMARY			
Total number of permanent positions	479	387	348
Full-time equivalent of all other positions	2	2	2
Average number of all employees	113	349	335
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,685	\$5,237	\$5,473
Average grade	GS-7.7	GS-7.9	GS-8.2
01 Personal services:			
Permanent positions	\$522,231	\$1,765,349	\$1,791,678
Part-time and temporary positions	6,673	19,070	9,236
Regular pay in excess of 52-week base		7,329	7,058
Payment above basic rates	2,733	5,505	4,400
Total personal services	531,637	1,797,253	1,812,372
02 Travel	59,081	156,258	141,713
03 Transportation of things	2,212	5,932	3,593
04 Communication services	10,816	21,815	20,826
05 Rents and utility services	19,107	10,787	1,800
06 Printing and reproduction	7,765	47,467	45,150
07 Other contractual services	7,359	21,500	14,250
Services performed by other agencies	11,194	22,000	32,000
08 Supplies and materials	12,658	15,640	13,624
09 Equipment	177,839	22,231	4,000
15 Taxes and assessments	3,304	8,717	10,672
Total obligations	842,972	2,129,600	2,100,000

DETAIL OF PERSONAL SERVICES

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO OFFICE OF THE SECRETARY						
Departmental:	Num-ber	Total salary	Num-ber	Total salary	Num-ber	Total salary
General schedule grades:						
Grade 17. Range \$13,000 to \$13,800:						
Special assistant to the Secretary	1	\$12,200	1	\$13,000	1	\$13,000
Grade 15. Range \$10,800 to \$11,800:						
Consultant			1,	9,000	1	9,000
Grade 13. Range \$8,360 to \$9,360:						
Information specialist	1	7,600	1	8,360	1	8,360
Grade 12. Range \$7,040 to \$8,040:						
Budget examiner	1	6,800	1	7,440	1	7,440
Grade 11. Range \$5,940 to \$6,940:						
Administrative assistant	1	5,600	1	6,340		
Position classifier	1	5,400	1	5,940	1	5,940
Grade 9. Range \$5,060 to \$5,810:						
Placement assistant	2	9,200	2	10,495	1	5,310
Grade 7. Range \$4,205 to \$4,955	1	3,825	2	8,410	2	8,410
Grade 5. Range \$3,410 to \$4,160	2	6,575	2	7,070	2	7,070
Grade 4. Range \$3,175 to \$3,655	7	20,285	6	19,930	5	16,755
Grade 3. Range \$2,950 to \$3,430	1	3,130	4	12,360	4	12,360
Grade 2. Range \$2,750 to \$3,230	3	7,990	3	8,970	3	8,970
Positions at hourly rates less than \$4,600	8	20,009	12	32,886	12	32,886
Total permanent, departmental	29	108,614	37	150,201	34	135,501
Deduct lapses	13	43,204	2.1	8,949	0.6	2,682
Net permanent departmental (average number, net salary)	16	65,410	34.9	141,252	33.4	132,819
Regular pay in excess of 52-week base				578		521
Payments above basic rates: Overtime and holiday pay		2,383		3,400		3,000
01 Personal services		67,793		145,230		136,340

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
ALLOTMENT TO DEFENSE MANPOWER ADMINISTRATION						
Departmental:	Num-	Total	Num-	Total	Num-	Total
General schedule grades:	ber	salary	ber	salary	ber	salary
Grade 18. Rate of \$14,800:						
Administrator	1	\$14,000	1	\$14,800	1	\$14,800
Grade 17. Range \$13,000 to \$13,800:						
Deputy executive director	1	12,200	1	13,000	1	13,200
Grade 16. Range \$12,000 to \$12,800:						
Chief, division of program develop-						
ment	1	11,200	1	12,000	1	12,000
Grade 15. Range \$10,800 to \$11,800:						
Assistant to the executive director	1	10,000	1	10,800	1	10,800
Assistant chief, program develop-						
ment			1	10,800	1	10,800
Program development specialist	1	10,000				
Training specialist	1	10,000				
Programming specialist			1	10,800	1	10,800
Executive assistant to management					1	10,800
Executive assistant to labor					1	10,800
Grade 14. Range \$9,600 to \$10,600:						
Representative, facilities protection						
board			1	9,600	1	9,600
Scientific personnel specialist			1	9,600	1	9,600
Grade 13. Range \$8,360 to \$9,360:						
Training specialist			1	8,360	1	8,360
Information specialist	1	7,600				
Grade 11. Range \$5,940 to \$6,940:						
Administrative officer	1	5,400	1	5,940	1	6,140
Grade 7. Range \$4,205 to \$4,955	2	7,775	2	8,785	2	8,910
Grade 5. Range \$3,410 to \$4,160	3	9,550	5	17,840	7	25,035
Total permanent, departmental	13	97,725	17	132,325	21	161,645
Deduct lapses	7.9	60,340	2.8	23,570	0.8	6,345
Net permanent, departmental (aver-						
age number, net salary)	5.1	37,385	14.2	108,755	20.2	155,300
Part-time and temporary positions:						
W. A. E. employment		6,673		18,935		8,100
Regular pay in excess of 52-week base				430		600
Payment above basic rates: Overtime						
and holiday pay		350		1,605		1,000
01 Personal services		44,408		129,725		165,000
ALLOTMENT TO BUREAU OF LABOR STANDARDS						
Departmental:						
General schedule grades:						
Grade 14. Range \$9,600 to \$10,600:						
Safety promotion specialist	1	\$8,800	1	\$9,600	1	\$9,600
Grade 13. Range \$8,360 to \$9,360:						
Supervisor, industry programs	1	7,600	1	8,360	1	8,360
Supervisor of training	1	7,600	1	8,360	1	8,360
Area safety specialist	2	15,200	2	16,720	2	16,720
Information specialist	1	7,600	1	8,360	1	8,360
Grade 12. Range \$7,040 to \$8,040:						
Safety promotion specialist	10	64,000	10	70,400	10	70,400
Grade 6. Range \$3,795 to \$4,545	1	3,450	1	3,795	1	3,795
Grade 5. Range \$3,410 to \$4,160	4	12,400	4	13,640	4	13,640
Grade 4. Range \$3,175 to \$3,655	6	17,250	6	19,050	6	19,050
Total permanent, departmental	27	143,900	27	158,285	27	158,285
Deduct lapses	23	123,811	6	35,693	1	4,693
Net permanent, departmental (aver-						
age number, net salary)	4	20,089	21	122,592	26	153,592
Regular pay in excess of 52-week base				608		608
01 Personal services		20,089		123,200		154,200
ALLOTMENT TO BUREAU OF APPRENTICESHIP						
Departmental:						
General schedule grades:						
Grade 13. Range \$8,360 to \$9,360:						
Assistant chief of technical services			1	\$8,360	1	\$8,360
Production training specialist			1	8,360	1	8,360
Chief, publications branch			1	8,360	1	8,360
Field operations assistant			2	16,720	2	16,720
Grade 11. Range \$5,940 to \$6,940:						
Management services officer			1	5,940	1	5,940
Grade 9. Range \$5,060 to \$6,185:						
Organization and methods examiner			1	5,060	1	5,060
Grade 7. Range \$4,205 to \$5,330			1	4,205	1	4,205
Grade 4. Range \$3,175 to \$3,895			3	9,525	3	9,645
Grade 3. Range \$2,950 to \$3,670	2	\$5,637	1	2,950		
Total permanent, departmental	2	5,637	12	69,480	11	66,650
Deduct lapses	1.2	3,293	1.1	5,925	0.6	3,780
Net permanent, departmental (aver-						
age number, net salary)	0.8	2,344	10.9	63,555	10.4	62,870
Regular pay in excess of 52-week base				250		250
All personal services, departmental		2,344		63,805		63,120

DEPARTMENT OF LABOR—Continued

OFFICE OF THE SECRETARY—Continued

Salaries and Expenses, Defense Production Activities, Labor—Con.

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO BUREAU OF APPRENTICE-SHIP—continued						
Field:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800: National industry consultant			2	\$21,600	2	\$21,600
Grade 12. Range \$7,040 to \$8,040: National industry specialist			15	105,600	10	80,400
Grade 11. Range \$5,940 to \$6,940: Field representative	1	\$5,750	35	207,900	20	121,750
Grade 9. Range \$5,060 to \$5,810: Field representative	72	338,700	30	151,800	25	129,550
Grade 6. Range \$3,795 to \$4,920	1	3,100	1	3,795	1	3,795
Grade 5. Range \$3,410 to \$4,535			2	6,820	2	6,820
Grade 4. Range \$3,175 to \$3,895					15	48,625
Grade 3. Range \$2,950 to \$3,670	90	244,830	60	177,000	20	61,250
Total permanent, field	164	592,380	145	674,515	95	473,790
Deduct lapses	104.8	337,458	5.9	27,320	4.4	22,060
Net permanent field (average number, net salary)	59.2	254,922	139.1	647,195	90.6	451,730
Regular pay in excess of 52-week base				2,500		1,750
Payment above basic rates				500		400
All personal services, field		254,922		650,195		453,880
01 Personal services		257,266		714,000		517,000
ALLOTMENT TO BUREAU OF EMPLOYMENT SECURITY						
Departmental:						
General schedule grades:						
Grade 14. Range \$9,600 to \$10,600: Chief, division of industrial services	1	9,000	1	9,800	1	10,000
Grade 13. Range \$8,360 to \$9,360: Labor economist	1	7,600	1	8,360	2	16,720
Industry services adviser	2	15,400	1	8,560	1	8,760
Industry placement representative	4	30,800	1	8,760	1	8,960
Information specialist	1	7,800	1	8,560	1	8,760
Grade 12. Range \$7,040 to \$8,040: Labor economist	5	32,000	4	28,360	6	42,440
Industry placement representative	3	19,200				
Industry placement specialist	1	6,400	1	7,040	1	7,240
Industry services adviser	1	7,000	1	7,840	1	7,840
Employment service analyst	1	6,400	1	8,040	1	8,040
Information specialist	1	6,400	1	7,040	1	7,040
Grade 11. Range \$5,940 to \$6,940: Labor economist	4	21,600	4	24,760	5	30,700
Industry placement specialist	1	5,600	1	5,940	1	5,940
Minority groups consultant	1	5,600	1	6,940	1	6,940
Organization and methods examiner	1	5,400				
Training officer (general fields)	1	5,400	1	5,940	1	6,140
Occupational analyst	1	5,600	1	5,940		
Grade 9. Range \$5,060 to \$5,810: Labor economist	3	14,050	3	15,180	4	20,490
Grade 7. Range \$4,205 to \$4,955	2	7,775	3	12,865	3	13,115
Grade 5. Range \$3,410 to \$4,160	7	23,450	5	19,050	5	19,425
Grade 4. Range \$3,175 to \$3,655	17	52,105	16	54,335	20	67,260
Grade 3. Range \$2,950 to \$3,430	6	16,300	5	15,630	4	11,880
Crafts, protective, and custodial grades: Grade 3. Range \$2,552 to \$3,032			1	2,552	1	2,632
Total permanent, departmental	65	310,880	54	271,492	61	310,322
Deduct lapses	55.8	266,591	7.9	42,276	2.8	15,043
Net permanent, departmental (average number, net salary)	9.2	44,289	46.1	229,216	58.2	295,279

DETAIL OF PERSONAL SERVICES—continued

	1951 actual		1952 estimate		1953 estimate	
	Num- ber	Total salary	Num- ber	Total salary	Num- ber	Total salary
ALLOTMENT TO BUREAU OF EMPLOYMENT SECURITY—continued						
Regular pay in excess of 52-week base				\$1,044		\$1,192
All personal services, departmental		\$44,289		230,260		296,471
Field:						
General schedule grades:						
Grade 15. Range \$10,800 to \$11,800: Regional director	2	20,000	2	21,850	2	21,850
Grade 14. Range \$9,600 to \$10,600: Senior employment security representative	13	114,800	12	115,200	12	116,600
Grade 13. Range \$8,360 to \$9,360: Employment security representative	26	198,600	10	84,800	10	85,800
Grade 12. Range \$7,040 to \$8,040: Employment security representative	13	84,400	4	23,360	4	28,960
Labor market analyst	13	83,800	5	35,600	5	36,000
Information specialist	13	84,000	3	22,120	3	22,320
Grade 11. Range \$5,940 to \$6,940: Employment security representative	5	28,200	1	5,940	1	5,940
Grade 9. Range \$5,060 to \$5,810: Employment security representative	1	4,850				
Grade 6. Range \$3,795 to \$4,545	2	6,200	1	3,795	1	3,795
Grade 5. Range \$3,410 to \$4,160	28	83,940	18	62,205	18	62,765
Grade 4. Range \$3,175 to \$3,655	10	26,820	1	2,950	1	3,030
Grade 3. Range \$2,950 to \$3,430						
Total permanent, field	126	735,610	58	386,355	58	390,595
Deduct lapses	111.8	652,581	7.4	49,066	2.3	15,958
Net permanent, field (average number, net salary)	14.2	83,029	50.6	337,289	55.7	374,637
Regular pay in excess of 52-week base				1,486		1,502
All personal services, field		14.2		50.6		55.7
01 Personal services		127,318		569,035		672,610
ALLOTMENT TO BUREAU OF LABOR STATISTICS						
Departmental:						
General schedule grades:						
Grade 13. Range \$8,360 to \$9,360: Economist	1	\$7,600	1	\$8,360	1	\$8,360
Grade 12. Range \$7,040 to \$8,040: Economist	7	44,800	3	21,120	4	28,160
Grade 11. Range \$5,940 to \$6,940: Economist	9	48,600	2	11,880	5	29,700
Statistician			1	5,940	1	5,940
Grade 9. Range \$5,060 to \$5,810: Economist	6	27,600	1	5,060	1	5,060
Grade 7. Range \$4,205 to \$4,955	4	15,300	8	33,640	4	16,820
Grade 5. Range \$3,410 to \$4,160	8	24,800	4	13,640	3	10,230
Grade 4. Range \$3,175 to \$3,655	15	43,125	6	19,290	15	47,625
Grade 3. Range \$2,950 to \$3,430	3	7,950	11	32,450	6	17,700
Grade 2. Range \$2,750 to \$3,230					1	2,750
Total permanent, departmental	53	219,775	37	151,380	41	172,345
Deduct lapses	49.6	205,012	8.9	35,885	1.7	6,894
Net permanent, departmental (average number, net salary)	3.4	14,763	28.1	115,495	39.3	165,451
Part-time and temporary positions				135		1,136
Regular pay in excess of 52-week base				433		635
01 Personal services		14,763		116,063		167,222

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 17, 1952
For actions of June 16, 1952
82nd-2nd, No. 104

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HIGHLIGHTS: House committee reported defense production bill. House received appropriation estimate for defense production activities. Senate debated St. Lawrence waterway. House debated increase in social security benefits. House committee reported bill to exempt horticultural transportation from ICC. Senate committee reported Army civil functions appropriation bill.

HOUSE

- DEFENSE PRODUCTION.** The Banking and Currency Committee reported without amendment H. R. 8210, a revised bill to amend and extend the Defense Production Act (H. Rept. 2177)(p. 7457).
Received from the President a supplemental appropriation estimate of \$168,360,000 for operations under this bill; to Appropriations Committee (H. Doc. 504)(p. 7457).
- TRANSPORTATION.** The Interstate and Foreign Commerce Committee reported without amendment S. 2357, to make it clear that transportation of horticultural products is exempt from ICC regulation (H. Rept. 2175)(p. 7457).
Passed without amendment S. 2748, authorizing Canadian vessels to transport iron ore between U. S. ports on the Great Lakes this year (p. 7407). This bill will now be sent to the President.
- RUBBER.** Agreed to the conference report on H. R. 6787, to extend the Rubber Act of 1943 until Mar. 31, 1954 (pp. 7403-4). This bill will now be sent to the President.
- FORESTRY.** Passed without amendment H. R. 5055, to authorize the exchange of certain lands in Ontonagon County, Mich., for lands within the Ottawa National Forest, Mich. (p. 7414).
Passed without amendment S. 1536, to give national forest status to certain rural-rehabilitation lands in N. Mex. known as the North Lobato and El Pueblo tracts (p. 7414). This bill will now be sent to the President.

5. MINERALS. Passed as reported H. R. 5788, to extend certain oil and gas leases (p. 7408).
6. RECLAMATION. Passed without amendment S. 2610, providing that excess-land provisions of the Federal reclamation laws shall not apply to certain lands that will receive a supplemental or regulated water supply from the San Luis Valley project, Colo. (p. 7415). This bill will now be sent to the President.
7. SOCIAL SECURITY. Began debate on H. R. 7800, to increase old-age and survivors insurance benefits under the Social Security Act (pp. 7415-46).
8. COMMITTEE ASSIGNMENT. Rep. McIntire, Maine, was elected to the Agriculture Committee (p. 7402).

SENATE

9. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 7261 the army-civil functions appropriation bill for 1953 (S. Rept. 1754) (p. 7358). The Appropriations Committee also reported with amendments H. R. 7216, the D. C. appropriation bill for 1953 (S. Rept. 1753) (p. 7357). S. Doc. 145 requests \$2,050,000 for the Bureau of Reclamation, to provide for the emergency channelization work through the San Marcial swamp in the lower middle Rio Grande Valley, N. Mex., in order to reduce the excessive evaporation and to utilize the existing sources of water in this area (June 11).
10. BUTTER; IMPORT CONTROLS. Sen. Wiley inserted letters by Curtis Hatch, President, Wisconsin Farm Bureau Federation, to the President, and to the Administrator, PMA, requesting that action be taken to control excessive imports of butter after July 1, 1952. (pp. 7361-3).
11. ST. LAWRENCE SEAWAY. Continued debate on this measure, S. J. Res. 27. Pending at recess was Sen. Aiken's amendment proposing to make this project self-financing through creation of a corporation and sale of bonds to the public. The only cost to the Government under this amendment would be \$10,000,000 for capital stock to get the corporation started. (pp. 7366-92.) Sen. Wiley inserted a telegram from the Wisconsin American Veterans of World War II, and two Milwaukee Journal editorials favoring this project (p. 7363).

BILLS INTRODUCED

12. EDUCATION. H. R. 8212, to amend the Vocational Education Act of 1946 to authorize the appropriation of additional funds to cover reductions, occurring as a result of the 1950 United States census, in Federal funds apportioned for expenditure in the States and Territories; to Education and Labor Committee (p. 7457).
13. FLOOD CONTROL. H. R. 8213, and H. R. 8214, by Rep. Golden, to amend the programs on the watersheds authorized by section 13 of the Flood Control Act of December 22, 1944; to Public Works Committee (p. 7457). H. R. 8220, by Rep. Rankin, to appropriate funds for flood control on the Tombigbee River and its tributaries in Mississippi and Alabama; to Appropriations Committee (p. 7458).

ITEMS IN APPENDIX

14. ST. LAWRENCE WATERWAY. Rep. Van Zandt inserted a newspaper editorial opposing this project (pp. A3868-9).

for continuing the construction of highways, and for other purposes; and

H. J. Res. 449. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution.

On June 14, 1952:

H. R. 6909. An act to amend section 14 (b) of the Federal Reserve Act, as amended; and H. J. Res. 481. Joint resolution to continue the effectiveness of certain statutory provisions until June 30, 1952.

ADJOURNMENT

Mr. SIEMINSKI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at 2 o'clock and 41 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 17, 1952, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1559. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1953 in the amount of \$90,000 for the Federal Security Agency (H. Doc. No. 503); to the Committee on Appropriations and ordered to be printed.

1560. A communication from the President of the United States, transmitting the budgets for the fiscal year 1953, in the amount of \$168,360,000, for administrative expenses of defense production and stabilization activities, and \$5,000,000 for a revolving fund for the Small Defense Plants Administration (H. Doc. No. 504); to the Committee on Appropriations and ordered to be printed.

1561. A letter from the Chairman, United States Atomic Energy Commission, transmitting a report on over obligations reported in one of our allotment accounts, pursuant to section 1211 of the General Appropriation Act, 1951 (Rev. Stat. 3679); to the Committee on Appropriations.

1562. A letter from the Assistant Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize and direct the Administrator of General Services to transfer to the Department of the Air Force certain property in the State of Alabama"; to the Committee on Expenditures in the Executive Departments.

1563. A letter from the Assistant Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend the act of July 26, 1947 (61 Stat. 493), relating to the relief of certain disbursing officers"; to the Committee on the Judiciary.

1564. A letter from the Secretary of Commerce, transmitting a draft of a proposed bill entitled "A bill to authorize the construction of a ships' base for the Coast and Geodetic Survey, Department of Commerce"; to the Committee on Merchant Marine and Fisheries.

1565. A letter from the Assistant Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 5 of the act of June 29, 1888, relating to the office of supervisor of New York Harbor"; to the Committee on Public Works.

1566. A letter from the Assistant Secretary, Department of State, transmitting a copy of Concurrent Resolution 34 of the Second Congress of the Republic of the Philippines, in respect to House bill 6292 to eliminate the 3-cent processing tax on coconut oil; to the Committee on Ways and Means.

1567. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1568. A communication from the President of the United States, transmitting a proposed provision pertaining to appropriations of the Federal Security Agency for the fiscal year 1953 (H. Doc. No. 505); to the Committee on Appropriations and ordered to be printed.

1569. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1953 in the amount of \$16,870,000 for the Department of Labor (H. Doc. No. 506); to the Committee on Appropriations and ordered to be printed.

1570. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1953 in the amount of \$77,500,000 and increases in limitations in the amount of \$2,700,000 for the Housing and Home Finance Agency (H. Doc. No. 507); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 or rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on the District of Columbia. Supplemental report on H. R. 7502. A bill to amend the act of June 6, 1924, as amended, relating to the National Capital Park and Planning Commission, and for other purposes (Rept. No. 2164). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. H. R. 6787. A bill to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.) as amended, and for other purposes; without amendment (Rept. No. 2168). Ordered to be printed.

Mr. VINSON: Committee of conference. S. 2552. A bill to authorize the appointment of qualified women as physicians and specialists in the medical services of the Army, Navy, and Air Force; without amendment (Rept. No. 2169). Ordered to be printed.

Mr. LARCADE: Committee on Public Works. H. R. 6007. A bill to authorize the improvement of Humboldt Bay, Calif., as recommended by the Chief of Engineers in House Document No. 143, Eighty-second Congress, first session; without amendment (Rept. No. 2170). Referred to the Committee of the Whole House on the State of the Union.

Mr. LARCADE: Committee on Public Works. H. R. 6175. A bill to provide for a preliminary examination and survey of Port Mansfield Harbor in Texas and the channel connecting such harbor to the Gulf of Mexico for the purpose of determining action necessary to enable such harbor and channel to accommodate deep-draft navigation; without amendment (Rept. No. 2171). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCKLEY: Committee on Public Works. H. R. 7855. A bill for improvement of Gowanus Creek Channel, N. Y.; without amendment (Rept. No. 2172). Referred to the Committee of the Whole House on the State of the Union.

Mr. LARCADE: Committee on Public Works. H. R. 8165. A bill to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army, to help control the lake level of Lake Michigan by diverting

water from Lake Michigan into the Illinois amended; with amendments (Rept. No. 2173). Referred to the Committee of the Whole House on the State of the Union.

Mr. KING of California: Committee on Ways and Means. H. R. 6245. A bill to amend section 3115, Revised Statutes, as amended; without amendments (Rept. No. 2174). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Interstate and Foreign Commerce. S. 2357. An act to provide that horticultural commodities shall be included within the term "agricultural commodities" for the purpose of the agricultural exemption for motor carriers in the Interstate Commerce Act; without amendment (Rept. No. 2175). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 2360. An act to amend the Interstate Commerce Act to increase the amounts of securities issued by motor carriers without requiring approval by the Interstate Commerce Commission; without amendment (Rept. No. 2176). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 8210. A bill to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; without amendment (Rept. No. 2177). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPENCE:

H. R. 8210. A bill to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to the Committee on Banking and Currency.

By Mr. BREHM:

H. R. 8211. A bill to provide for the issuance of a special postage stamp in honor of Henry Holcomb Bennett and in commemoration of Flag Day, 1953; to the Committee on Post Office and Civil Service.

By Mr. ELLIOTT:

H. R. 8212. A bill to amend the Vocational Education Act of 1946 to authorize the appropriation of additional funds to cover reductions, occurring as a result of the 1950 United States census, in Federal funds apportioned for expenditure in the States and Territories; to the Committee on Education and Labor.

By Mr. GOLDEN:

H. R. 8213. A bill to amend the programs on the watersheds authorized by section 13 of the Flood Control Act of December 22, 1944; to the Committee on Public Works.

H. R. 8214. A bill to amend the programs on the watersheds authorized by section 13 of the Flood Control Act of December 22, 1944; to the Committee on Public Works.

By Mr. HAGEN:

H. R. 8215. A bill to amend the Social Security Act (1) to provide an increase of \$10 in the maximum monthly expenditure for any individual for purposes of determining the amount of the Federal payments to the States for old-age assistance, aid to the blind, and aid to the permanently and totally disabled, and (2) to increase from \$50 to \$75 per month the amount of earnings permitted under title II of the Social Security Act without deductions from benefits; to the Committee on Ways and Means.

By Mr. JAVITS:

H. R. 8216. A bill to establish as a branch of the Smithsonian Institution an Ameri-

can Academy of Music, Drama, and Ballet, for the education of selected pupils in all the various phases of these arts, and for other purposes, as a part of a national war memorial (to include a theater and opera house); to the Committee on House Administration.

By Mr. McDONOUGH:

H.R. 8217. A bill to provide for the issuance of a special postage stamp in honor of the American school teacher; to the Committee on Post Office and Civil Service.

H.R. 8218. A bill to amend section 15 (7) of the United States Housing Act of 1937 so as to provide for more complete local determination of the need for low-rent housing; to the Committee on Banking and Currency.

By Mr. MACK of Washington:

H.R. 8219. A bill to amend the act of August 25, 1916, with respect to the exchange of timber and other resources within the national parks; to the Committee on Interior and Insular Affairs.

By Mr. RANKIN:

H.R. 8220. A bill to appropriate funds for flood control on the Tombigbee River and its tributaries in Mississippi and Alabama; to the Committee on Appropriations.

By Mr. ROGERS of Texas:

H.R. 8221. A bill to provide increases in the rates of death compensation payable to certain widows and children of veterans of World War I, World War II, or of service on and after June 27, 1950; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H.R. 8222. A bill to authorize the loan of certain naval-patrol-type vessels to the Gov-

ernment of Japan; to the Committee on Armed Services.

By Mr. BOGGS of Louisiana:

H. Res. 691. Resolution to provide expenses for special committee authorized by House Resolution 558; to the Committee on House Administration.

By Mr. GATHINGS:

H. Res. 692. Resolution to authorize an appropriation not to exceed \$25,000 to conduct the study called for in House Resolution 596, Eighty-second Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts (by request):

H.R. 8223. A bill for the relief of William Winchester Geertsema; to the Committee on the Judiciary.

By Mr. GRANGER:

H.R. 8224. A bill for the relief of David Yang and wife, Katherine Louise Yang; to the Committee on the Judiciary.

By Mr. GRANGER (by request):

H.R. 8225. A bill for the relief of George H. Crow; to the Committee on the Judiciary.

By Mr. HAGEN:

H.R. 8226. A bill for the relief of Peter Borgesen; to the Committee on the Judiciary.

By Mr. HILLINGS:

H.R. 8227. A bill for the relief of Michael Woon Sam, Neal Woon Sam, and Jacqueline Woon Sam; to the Committee on the Judiciary.

By Mr. HINSHAW:

H.R. 8228. A bill for the relief of Hebbani Krishnamurthi Jairaj; to the Committee on the Judiciary.

By Mr. KEARNEY:

H.R. 8229. A bill for the relief of Alexander Malcolm MacCormick; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 8230. A bill for the relief of Primitivo A. Cuenca; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 8231. A bill for the relief of Ivan Grbin; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 8232. A bill for the relief of Li Ming; to the Committee on the Judiciary.

By Mr. SABATH:

H.R. 8233. A bill for the relief of Mami Arita; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII.

763. Mr. HOEVEN presented a petition of residents of Sioux City, Iowa, regarding the President's veto of tidelands legislation and social-security benefits, which was referred to the Committee on the Judiciary.

Please return to
CHIEF, LEGISLATIVE REPORTING
Office of Budget and Finance

82D CONGRESS <i>2d Session</i>	}	HOUSE OF REPRESENTATIVES	}	REPORT No. 2187
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CONSIDERATION OF H. R. 8210

JUNE 17, 1952.—Referred to the House Calendar and ordered to be printed

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 696]

The Committee on Rules, having had under consideration House Resolution 696, reports the same to the House with the recommendation that the resolution do pass.



House Calendar No. 182

82^D CONGRESS
2^D SESSION

H. RES. 696

[Report No. 2187]

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 1952

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House re-
3 solve itself into the Committee of the Whole House on the
4 State of the Union for the consideration of the bill (H. R.
5 8210) to amend and extend the Defense Production Act of
6 1950, as amended, and the Housing and Rent Act of 1947,
7 as amended. That after general debate which shall be con-
8 fined to the bill and continue not to exceed four hours, to
9 be equally divided and controlled by the chairman and
10 ranking minority member of the Committee on Banking and
11 Currency, the bill shall be read for amendment under the
12 five-minute rule. At the conclusion of the consideration of

1 the bill for amendment, the Committee shall rise and report
2 the bill to the House with such amendments as may have
3 been adopted and the previous question shall be considered
4 as ordered on the bill and amendments thereto to final
5 passage without intervening motion except one motion to
6 recommit.

House Calendar No. 182

82ND CONGRESS
2^D SESSION

H. RES. 696

[Report No. 2187]

RESOLUTION

Providing for the consideration of H. R. 8210,
a bill to amend and extend the Defense Pro-
duction Act of 1950, as amended, and the
Housing and Rent Act of 1947, as amended.

By Mr. SMITH of Virginia

JUNE 17, 1952

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 18, 1952

For actions of June 17, 1952

82nd-2nd, No. 105

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committees reported urgent deficiency appropriation bill and agriculture-census bill. Senate debated St. Lawrence waterway. House passed bill to increase social-security payments. House committee reported bill to continue present price-support levels. House committee voted to report Peace soil-water bill. House Rules Committee cleared defense production bill and joint budget committee bill. House received appropriation estimate for foreign aid.

HOUSE

- 1. PRICE SUPPORTS.** The Agriculture Committee reported without amendment H. R. 8122, to continue use of the old parity formula and to continue 90%-of-parity supports on basic commodities (H. Rept. 2138) (p. 7575). For a detailed analysis of this bill; see Digest 100.
- 2. SOIL CONSERVATION; WATER UTILIZATION.** The Agriculture Committee ordered reported (but did not actually report) H. R. 8243, authorizing the Department of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation (p. D598). This bill is a substitute for H. R. 7868.
- 3. SOCIAL SECURITY.** Passed, 361-22, with amendment H. R. 7800, to increase old-age and survivors benefits under the Social Security Act (pp. 7517-8).
- 4. DEFENSE PRODUCTION.** The Rules Committee reported a resolution for consideration of H. R. 8210, to amend and extend the Defense Production Act. The majority leader announced that debate on the bill will begin today. (p. 7552.)
- 5. BUDGETING.** The Rules Committee reported a resolution for consideration of H. R. 7868, to create a Joint Committee on the Budget, etc. (p. 7552).
- 6. FOREIGN-AID APPROPRIATIONS.** Received from the President an appropriation estimate of \$6,447,730,750 for the foreign-aid program in the fiscal year 1953; to Appropriations Committee (H. Doc. 510) (p. 7575).

7. CHEMICALS IN FOODS. Received from the Delaney Committee a report on the use of chemicals in foods and cosmetics (H. Rept. 2182)(p. 7575).
 8. COCONUT TARIFF. Received from the State Department a letter from the Philippine Government favoring H. R. 6292, to eliminate the 3-cent tax on imported coconut oil (p. 7575).
 9. PURCHASING. Rep. Shelley criticized the OIM policy regarding placement of Government contracts in surplus-labor areas (pp. 7552-3).
 10. TRAVEL. A subcommittee of the Judiciary Committee approved for reporting to the full committee S. 2545, permitting the advance of travel expenses and subsistence to Government employees by one agency for convenience of another (p. D599).
 11. EMERGENCY POWERS. Disagreed to Senate amendment to H. J. Res. 477, to continue certain statutory provisions for the duration of the national emergency and 6 months thereafter, but not beyond June 30, 1953, and appointed conferees. (p. 7501). Senate conferees were appointed June 12.
- SENATE
12. CENSUS. The Post Office and Civil Service Committee reported with amendment H. R. 7202, providing that a census of agriculture be taken in October 1954 and each tenth year thereafter (S. Rept. 1772)(p. 7462).
 13. APPROPRIATIONS; FOOT AND MOUTH LABORATORY. The Appropriations Committee reported with amendments H. R. 7860, making urgent deficiency appropriations for the fiscal year ending June 30, 1952 (S. Rept. 1780)(p. 7462).
 14. ST. LAWRENCE SEAWAY. Continued debate on S. J. Res. 27, the proposed St. Lawrence Seaway Project (pp. 7462-98). Sen. Thye discussed the agricultural aspects of the self-liquidation features of this project, stating that "it is estimated that each year a total of from 200 to 400 million tons of grain will be shipped over the St. Lawrence seaway and that the result will be a net saving of from 3 cents to 8 cents a bushel, as compared to present transportation costs" (pp. 7497-8).
 15. CIVIL DEFENSE. Adopted the conference report on H. R. 5990, amending the Federal Civil Defense Act of 1950 to allow the administrator to lease real property (pp. 7499-7500).
 16. NOMINATIONS. Nominations were received for Martin Kelso Elliott and Anthony F. Arpaia as Interstate Commerce Commissioners (p. 7500).
 17. ELECTRIFICATION. Sen. Humphrey inserted a resolution adopted by the Missouri State Rural Electrification Association urging Congress to appropriate \$2,000,000 for the initial construction of the Table Rock Reservoir project to overcome the approaching power shortage in the Southwest area (p. 7461).
 18. FLOOD CONTROL. Sen. Bennett inserted his statement discussing the flood damage in Utah and praising the people of the State for the measures they took to meet the crises (pp. 7498-9).

WBAL and the Baltimore newspaper, has been employed adversely to the interests of the listening public, and an inference can reasonably be drawn that these conditions which have previously obtained will continue.

The views held by the Commission majority with respect to the interpretation of the Communications Act in connection with newspaper applications for radio and television licenses accurately reflect the views on this subject held by the House Committee on Interstate and Foreign Commerce. However, because a substantially different exposition of the Commission's policy with respect to newspapers was made by the then Chairman Coy and by Commissioner Webster, and because it was claimed that this exposition of the Commission's policy reflected congressional policy expressed in the Communications Act, the House committee felt it desirable to include in S. 658 the so-called newspaper amendment. It is the purpose of this amendment to make it clear beyond any reasonable doubt that the Communications Act does not authorize adoption by the Commission of any blanket rule or any arbitrary policy with respect to the granting of radio or television stations to newspapers.

Mr. ROGERS of Florida. Mr. Chairman, we discussed this problem in detail in the Interstate and Foreign Commerce Committee. As stated by the gentleman from Tennessee [Mr. PRIEST] he offered the amendment and after long discussion of it I do not believe there was any opposition at all when it came to a final vote on the amendment. All of us concurred in the viewpoint that there should be no discrimination against newspapers. That is all it means. It is simple. It says that the Commission shall issue no rules or regulations that will discriminate in any way against newspapers, newspaper owners, or those associated with the newspaper business. That is all that is provided. It is in the negative, it states they shall not refuse to issue a license solely because of the fact that one may have an interest in a newspaper. I think that is a fair provision. If a man owns a newspaper and shows that it is in the public convenience and necessity for him to operate a station in his vicinity I do not think the Commission should hold that against him. I do not think they should say to him: "You have a newspaper down there, so we will not give you a license to operate a radio station."

Mr. Chairman, that is all this amendment means and I hope that the Committee of the Whole will not adopt the amendment offered by the gentleman from California.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. There has been the contention in many communities of the country that the people would be without any radio service at all unless someone connected with a newspaper applied for a license.

Mr. ROGERS of Florida. That is correct. The newspapers render a great

public service and if they can continue to render a great public service, if they can increase their public service through the radio field, they should not be discriminated against in that effort.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Then the gentleman is opposed, as I understand him, to the Sheppard amendment?

Mr. ROGERS of Florida. Absolutely.

Mr. BROWN of Ohio. He is for the provision in the bill?

Mr. ROGERS of Florida. I supported it in committee.

Mr. BROWN of Ohio. That is my understanding.

Mr. ROGERS of Florida. I am wholeheartedly for it, I think that the provision should be left in the bill and not taken out, and I therefore oppose the amendment offered by the gentleman from California [Mr. SHEPPARD].

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

[Mr. BROWN of Ohio addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made a moment ago when my distinguished colleague, the gentleman from Florida [Mr. ROGERS] yielded to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SHEPPARD].

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 658) to further amend the Communications Act of 1934, pursuant to House Resolution 620, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

Mr. O'HARA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'HARA. Is the question on the Horan amendment?

The SPEAKER. The question is on the Committee amendment as amended.

Mr. O'HARA. The Horan amendment was adopted. May I inquire whether a

separate vote can be demanded on the Horan amendment?

The SPEAKER. Not on that amendment. It was an amendment to the committee amendment.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. In view of the fact that the matter before us is a committee amendment, a complete amendment to the whole bill, would any motion to recommit, except a straight motion to recommit, be in order?

The SPEAKER. That is the only motion that would be in order under the rule.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the bill just passed be printed with the amendment of the House numbered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMITTEE ON EDUCATION AND LABOR

Mr. SMITH of Virginia. Mr. Speaker, on behalf of the gentleman from North Carolina [Mr. BARDEN], I ask unanimous consent that the Committee on Education and Labor may have until midnight tonight to file a report on the Allen resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, is there a minority report that might also be filed, or is this a unanimous report?

Mr. SMITH of Virginia. I am unable to inform the gentleman about that. I am just complying with a request I had from the gentleman from North Carolina [Mr. BARDEN] that I make this request for him, that the committee have until midnight tonight to file a report.

Mr. MARTIN of Massachusetts. I do not object to that, but if the Republicans want to file minority views I would like that to be included in the request.

Mr. SMITH of Virginia. I will include that in my request, Mr. Speaker, that the minority on the Committee on Education and Labor may have until midnight tonight to file minority views.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

EMERGENCY APPROPRIATIONS FOR ERECTION OF POST OFFICE AND FEDERAL COURT BUILDINGS

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 694, Rept. No. 2185), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7778) to authorize emergency appropriations for the purpose of erecting certain post office and Federal court buildings, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING LEGISLATIVE REORGANIZATION ACT OF 1946 TO PROVIDE FOR MORE EFFECTIVE EVALUATION OF FISCAL REQUIREMENTS OF EXECUTIVE AGENCIES OF THE GOVERNMENT

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 695, Rept. No. 2186), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7888) to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDMENT AND EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 696, Rept. No. 2187), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended. That after general debate which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON AGRICULTURE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill H. R. 8122.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PROGRAM FOR TOMORROW

(Mr. MARTIN of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. MARTIN of Massachusetts. Mr. Speaker, I think the majority leader would like to make a statement with regard to the program for the remainder of the week.

Mr. McCORMACK. The program for tomorrow will be the bill extending the National Production Act—the so-called controls bill.

Mr. MARTIN of Massachusetts. As I understand it, it is going to be just general debate?

Mr. McCORMACK. Exactly. There will just be general debate on the bill tomorrow.

MANPOWER POLICY

(Mr. SHELLEY (at the request of Mr. PRIEST) was given permission to extend his remarks at this point.)

Mr. SHELLEY. Mr. Speaker, on February 7, 1952, the Office of Defense Mobilization issued defense manpower policy No. 4 entitled "Placement of Procurement in Areas of Current or Imminent Labor Surplus." Briefly, the policy directs that special consideration be given in placement of Government contracts to firms

in areas which are certified to suffer from a surplus of labor and to have available facilities for the production of goods required by the Government. The primary spur to promulgation of policy No. 4 was the situation in areas such as Detroit, which suffered a dislocation of production because of cut-backs in steel and the resultant decrease in automobile manufacture. This was due, of course, to the defense emergency and the need for increased arms production. The policy was strongly supported in other areas, such as those in New England producing textiles, whose industrial dislocation can be traced more directly to other fundamental economic ills. It is generally the type of policy I ordinarily support. However, its execution is creating situations harmful to my area. Policy No. 4 was laudable in its announced purposes. As written, it need not have produced serious ill effects. But in its actual implementation it has worked real economic damage. It has also caused actual delay in the defense-production program in many instances. That is true of individual industries in areas not certified as surplus labor areas; it is true of the whole economy of such areas.

In the first place, if aimed at this temporary dislocation, policy No. 4 came too late to cure the condition which precipitated it. Any Member of Congress knows that the most serious effects of the shift to defense production were felt shortly after the allotment system first went into effect. This was while the placement of huge Government contracts was in the planning stage. There had been a tapering off of the volume of complaints from consumer-goods producers, and more liberal allotments of critical materials, before the policy became effective. The automobile industry's production goals for the remainder of this year—aside from defense contracts—are now at gratifyingly high levels. Barring a prolonged shutdown in steel, there are plenty of materials in sight to achieve them. The same thing is true of other consumer goods producing industries.

Secondly, the written policy contains provision for analysis of the specific ills of particular areas as regards types of labor skills in surplus, and the nature of and suitability of production facilities available. In its actual operation—and I am speaking now from personal experience in checking into award of specific contracts—these considerations have been allowed to go by the board. As long as an area has been declared a distressed area, all other relevant factors are apparently disregarded. This condition opens the way for disastrous effects within industries, within areas, as far as groups of skilled labor are concerned; and on individual plants which have geared their operations to defense needs. These effects are now being felt in San Francisco, and they will be felt in every congressional district and in every area not certified as a distressed labor area unless the policy is rescinded or applied on an industry basis.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 19, 1952

For actions of June 18, 1952

82nd-2nd, No. 106

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate passed urgent deficiency appropriation bill, agreeing to modified provision for foot-and-mouth disease laboratory. Senate recommitted St. Lawrence waterway measure. House debated defense production bill.

SENATE

- URGENT DEFICIENCY APPROPRIATION BILL, 1952.** Passed with amendments this bill, H. R. 7860 (pp. 7643, 7648-56).
Sens. McKellar, Hayden, Russell, McCarran, O'Mahoney, Bridges, Ferguson, Cordon, and Saltonstall were appointed conferees on the bill (p. 7656).
Agreed to a Case amendment to provide that the foot-and-mouth disease laboratory be established "at a location to be selected by the Secretary of Agriculture after public hearing and with the approval of the Committees on Agriculture of the Senate and House of Representatives, and the governor of the State, if any, in which the site selected may be located" (pp. 7648-54). The Senate committee had agreed to an amendment to strike out the item of \$10,000,000 for this laboratory, but on the Senate floor the item was restored with the modification mentioned above.
- ST. LAWRENCE WATERWAY.** By a 43-40 vote, agreed to the O'Connor motion to recommit to committee S. J. Res. 27, to authorize this project (pp. 7583-92, 7656).
- COTTON PRICE SUPPORTS.** Sen. McFarland (for himself and Sen. Hayden) submitted an amendment which they intend to propose to H. R. 5713, to specify a quality standard as a basis for cotton price supports in certain cases (p. 7579).
- BUDGETING.** Received a Wyo. Taxpayers Assn. resolution favoring creation of a joint budget committee (p. 7578).
- ARMY CIVIL APPROPRIATION BILL, 1953.** This bill, H. R. 7268, was made the unfinished business (p. 7656). Sen. Douglas gave notice of intention to propose amendments to reduce the items for flood control, etc. (pp. 7579-82).

6. LEGISLATIVE PROGRAM. Agreed to have the calendar read Sat., June 21 (p. 7656).

HOUSE

7. DEFENSE PRODUCTION APPROPRIATION. As transmitted (see Digest 105), H. Doc. 504 proposed appropriations of \$168,360,000 for the fiscal year 1953, for administrative expenses of defense production and stabilization activities, and \$5,000,000 for a revolving fund for the Small Defense Plants Administration.

The Department would receive \$3,000,000 to carry out its functions under the Defense Production Act, allocated as follows: Production and Marketing Administration, \$2,585,000; Forest Service, \$55,000; Office of Foreign Agricultural Relations, \$90,000; Bureau of Agricultural Economics, \$135,000; Office of the Solicitor, \$35,000; Office of Information, \$50,000; Office of the Secretary, \$50,000.

Proposed appropriations for other agencies and departments include: Economic Stabilization Agency, \$103,250,000; Commerce Department, \$35,000,000 of which the National Production Authority would receive \$26,900,000; Interior Department, \$4,000,000, of which the Defense Electric Power Administration would receive \$954,000; Labor Department, \$2,100,000; and the Defense Transportation Administration, \$2,500,000.

8. DEFENSE PRODUCTION. As reported (see Digest 104) H. R. 8210 would extend for one year, until June 30, 1953, all titles of the Act, except title VI, relating to the regulation of consumer and real estate construction credit. It does not grant authority for imposition of livestock slaughtering quotas and continues the section 104 fats and oils import authority on a modified and less restrictive basis. The bill as reported also limits restrictions that can be placed on slaughterers of meat, modifies the present meat allocation authority of OPS without disturbing its meat-grade marking authority, and provides minimum ceiling formulas with respect to price controls on milk products for fluid consumption, and a statute of limitations is provided for actions brought as a result of the invalidating of certain producer payments authorized by Federal milk orders promulgated pursuant to the Agricultural Marketing Agreement Act of 1937. Provision is also made for not less than 90% announced support prices on the six basic agricultural commodities under the Agricultural Act of 1949 so long as title IV of the DPA is in existence. Fresh fruits and vegetables are exempted from price control; and wages paid agricultural labor would be exempt from wage regulations. Price ceilings could not be set below minimum sales prices fixed by State law or regulation. Title III would be amended so as to make clear that loans could be made to producers of newsprint.

The so-called Canehart amendment is retained, and the Herlong amendment (pertaining to percentage price mark-ups for wholesalers and retailers) is modified to make it generally applicable to all wholesalers and retailers.

The Housing and Rent Act of 1947 would be extended for 1 year until June 30, 1953; and a provision is added requiring rents and services charged on Federally owned quarters furnished to Federal employees to be brought into conformity with Budget Bureau regulations promulgated July 15, 1952.

9. ADMINISTRATIVE PROCEDURE. As reported (see Digest 100), S. 1770 would repeal exemption of certain functions of various Federal agencies from the operation of the Administrative Procedure Act. The Department programs affected by this action would be the Sugar Control Extension Act of 1947, title III of the Second War Powers Act (restrictions on the importation of fats and oils, rice, and rice products), the Export Control Act of 1949, the International Wheat Agreement Act of 1949, and the Defense Production Act of 1950.

A letter from this Department to the Committee stated that "the department programs under all of these statutes, except the International Wheat Agreement

Act of 1949, are of such a nature as to require expeditious emergency action....The application of the meticulous procedural requirements of the Administrative Procedure Act to programs of this nature can only be productive of serious delay in the inauguration of the programs and consequent impairment of mobilization for defense."

10. **DEFENSE PRODUCTION.** Concluded all general debate on, and read for amendments, the first section of H. R. 8210, to amend and extend the Defense Production Act. Rep. Andresen and others discussed section 104, restricting cheese imports. Consideration of this measure will be continued today under the 5-minute rule. (pp. 7659, 7661-9, 7671-95.)
11. **APPROPRIATIONS.** The "Daily Digest" states that "Conferees...agreed to file a conference report on ... H. R. 7072, independent offices appropriations for 1953" (p. D607).
12. **EMERGENCY POWERS.** Reps. Pickett and Reed (Ill.) were appointed as additional conferees on H. J. Res. 477, to continue certain statutory provisions for the duration of the national emergency and 6 months thereafter, but not beyond June 30, 1953 (p. 7659).
13. **RECLAMATION.** The "Daily Digest" states that the "Engle subcommittee on Irrigation and Reclamation voted to definitely postpone hearings on H. R. 5743, authorizing construction of the Snake River reclamation project" (p. D605).
14. **PRICE CONTROLS.** Extension of remarks by Rep. Holifield wherein he claimed that big business lobbies are attempting to "kill off the control programs," and he inserted a New Republic magazine article on this subject entitled, "The Raid on Price Controls" (pp. 7659-61).
15. **TRANSPORTATION.** Rep. Bryson spoke on the ICC's recent order establishing uniform class freight rates to the entire portion of the country east of the Rocky Mountains, and he claimed this action would not only benefit the South but the entire economy of this country (pp. 7698-9).
- APPROPRIATIONS.** Received the Budget Bureau's letter changing the amount in the supplemental estimates for the fiscal year 1953 relating to the mutual-security program, submitted on June 17, 1952 (H. Doc. 510), from \$6,447,730,750 to \$6,-492,740,750; to Appropriations Committee (p. 7700).
- BILLS INTRODUCED**
17. **ST. LAWRENCE SEAWAY.** S. J. Res. 167, to grant the consent of the Congress to the entry of certain States into compacts and agreements for the improvement of navigation on the boundary waters of States within the Great Lakes-St. Lawrence River drainage system; to Public Works Committee (p. 7579). Remarks of author (p. 7592.)
18. **MIGRATORY LABOR.** H. R. 8277, by Rep. Howell, to establish a Federal Committee on Migratory Labor; to Education and Labor Committee (p. 7701).
19. **PERSONNEL.** H. R. 8280, by Rep. Rogers (Mass.), to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the optional retirement of certain officers and employees who are disabled veterans; to Post Office and Civil Service Committee (p. 7701).

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ITEMS IN APPENDIX

20. **ELECTRIFICATION.** Rep. Rankin defended the Electric Power Consumer's Conference, discussed the fight for public power and its resulting cheaper electricity rates to farmers, and accused private power interests of trying to get a monopoly of the power business in this country (pp. A3959-61).
21. **CHEESE.** Rep. Eberharter inserted a Madison State Journal editorial opposing the continuation of import restrictions on foreign cheeses, and stating that its supposed threat to the American farmer is "somewhat of a tempest in a teapot" (pp. A3963-4).
22. **EXPENDITURES; BUDGETING.** Rep. Harrison inserted two Wyoming Taxpayers' Association resolutions in favor of bills to set up a legislative staff to help appropriation committees on fiscal matters (S. 913, H. R. 7888), and to limit Federal expenditures for fiscal year 1953 to \$71 billion (H. J. Res. 371) (p. A3991).
23. **RECLAMATION.** Rep. D'Ewart inserted a newspaper editorial calling attention to the fine job done by the employees of the Bureau of Reclamation in repairing flood damage in the Milk River Valley (p. A3993).
24. **ECONOMIC CONTROLS.** Extension of remarks by Rep. Heller discussing the reasons why economic controls should not be killed at this time (pp. A3993-4).
25. **WOOL; FOREIGN TRADE.** Extension of remarks by Rep. Berry claiming that the State Department policy of permitting foreign wool to "flood" our domestic market is putting the sheepman out of business and "costing the laboring man millions of man-hours of work" (p. A3996).

BILL APPROVED BY THE PRESIDENT

26. **EMERGENCY POWERS.** H. J. Res. 481, providing for a temporary extension of various emergency war powers for an additional 15 days until June 30, 1952. Approved June 14, 1952 (Public Law 393, 82nd Cong.).

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COMMITTEE HEARING ANNOUNCEMENTS for June 19: Grain-storage investigation, S. Agriculture (Brannan to testify). GI bill for Korean veterans, S. Labor and Welfare. Various reorganization bills, H. Expenditures. Increased retirement annuities, H. Civil Service (Ramspeck to testify). Defense Production Act appropriation bill, S. Appropriations (ex.).

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 105A.

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Mr. VINSON. Yes; I am asking unanimous consent that later on during the day I may have the right to propound a unanimous-consent request or to move to rerefer a bill. I am doing this to preserve my rights and to give the chairman of the Expenditures Committee an opportunity to be here. He is just leaving his office.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, do I understand the gentleman to say that he is asking unanimous consent that he may make the same request later on?

Mr. VINSON. That is right exactly, because under the rules of the House this is the time it has to be made and I propound a unanimous-consent request now to be permitted during today to offer a motion to rerefer a bill.

Mr. HOFFMAN of Michigan. Why does not the gentleman ask it now?

Mr. VINSON. I am withholding the motion pending the arrival of the gentleman from Illinois [Mr. Dawson].

Mr. HOFFMAN of Michigan. Mr. Speaker, if that is the only purpose, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 696 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended. That after general debate which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. COLE of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 107]

Aandahl	Barrett	Boykin
Abernethy	Bates, Ky.	Budge
Albert	Beckworth	Buffett
Amuso	Bolton	Burdick

Burleson	Kearney	Sasser
Butler	Kennedy	Scott, Hardie
Canfield	Kilday	Scott,
Carlyle	Martin, Mass.	Hugh D., Jr.
Carnahan	Miller, Calif.	Shafer
Chatham	Miller, N. Y.	Short
DeGraffenried	Morris	Stanley
Dingell	O'Brien, N. Y.	Steed
Evins	O'Konski	Stigler
Fenton	O'Neill	Stockman
Frazier	Patman	Sutton
Gore	Powell	Tackett
Hall,	Prouty	Vursell
Leonard W.	Rains	Welch
Havener	Richards	Wickersham
Herter	Roosevelt	Wigglesworth
Hope	Sabath	Wilson, Ind.

The SPEAKER. Three hundred and sixty-six Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF WAR POWERS

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint two additional conferees on the part of the House in the conference between the House and the Senate on House Joint Resolution 477.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ALLEN of Illinois. Mr. Speaker, reserving the right to object, did the gentleman take this up with Mr. REED of Illinois?

Mr. CELLER. I did.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from Illinois [Mr. REED] and the gentleman from Texas [Mr. PICKETT].

THE LOBBIES GANG UP TO KILL CONTROLS

(Mr. HOLIFIELD asked and was given permission to extend his remarks at this point in the RECORD on price control.)

Mr. HOLIFIELD. Mr. Speaker, no one has to tell us in the Congress that there is a vast, well-organized, well-financed, ruthless conspiracy among many of the big business lobbies in the country to kill off the control programs which have been so successful up to now in holding off inflation.

We are bombarded every day by the propaganda of this organized group attack on the welfare of the people of this country. Our mail is full of inspired propaganda against price regulations or against rent controls, or against other aspects of the stabilization program.

Although we are very familiar with how this organized campaign is operating, and although we can remember how a similar campaign succeeded in 1946 and left the country helpless in the face of a terrible postwar inflationary spiral, we may not all be thoroughly aware of the manner in which this organized anti-controls program was begun.

The New Republic magazine recently carried an excellent article on this subject entitled "The Raid on Price Controls." It tells who is behind the drive to kill OPS and the other controls pro-

grams and how they planned to go about it.

It shows how the lobbies ganged together to promote a myth that controls are cutting production and causing shortages—yet all of us know production is at all-time high. It shows how the lobbies, working both sides of the street, say on the one hand that controls are keeping prices high, and then on the other hand claim that controls are not necessary because so many prices are so low.

Mr. Speaker, I think it is important that no Member of Congress be tricked into believing the special interest propaganda of the selfish groups that want to kill controls in order to increase their profits. Any Member reading this article in the New Republic cannot help but realize that the crocodile tears being shed by some of these groups over the alleged hardships imposed by the controls are as synthetic as the gold-plating on a 10-cent store necklace.

The article in the New Republic magazine, The Raid on Price Controls, is as follows:

THE RAID ON PRICE CONTROLS

(By Mathew K. Amberg)

With the inflationary armaments drain on the economy approaching its peak, a cluster of quiet and determined drives go on to strip away what price-control protection now remains in effect.

These drives have been moving ahead under cover of the attention-distracting steel wage-and-price dispute. Deliberately avoiding the publicity tactics of former years in an apparent effort to let a sleeping public lie, a fairly well coordinated coalition of business and farm organizations has set out to kill price controls.

All this year the foes of the OPS have been feeding out horror stories on the problems and expenses facing businessmen who try to comply with OPS regulations, stories of the expensive staffing of OPS field offices, comparisons of the number of words in the Ten Commandments and in a fictional OPS cabbage-price regulation, and the like. Largely avoided were such gaudy promotional stunts as the National Press Club dinner thrown last year by 19 meat-industry associations fighting against meat ceilings.

The line for some organizations was laid out at strategy sessions such as one which took place February 28 in the Crystal Room of Chicago's Hotel Sherman. There a group of farm commodity, retail, wholesale, and realty organizations met to pool efforts and plan their campaign to make the OPS unsavory to the public.

By order of the Corn Belt Livestock Feeders Association, which called the Hotel Sherman meeting, and in line with the CBLFA's pledge that it was to be "a confidential meeting without publicity," it was closed to the press. The names of most of the estimated 40-to-50 participants, as well as those selected to serve on the fund-raising and tactics coordinating committee, were not divulged to questioning reporters. Much of the press responded graciously—business publications like the Wall Street Journal and the Journal of Commerce and most metropolitan dailies carried no news stories on the meeting.

At the meeting, the CBLFA's invitation to 63 organizations said, a production, processing, and distribution council would be formed, to be composed of "all organizations opposed to the OPS who desire to work together in a hard, well-planned campaign during these next 10 months."

"Each organization would start an immediate campaign of its own through

speeches, radio programs, press releases, etc., showing up the OPS program. Every failure, every reduction in production, every distress brought about by the OPS would be brought out. * * * Those [affiliates] with radio time would be asked to invite in the representatives of other organizations when some startling bit of information could be broadcast that would bring resentment against the OPS. The deliberate and planned attempt would be to make it as unsavory to the public as was the OPA. It would be emphasized and reemphasized that controls cut production and shortages in production bring high prices."

Other parts of the plan, according to the two-page confidential promotion, would make use of auto windshield stickers carrying the slogan, "Take the shackles off production—OPS must go" and election of State chairman to stimulate a steady stream of letters to each Representative from people in his own State, of visitors to Representatives, and of all-industry delegate bodies to visit each delegate to the two major parties' national conventions. The efforts prior to extension of the controls bill after July 1 would be to have the OPS authority dropped from the law, leaving only allocations and some indirect control powers. If that failed, the next move would be to attempt to get both party platforms for 1952 to carry antiprice control planks.

The Livestock Feeders' confidential promotion proposed a coordination of testimony before Congress: "not only should there be a perfect flood of demands to be heard, but each appearance should be sure to contain material stressing: (a) Controls cut production. (b) Shortages of production bring high prices. (c) The OPS must go."

Mark W. Pickell, president of CBLFA, emerged from the February 28 meeting and told reporters that some 50 representatives of 30 different industries had been present, but declined to identify any participants except to say that cotton, butter, and eggs, retailing and wholesaling fields were represented.

Meanwhile other farm and business organizations were coordinated through various arrangements—interlocking memberships of associations and foundation boards of directors, informal strategy luncheons and meetings, and chamber of commerce and meat-industry conferences. Besides the dozen real-estate organizations which asked for the end of rent control, 60 business and farm groups paraded witnesses before the Senate committee hearings or sent statements, ringing the changes on one or both of two major themes: let price and wage controls die June 30, 1952; or, decontrol or suspend controls on new industry's products.

A repeat performance was put on before the House Banking and Currency Committee. The major argument advanced by those seeking the end of controls over their own products was deceptively simple: Our goods are selling at below-ceiling prices and are, therefore, "soft," and have been for some time, so please free us of burdensome record-keeping and reporting requirements.

The big fallacies in the soft-price argument are twofold: Prices are not so soft, and they may be expected to go up. The so-called price softness claim is based on the fact that some prices are below ceiling or, in the case of products on which ceilings could not be set, below the peak prices. But these ceilings and peaks were reached under conditions of scare buying and wild profiteering before the administration got up gumption enough to order the freeze, and the drop from those ceilings and peaks is relatively slight.

The housewife well knows that her shopping bag is very costly to fill. According to the OPS and the Bureau of Labor Statistics, 58 percent of the weight of the consumers'

budget was being spent for items which were at peak or ceiling prices at the very time these industry people spoke of "soft" prices to the Senators, and nearly 80 percent of the family budget was going for items priced within 2 percent of ceiling.

The businessman and the Government procurement officer shop for their supplies in a high-priced wholesale commodity market. On items of wide public interest accounting for \$134,700,000,000 of transaction value (less than half of the wholesale market), only 41 percent were at peak prices, 20 percent were slightly below, and 39 percent significantly below the peak. In this group are such commodities as wool, cotton, grains, livestock, poultry, eggs, processed foods, clothing and textiles, passenger cars and tires, etc. Furthermore, the relatively soft prices of such items as pork products resulted largely from purely seasonal factors prevailing when the survey was taken. The price forecast for later in the year is much closer to ceiling.

But in the group of items of main interest to business, comprising \$138,400,000,000 and including metals, machinery, chemicals, most fuels, lumber, trucks and buses, and other basic goods, a different picture emerges. Here 84 percent of prices were at peak, 12 percent "slightly" below, and only 4 percent "significantly" below.

The wholesale commodity figures may go far to explain why the heaviest decontrol pressures come from agricultural commodity and processing, textile and retailing groups, with support from the machine-tool and similar industry trade associations.

At the Senate hearings, NAM's president William J. Grede, summarized the argument for those who took the "let controls die June 30" line. He refused to consider advising the Banking Committee on proposed modifications of controls, taking the flat position that nothing short of wiping out price controls would do.

In completely unabashed fashion, Grede asserted that "An analysis of the present supply situation for consumer goods reveals no serious or significant inflationary pressures. Only artificially created shortages and emergencies could cause serious imbalance." To end the underlying inflationary pressures implicit in the Government's armaments build-up, he offered the usual NAM program: Cuts in Government spending (and in services to agriculture, resource development, and human welfare, budget-balancing partly by shifting the tax load to consumers via the sales tax, use of indirect controls like credit curbs, and letting businessmen do that which they find to be profitable.

Resolutely forgetting the 1946 NAM-sponsored full-page ads that promised lower prices with controls out of the way, and the ensuing price skyrocketing after the OPA was killed, Grede claimed that it was the threat of controls and consequent scare-buying that caused the post-Korea inflation, not scarcity. He did not mention deliberate profit-gouging, and no one asked him about that. But he did deny that corporate profits are excessive, or that they were in 1950 and 1951.

Grede and other business spokesmen also pitched much of their appeals on the burden of OPS compliance paper work, emphasizing how time consuming and expensive it is. But the judgment of those who suspected that the paperwork nuisance, real as it may well be, was being used as a front for other motives seemed to be confirmed by the cottonseed oil-price case.

The OPS rolled back the ceiling price on cottonseed oil from 23.5 cents a pound to 18 cents, and suspended controls on the product at the same time because it was selling well below ceiling. The OPS said controls would stay off as long as prices remained well below ceiling, but that if they approached it controls would go on again at

the new ceiling. President Harold A. Young of the National Cotton Council asked Congress to forbid roll-backs below the ceilings in effect April 25, 1952, because he feared similar roll-backs on raw cotton and cotton textiles (which have since been announced). Demonstrating that the chief concern is price, not paperwork, Young said that "the cotton industry would greatly prefer to operate under the present system rather than be subjected to an OPS roll-back type of suspension." The cotton council evidently expects prices to rise and wants room for them to do so.

Among groups which plumped for ending of all price controls, besides the Corn Belt Livestock Feeders Association and NAM, were: American Bankers Association, American Farm Bureau Federation, Chamber of Commerce of the United States, Machinery & Allied Products Institute, National Creameries Association, National Cotton Council, National Livestock Producers Association, National Retail Lumber Dealers Association, Texas and Southwestern Cattle Raisers' Association, and Western States Meat Packers Association.

The forty-odd trade associations asking for decontrol for their industries included those in petroleum, rubber tire, construction, textile, food production and processing, retail, and trucking fields.

In addition, retention of the Herlong and Capehart amendments to the 1951 act, or extension of their coverage to the respective industries, was sought by a number of industry spokesmen. The Herlong amendment, sponsored by Representative A. S. HERLONG, Democrat, of Florida, requires that traditional pre-Korea percentage mark-ups taken by merchants shall not be interfered with by the OPS. It is one of the built-in engines of inflation within the price-control law, especially since it permits retailers to figure a percentage mark-up for themselves even on the excise taxes they collect.

The Capehart amendment * * * allows cost increases incurred before July 26, 1951, to be passed along in higher ceiling prices at any time the manufacturer or processor decides to apply for such an increase. It has been a relatively unused gimmick thus far, but when other factors start to move prices upward and firms begin to feel sure they can get more for their products, hundreds of thousands of Capehart increases will be applied for as the July 26 cut-off date governs the cost increases, not the ceiling-increase applications. Some business groups are asking for a roll-forward of the July 26 cut-off date to sometime this year, thus enlarging a loophole.

The Hudson, Kaiser-Fraser, Packard, Nash, and Studebaker auto manufacturers struck a curious note when they sent Senator Maybank a letter supporting retention of the Capehart amendment, partly on the grounds that repeal of that provision, plus a ceiling roll-back, would give the Big Three auto firms a competitive advantage over the smaller companies. They recalled that in December 1950 the Government rolled back General Motors and Ford prices and prevented Chrysler increases, while permitting the smaller firms, which had increased prices before the freeze, to sell at their higher prices.

Complained Hudson et al., "The abnormally low prices of General Motors, Ford, and Chrysler which they were forced to maintain by the OPS, had the effect of taking business from the smaller companies. This is a situation harmful to the smaller companies which we are certain Congress will not knowingly recreate." The layman might suppose that without the Capehart amendment the five firms were forbidden to decrease their prices competitively.

Senate and House action on price controls is coming to a head unless business-minded

Congressmen can stall action long enough to create a parliamentary emergency for controls during which the bill can be completely emasculated. The groups supporting effective price control need help. Their memberships are larger than the kill-controls bloc, but they have less advertising money and fewer lobbyists.

SPECIAL ORDER GRANTED

Mr. SIKES asked and was given permission to address the House for 1 hour on Monday next, following the legislative program and any special orders heretofore entered.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN] and at this time I yield myself 10 minutes.

Mr. Speaker, this rule provides for the consideration of the extension of the Price Control Act known as the Defense Production Act and provides for 4 hours general debate. It is an open rule with the usual permission to offer a motion to recommit.

I have made some little study and analysis of the bill and report since it was filed by the committee and it might be of some interest to the House if I ran over briefly what I regard as the major changes in the present Act.

The only material change in title I is clarification of the slaughter house restrictions that were put on by the House last year. As I understand it, some question arose as to whether the agency could restrict the killing of various types of animals and the committee clarifies that by providing that if a person has a license to slaughter any type of animal it covers all types of animals.

In the 1951 act the Congress inserted a provision with respect to the import control of agricultural products. There is a change in that which requires the Secretary of Agriculture to make an affirmative finding that it will not interfere with or reduce local production of the article in question; and when he makes that finding, then, and not until then, will imports be permitted.

Title III of the bill makes a change and includes newsprint in those articles that are manufactured that the President in order to increase production may authorize loans to be made for the purpose of increasing production in certain items. Title 5 of this bill is one that provided machinery for the settlement of labor disputes.

Mr. RAINS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Alabama.

Mr. RAINS. I would like to have the gentleman just tell us his ideas about the bill. I think it would be quite helpful.

Mr. SMITH of Virginia. Well, I will make an effort to do that.

Mrs. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. This is one of the most important bills to come before us. From my own district the messages on this bill are as strong as any bill coming before the House and I would request the gentleman to give us full and complete coverage relating to the provisions of the bill.

Mr. SMITH of Virginia. I thank the gentlewoman, whose close attention and intelligent interest, in the discussions on the floor are always inspiring to one who is addressing the House.

One thing I want to talk about is title 5, which is the provision relating to the control of labor disputes. The bill as presented makes no change in that provision. I reckon the committee, probably, in considering title 5, figured that the House was going to do something about it anyhow, and they might just as well leave it to the House to start from scratch. But the fact is that the bill as reported from the committee leaves us in exactly the same situation with the same Wage Stabilization Board. They can do exactly again the same thing that was done in the Steel dispute, and I am quite confident that the House would not want to leave that title of the bill as it is.

Now some weeks ago the President addressed a joint session and suggested that he would like to know what Congress would like for him to do about the Steel dispute. Well a lot of us thought that the thing to do was what the law said, namely comply with the Taft-Hartley Act. It is my purpose, at the proper point in the bill, to offer an amendment to the bill requesting that the President pursue that course, to invoke the injunction provisions of the Taft-Hartley Act.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman seems to know considerable about the Taft-Hartley Act. Suppose the Taft-Hartley Act is invoked and during this 80-day period one of the parties concerned in the dispute failed to carry on negotiations in good faith. Is that a violation or an unfair labor practice under the Taft-Hartley Act?

Mr. SMITH of Virginia. The gentleman inquires—

Mr. BAILEY. I would like to have a definite answer from the gentleman.

Mr. SMITH of Virginia. Well, when the gentleman gets through talking I will give him a definite answer, but I do not like to have two talk at the same time. When the gentleman gets through I will answer. The gentleman wants to know whether that would be a violation of the Taft-Hartley Act. It is a violation of the Taft-Hartley Act if either party to any dispute refuses or fails to bargain in good faith. Does that answer the gentleman's question?

Mr. BAILEY. If the gentleman is quoting the Taft-Hartley Act correctly, that answers my question.

Mr. SMITH of Virginia. That is my understanding of the law. So, as I say, I shall offer such an amendment to re-

quest the President to invoke the provisions of the Taft-Hartley Act.

I think I might say to the House that you will all be interested in knowing that the committee proposes to repeal entirely title 6 of the act which has to do with credit control. That is stricken out, as I understand it.

Now there is another provision in the bill that I would like to call to the attention of the House, and that I would like to offer an amendment to at the proper time. You know, there is a provision with respect to the stabilization of wages and salaries which makes it unlawful to increase wages. Then there is a penalty provided later on in the bill of a year in jail or \$10,000 fine for violating that act or that provision of the act with reference to raising wages. That is one punishment that sounded to me like a pretty severe one, and it ought to be sufficient to deter people from violating the law.

However, there is another very important penalty provided in that act and that is that if a person should inadvertently increase the pay of one of his employees or all of his employees without having gotten the consent of the Agency, then all of the payments made shall be disregarded with respect to any other act of Congress. What that means, while it does not say so, is that if an employer raises wages some and pays more without the consent of the Agency, then all of his expenses of salaries and wages are stricken out when he goes to pay his income tax, and he is not entitled to any credit for the expense of those wages. Of course, that is an outrageous penalty and never should have been in the bill, in my humble judgment. I hope the House will agree with me that it ought to be stricken out, and that we should depend upon the penalty provisions of the bill itself to enforce it.

I happen to have had some experience with that particular thing. This Board has been terribly busy trying to give consent to or consider all of these applications where it is necessary to raise wages to keep employees. It is almost impossible, and has been, to get any action by that Board in any reasonable time at all. People have found themselves in the situation where they were going to have to increase their wages or lose all their employees, and they have had to simply make the choice of whether they were going to violate the law or go out of business. This double penalty ought not to be imposed, and I hope the House will agree to strike it out.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. MASON. I want to cite an example of just what the gentleman is talking about. Employer and union representatives came to my office last week. They had arrived at an agreement last October for an increase of 8 cents per hour in wages. They had been trying ever since last October to get it approved, and they could not. They wanted to know what they could do

about it, because the next bargaining period will start in September and they have not got the other one approved yet, after they had arrived at an agreement.

Mr. SMITH of Virginia. That is right. It happens frequently.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman referred to the fact that title VI has been stricken by the committee. The gentleman, of course, is familiar with title V, which is the labor dispute section. I think the gentleman will agree with me that the present Wage Stabilization Board was not created under title V, as was the original Wage Stabilization Board, but under title IV and certain alleged inherent powers of the President. In view of that fact, what would the gentleman say as to whether or not we might as well strike out title V, the so-called labor dispute section, intending thereby to rely on other provisions of the act and other laws of the country now in effect?

Mr. SMITH of Virginia. I had hoped that the committee would give some careful consideration to some desirable changes in that situation. I am not prepared to state dogmatically what I think ought to be done about it. I think something ought to be done. I do not think we ought to leave the country in the position where the same Board can do the same thing they did in the steel strike, that put the country in the present situation.

Mr. HALLECK. I agree with the gentleman with respect to that. I am glad he agrees with me that consideration should be given to the matter of keeping title V in the act because, as I say, apparently there is no effort existing now to implement the provisions of that title.

Mr. ALLEN of Illinois. Mr. Speaker, I yield to the gentleman from Oregon [Mr. ANGELL] to make a unanimous-consent request.

(Mr. ANGELL asked and was given permission to extend his remarks at this point.)

Mr. ANGELL. Mr. Speaker, I want to take this opportunity to call to the attention of my colleagues that the Townsend organization is now holding its twelfth national convention in Long Beach, Calif. The convention convened on June 16 and the final session will be concluded on Friday of this week. I am advised that some 3,000 accredited delegates, coming from more than 40 States in the Union, are in attendance.

This outstanding organization, working for the betterment of the aged of America, was organized by Dr. Francis E. Townsend in September 1933 in Long Beach, Calif. Its activities have spread until now it covers our entire Nation, and thousands of loyal Americans of all age groups belong to the Townsend clubs scattered from coast to coast.

This great humane organization has one objective in view, and that is to bring about the enactment of an old-age security program that will be Nation-wide and will deal fairly and justly with all

of our aged citizens. Unfortunately, under the social-security law that now exists, coverage is limited to certain segments of our population, and many of our elderly citizens similarly situated as those covered under social security and who are in want and need of social-security benefits are not covered.

On the Speaker's desk is discharge petition 4, which has for its purpose bringing on the floor for consideration H. R. 2678, which I introduced early last year, and which, if enacted into law, would provide a Federal program for old-age security dealing fairly with all our elderly citizens who are entitled to help from a grateful Government. I most sincerely urge again that all Members of the House interested in such a program sign this petition so that this legislation may come up on the floor for consideration.

I received an invitation to attend the Townsend convention now meeting in Long Beach, but owing to the fact that we have many important legislative bills now up for consideration in the House I felt that it would be inadvisable to leave my work here, which has first call upon my time. In accordance with leave granted, I include herewith an address which I prepared for delivery at the Townsend convention in the event my official duties here would have permitted me to attend. The text is as follows:

UNCLE SAM SPENDS BILLIONS AROUND THE WORLD BUT ONLY PENNIES FOR AMERICA'S AGED

Mr. Chairman, Dr. Townsend, distinguished guests, and Townsend friends, I want to bring to you my personal greetings and best wishes for success in this great annual Townsend convention. You are gathered here from the four corners of our Nation with one great objective in view—marshaling the forces of this great Republic behind the movement to bring about an old-age-retirement program that will deal justly and adequately with all the elderly citizens of our Nation. I especially want to express my personal appreciation to our revered stalwart and founder of this outstanding humanitarian movement, Dr. Francis E. Townsend. His great vision, courage, and indomitable will power and effective organization abilities have established the Townsend organization as the bulwark for old-age security. The advances we have made in the last decade in this broad field of human rights are due in a large measure to Dr. Townsend and you loyal supporters and the legion of faithful coworkers in the fight for justice and equal rights for America's aged citizens.

First of all, let me report on the status of the Townsend legislation now pending in the Eighty-second Congress. As you know, early in the beginning of this Congress my colleague, Representative BLATNIK, and I introduced the Townsend bills. These bills are numbered H. R. 2678 and H. R. 2679 and were referred to the Ways and Means Committee. Not being able to secure favorable action on the legislation by this committee, I filed Discharge Petition No. 4 and those of us who are sponsoring this worthy legislation in the Congress have—early and late, in session and out of session—done everything in our power to get 218 signatures required to bring the bill on the floor for a vote. We now have 182 signatures on the petition.

As I have said to you before, it is impossible for us here in the Congress to make over these Congressmen you folks back home send to us. If they are not Townsend

mindful and are not desirous of helping the old people in their distress, it is almost impossible for us to change their philosophy of life and line them up with us in the great crusade for an old-age retirement system that will give fair treatment to all of our old people. We have buttonholed every one of them repeatedly to sign the discharge petition without avail. Why are the old folks ignored? Why are they the forgotten ones in our economy? Why do Congressmen vote billions for foreign peoples and nations and refuse a meager pittance to our old folks at home? Many of these same Congressmen who refuse help to America's aged voted without hesitation for the \$112,000,000,000 for foreign spending since World War II ended. These senior citizens were the workers of yesterday. They helped build our cities, our roads, our industries, and helped to clear our lands. They were the trail blazers, the pioneers. They built for us. Now that they are old, we cannot pass them by. They do not seek our charity. They only ask simple justice—a modest share in the fruits of American industry to the production of which their labors in the past have contributed. Let us prove to the whole world that these aged American citizens are entitled to and shall have vouchsafed to them by their country life, liberty, and the pursuit of happiness. Let us prove that humanity is still on the march here in America by enacting an old-age annuity plan that will provide for all of our old people, not only a selected few, annuities sufficient to maintain them in decency and health.

There is much confusion and misunderstanding as to the needs of our elderly citizens in America today. For the middle-aged, odds on reaching a ripe old age are about the same now as they were in George Washington's day. Chances of living from babyhood to 40 are getting better all the time. Most childhood diseases are about through as killers. From 40 on, life expectancy hasn't improved much. Old-age ailments still take about the same toll, year in and out. An individual aged 40 or over can look forward today to a life span only a shade longer than his grandfather expected at 40 a half century ago. A man aged 60 can expect to live no longer than his ancestor could after 60 at the close of the Revolution, 170 years ago. Middle-aged people, at this time, have been led to expect longer lives by reports of major gains in life expectancy. The facts do not show it.

New figures from the United States Public Health Service reveal that all the new drugs, all the new techniques of surgery, all the scientific research, to date, are doing little to add years to the life of the individual who has reached middle age. What medical science has done, so far, is to add greatly to the child's chances of living to middle age and beyond.

Saving enough money to retire on is getting harder and harder. It is almost impossible for people without pensions. To retire on \$5,000 a year takes \$112,000 in investments. That income will buy old-age comforts that \$1,500 bought in 1900.

Retirement habits are changing. Most people now look to social security and pensions to see them through old age. Back in 1900, just 52 years ago, \$25,000 was considered enough capital for a man and his wife to retire on. Without much trouble, he could find safe mortgages or other investments to bring him a return of 6 percent. A \$25,000 investment, at that rate, was good for \$1,500 a year, which was enough to support a man and his wife comfortably at that time.

What are the chances now of a person 65 years old or more taking care of himself? Judged by the experience of our present 11,500,000 oldsters, they are not very good. According to recent surveys, almost half of

them suffer some degree of economic hardship. Theoretically, a man during his working years should pile up a surplus adequate to carry him through retirement. But in 1948, only about 1,500,000 of those 65 and over could support themselves on income from investments and savings. About 3,500,000 had no incomes; another 4,500,000 had incomes of less than \$1,000 a year. Only 1,500,000 received social-security pensions; 2,500,000 got old-age assistance payments. Chances of employment are poor. Even at the peak of the war effort only one-third of the people 65 and over were employed, many of them on farm jobs.

Fifty years ago, no one was troubled by this question. There were older people, it is true, but only some 3,000,000 Americans had passed the age of 65. Today that age group has grown to well over 11,000,000. Their number is expected to double in the next 25 years. At the same time, their proportion to the total population has been increasing. In 1900, one out of every 25 Americans had celebrated his 65th birthday. Today the figure is 1 out of 13.

The fundamental strength of our democracy is the recognition and appreciation of the fact that an individual living happily and enjoying the fulfillment of his hopes and dreams is our richest resource. This applies to individuals of all ages. The United States, the most prosperous nation on earth, can ill afford not to provide generous treatment for its aged. It is a Nation with only one-sixteenth of the earth's population and only 6 percent of the world's area, but it produces nearly seven-sixteenths of the world's goods. Our people own 46 percent of the world's electric power; 48 percent of its radios; 54 percent of its steel capacity; 60 percent of its life insurance; 85 percent of its automobiles; with the most schools, the most churches, and the best health record. Yet we refuse to provide meager subsistence for our aged.

We have attempted to solve the old-age security problem by the enactment of social-security legislation covering certain specified groups of employed persons, and requiring contributions to be made by both the employees and employers over a term of years, with fixed payments to begin at retirement age, in most cases 65 years, and continue through life.

According to the latest figures, the Government has collected from these workers and employers over \$19,921,535,000, only a small portion of which has been returned as annuities. The balance of the so-called reserve fund has all been spent by our Government in the wasteful, and in many cases unnecessary, expenses in meeting our obligations here at home and the wars we have carried on around the world. When the time comes to pay these annuities these funds already spent will again have to be replaced by new taxes from you taxpayers of the United States.

The problem in its most aggravated form is illustrated by this fact: If 30,000,000 workers in the United States are to be promised pensions of \$100 a month, and if those pensions are to be backed by reserves that actuaries consider adequate, then the reserves will grow to a total of about \$375,000,000,000. That many billions of dollars will have to be invested in bonds or other fixed-interest securities of the United States. Yet all the marketable securities of the Federal Government total only \$225,000,000,000. Pension reserves necessary for full funding amount to nearly eight times the total reserves of all life-insurance companies in the country. That's an indication of the size of the problem involved and the weakness of the social security reserve system.

Under the Townsend program this monstrosity would be obviated. The money

would be collected from month to month to pay the annuities as needed and it would go back into the blood stream of commercial activities every month as spent.

The payments under the existing social-security law are based upon the amount of earnings received by the annuitant. While these payments in recent years have been very substantially increased they are still wholly inadequate to meet the living needs of these retired workers. Furthermore only favored groups coming under the law are entitled to participate in the program. The latest figures show that in March 1952 over 5,650,000 persons were on relief in the United States who were not taken care of by the social-security insurance system. There recently came up for consideration in the House H. R. 7800 which had for its purpose increasing by approximately \$5 monthly the allowances to the recipients of old-age and survivors insurance under social security. It also increased the ceiling on outside earnings to \$70 a month. I hold that annuitants under social security and old folks on relief should be permitted to earn over and above the meager monthly payments they receive, additional sums sufficient to give them ample funds for all their needs. Why enforce idleness on them and deprive them of needed food and care? Those on social security have paid for their small monthly payments and should be permitted to earn on the outside all they are fortunate enough to receive from employment. This bill, however, you should understand, did not provide any increase for those who were not under covered employment under social security. I voted for this bill because it did give some relief to the large number of our elderly citizens retired from employment who are covered under the law. However, it did not at that time receive the two-thirds vote required and was defeated. I have urged the leadership in the House to bring the legislation up again and pass it. Legislation should provide for assistance far greater in amount than that provided by this bill, which provides for a very meager sum to enable these retired workers to eke out a bare existence. The 53-cent dollar has cut in half old-age assistance. High living costs make their problem most critical. These elderly persons are up against it and something should be done for them at once. It would give them some help if we would put a stop to some of the administration's reckless spending policies which are deflating every dollar and which are putting these elderly people behind the eight ball.

We must not forget that those who are not covered by social security are likewise suffering, and would get no assistance from these amendments to social security. The United States should be willing to do its duty by these needy people, not only under social security but all others not covered by social security, regardless of what other Federal expenditures may be. I regret very much that this necessary increase in assistance has been delayed so long, because these needy aged and blind persons and dependent children should certainly be given increases now proposed. How anyone could object to it, I cannot understand.

During the past 18 months, since the war in Korea began, and during which time the elderly people of our country have been suffering from inflation which doubled the cost of living, the United States Government has been destroying large amounts of good, edible food which these needy people could have used. For instance, since the outbreak of the Korean war the Government has destroyed more than 58,000,000 bushels of potatoes. This is enough to make a solid trainload of potatoes over 500 miles long. Today the housewife cannot find potatoes, many of whom are in need of potatoes. At the same time, more than 300,000,000 dozen eggs have

been destroyed at a cost of millions of dollars to the American taxpayers. Such maladministration and flagrant waste is a monumental blunder which should not be permitted.

Those who do not wish to have the Federal Government take care of these worthy persons can always find some excuse. As I have often said on the floor of the House, in my judgment, there is only one sound solution to this problem and that is the enactment of a Federal old-age security program, Nation-wide, which will provide security for all aged citizens who are unable to participate in industry or remunerative employment and who are without the bare necessities of life. H. R. 2678, which I introduced February 15, 1951, and its companion bill, H. R. 2679 introduced by my colleague, Mr. Blatnik, would if enacted, provide such a program. This legislation would provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60 or for total disability, from whatever cause, for certain citizens under 60; it would give protection to widows with children; it would provide an over-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys. It would end for all time the unsound social-security trust fund, which puts a double burden on the taxpayers. If we are to preserve the American way of life and our economic and democratic processes under free enterprise, we must find a solution not only for our unemployment problems but also for the problems of providing adequate care for the aged and disabled. With an accelerating advance in technology in the postwar era, and with the commercial development of atomic energy presaging more rapid transitions in mass production, the social risks and hazards of unemployment and old age are increased. Rather than see workers pushed from active labor force, hit or miss, the logical policy to follow is one of selection. The older group has earned retirement. Many of them are not covered by the Social Security Act. By covering the entire group, the whole process of business activity will be stabilized. Retirement payments will provide continuous buying power, will provide the needed balance in market demand, and will help to provide mass consumption without which our mass-production economy cannot function successfully. It will lead the way to greater prosperity in our Nation.

It was by reason of these deficiencies in the old-age security program that those of us in the Congress interested in the problem introduced the legislation which is embodied in H. R. 2678 and H. R. 2679. The aged, through no fault of their own, through the fiat of industry, are denied a part in production. They toiled the longest in production and should not, when old, be deprived of taking part in consumption. They are the victims of an industrial system for which they are not responsible. Society owes a duty to these old folks, and it can only perform this duty by establishing a national annuity system providing against the hazards of old age and disability. There are now millions among us, 60 years of age and over, who are not now being cared for in an honorable and just way by the present system of social security, and are receiving no support from any source or hopelessly inadequate support. Our plan would replace the complicated, arbitrary, and inequitable provisions of the existing law. It is financed by a gross income tax in which all participate. It is a pay-as-you-go system, and annuities will be paid currently each month out of currently raised revenues, and the sums so

received by annuitants must be spent within 30 days. Under the plan the existing system of old-age and survivors insurance and old-age assistance will be abolished and a new program substituted therefor. This proposal gives recognition to the past labors of the aged and would offer them dividends from the wealth of American industry which they helped to create. These annuities are provided for those self-respecting American citizens as a matter of right.

As I have repeatedly said, annuities should be offered with neither the stigma of charity nor of poverty. They should be offered as a matter of right as dividends from the national wealth the aged have helped to create. Such a program would replace the complicated, arbitrary, and inequitable provisions of the existing law. It would have a stimulative effect upon our economy and would help to make available jobs to all the young who will replace the aged as the latter move into retirement at a decent standard of living. Only noncontributory annuities will meet the needs of those now grown old who are in need because of past neglect in providing an adequate contributory retirement system.

Uncle Sam is the greatest spendthrift of all time throughout the entire world. He has disbursed or committed \$112,000,000,000 since World War II in addition to \$16,000,000,000 in loans to foreign nations that never will be repaid. This is \$825 for every American citizen or \$3,300 for an average family of four. Of this amount \$389,000,000 is charged to my own Multnomah County of Oregon on a per capita basis. Uncle Sam has exacted in taxes from our citizens in the last 7 years \$307,000,000,000. In the whole 157 years from George Washington to 1945, there was collected in taxes only \$254,000,000,000. In other words there was collected in the last 7 years \$53,000,000,000 more in taxes than was previously collected in our whole history and at the same time we keep our elder citizens who made America great on a starvation diet.

Federal money does not grow on trees. It is not free money. The Government has no source of income except that which is taken from our workers. When the Government squanders taxes it is wasting your money, the money you earn by the sweat of your brows. Much of these enormous expenditures are due to war. In the Korean war alone which was not declared by the Congress, we have spent over \$5,000,000,000 and suffered over 108,000 casualties, young Americans dead, wounded, or missing. When will wars end? When will the taxpayers be relieved of the huge burden from shooting their tax dollars in the air on foreign fields 10,000 miles from home? When will the red blood of our American boys cease to saturate the battlefields around the world?

With a judicious handling of our governmental affairs, more common sense, and less war and devastation, we could do our full share in bringing about world peace and at the same time be able, from savings alone without increasing the taxes, to take care of our own people here in America, provide a decent living retirement for all of our old people, the widows, the disabled, and the orphans and still have billions of dollars left over for schools, churches, libraries, hospitals, and for the upbuilding and rehabilitation of this great Republic.

In closing I repeat what I have said to you before, are we not overlooking the admonitions of the Sermon on the Mount and the great spiritual values of life and placing our dependence on material things, the war engines of destruction, and the atomic bomb?

"For heathen heart that puts her trust
In reeking tube and iron shard—
All valiant dust that builds on dust,
And guarding calls not Thee to guard."

The Great Architect of the universe has been good to America. He has given us the greatest country on earth. It is rich in natural resources; we have great fertile fields, broad rivers charged with almost boundless hydroelectric power, great forests, mineral wealth, and an industrial system with skilled workmen, the greatest and most productive for human welfare and human needs in all history, and a garden spot in which to spend our days during the short span we are permitted here on earth.

We have indeed, a wonderful world to live in, yet we are spending most of our time in petty, intolerant jealousies, selfish grasping for wealth and power, and in waging world-wide wars, preparation for war, or the sordid business of cleaning up the mess, and of restoration and rehabilitation after death and devastation wrought by war. As loyal American citizens who believe in the promises of a just God, we need in America today more good will among men and less war, more of the spirit of cooperation, brotherly love, and fellow feeling and less of selfishness, hatreds, animosity, and jealousies which are abroad in the world.

If we fortunate Americans could in this great freedom-loving Republic put into practice such a program, would we not be taking the most forward step toward abolition of war and the restoration of peace and brotherhood among the nations of the world? At best we will be here but a little while in this great adventure of life. We are admonished that we brought nothing into this world when we came and we can take nothing out when we go. It behooves us to garner our resources well and put them and our talents to good use and to extend the hand of friendship and good will to our neighbors before we are called home forever.

"When Earth's last picture is painted,
and the tubes are twisted and dried,
When the oldest colors have faded,
and the youngest critic has died,
We shall rest, and faith, we shall need it—
lie down for an eon or two.
Till the Master of All Good Workmen
shall set us to work anew."

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as one of the 15 Members who voted against the original National Production Act, I presume most of you know how I feel with regard to the continuation of this act. However, I am pleased to note that the gentleman from Virginia [Mr. SMITH] is going to offer the so-called Byrd amendment which will request the President to follow the provisions of the Taft-Hartley Act in the steel strike. The question was asked by gentleman from West Virginia whether the Taft-Hartley Act can be effective. In reply may I point out that since its passage the Taft-Hartley Act has been effective in practically every instance.

Should the Taft-Hartley Act be invoked in the present steel difficulty, the steel seizure problem would soon be eliminated. I make that statement for the reason that in my considered judgment an overwhelming number of these men do not want to go out on strike. Why? They have certain obligations to meet, just as you and I have. These men who are on strike have certain installments to meet on their homes, they have obligations perhaps so far as their automobiles, their refrigerators, and other things are concerned. If these men had the

opportunity to vote on the strike question by secret ballot, a vast majority of them would have voted against going out on strike.

There is a logical reason for this. After these men are out on strike for 3 or 4 weeks their families become a little short of money, and they become pinched. We know that in the past month when we held up the pay of Federal workers for a mere 4 or 5 days, those workers sent us telegrams by the hundreds that they did not have any money available with which to buy the necessities of life and as a result were suffering. So I think the steel workers would probably be in the same situation.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SMITH of Virginia. In connection with this proposal that the gentleman is making that they ought to have an immediate vote on whether these strikers want to strike or not, I just would like to call the gentleman's attention to our experience with that sort of legislation. You remember we had such a provision in the Connally-Smith Act, and we have such a provision in the Taft-Hartley Act. Let me say to you that in every instance where you had an election as to what the union members wanted to do, they have unfalteringly and unanimously followed the wishes of their leaders. So that you might just as well ask Phil Murray to vote on what he wants to do. The reason I am intervening at this point is because I thought at that time it was a good thing to do if we would let these fellows vote on what they wanted to do. But, our experience has been that every time they have voted on what they wanted to do, they followed their leaders.

Mr. ALLEN of Illinois. Mr. Speaker, may I say to the gentleman from Virginia that we are cognizant of the fact, too, that when these steel workers are not on their jobs they draw no compensation. However, what is the fact with reference to their leaders? These labor leaders receive in salaries \$15,000 or \$25,000 a year, and they continue to draw this large sum of money while the people who are on strike receive nothing. Who suffers? The answer is obvious.

I want to refer now to the Committee on Education and Labor. Last night by a vote of 16 to 5 that committee voted to abolish the Wage Stabilization Board. It is my understanding that an amendment will be offered to this bill to abolish the Wage Stabilization Board.

In the original Defense Production Act the Wage Stabilization Board was given authority to stabilize wages and prices. Then they got into the question of labor disputes, doing something that was not intended. I know the greatest supporters of the Taft-Hartley Act were the most ardent supporters of the original Defense Production Act, and I know they would not have voted for the Defense Production Act had they thought for a minute that the Wage Stabilization Board was going to compel someone to belong to a union against his wish.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to remind the membership of the House present that that action, to which the gentleman has referred, by the Committee on Education and Labor, was in connection with a report that followed an inquiry carried on by that committee. That inquiry was initiated by the so-called Allen resolution, of which the gentleman from Illinois [Mr. ALLEN] was the author. I want the RECORD to show that. I commend him for introducing that resolution and bringing it to passage in the House.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. Speaker, in conclusion, the general public is keenly aware of the fact that if Government can seize the steel mills it has equal authority to seize other mills, factories, newspapers, radios, or even the private homes of individuals. So I hope that this body will overwhelmingly vote for the so-called Byrd amendment, and that the Members will likewise vote to abolish the Wage Stabilization Board.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I could not sit idly by while the gentleman from Illinois [Mr. ALLEN] was singing the song regarding the right of the steel workers to have a vote as to whether they would make acceptance of a contract that has been proposed by the employers. His position is that in his opinion—in his opinion—the steel workers, with the obligations they have back home, would gladly accept, would gladly vote to forfeit any right to a union shop.

Let me remind the House that, that is the song all of you sang in the Eightieth Congress. You wanted to free the workers from the union bosses. That was your position. Free the workers from the union bosses. You said that many of them were in the unions by coercion, or duress, and other illegal causes and that they were unable to work unless they became members of the union. As a result of that kind of thinking, there was included in the Taft-Hartley Act a provision that set up processes by which the workers could free themselves. First, by having 30 percent of the workers in any given plant sign a petition that they wanted an election to free themselves. After they had certified 30 percent to the National Labor Relations Board, an election would be held.

I do not need to remind this House what the results of those elections have been. They have been costly and time consuming, and a disavowal of the sentiment of those who wanted to free the workers. The record will show that 98 percent of the thousands of elections were for the union shop.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I address myself today to this bill renewing the Defense Production Act for another year, because I think it is high time that we considered some basic concepts which it embraces.

The justification for this law and its renewal, as set forth by its supporters, is that it is necessary to impose stringent controls upon the American economy to facilitate the production of armaments for the preservation of liberty in the free nations of the world. It is contended that unless we supply sufficient quantities of armaments, many of these free nations, particularly in Europe and Asia, will succumb to communism, thus further shrinking the already-diminishing areas where liberty is still cherished.

Unless this proposition is held up to the light and examined fully, it has an appealing sound about it. The enormity of the powers granted under this act to the executive branch of our Government seems to fade into insignificance compared to the high-sounding objectives which are proclaimed in behalf of the law.

The trickery of masking misappropriation of power with appealing aims, objectives, and slogans is as old as despotism itself. Even the most ruthless and brazen of the kings, czars, and dictators have resorted to this device. Adolf Hitler and Benito Mussolini, to name two dictators in our time, never failed to adopt for their cruelest acts the protective coloration of high-flown goals and aims for the people they subjugated.

I think it is about time the House faced the truth and faced it unflinchingly. What we propose to do here is not to preserve liberty but to subtract from it. This bill does not broaden the rights of Americans; it narrows those rights and narrows them dangerously. It offers no charter for strengthening the American way of life; it forges a doctrine for the destruction of the American system.

In short, we are asked to give up basic American liberties in the name of protecting the liberties of peoples in other lands.

Think that over for one moment. Apply the test of logic to it.

By any sane course of reasoning you cannot escape the conclusion that the supporters of this bill are arguing that the best way to preserve freedom abroad is to promote the total state at home.

What kind of logic is that? What kind of specious political double talk do we have here? Could it be that we are burning down our own home in the mistaken notion that it will prevent a house several blocks down the street from catching fire?

Now let us assume for one moment—and mind you it is only an assumption—that the only way the free world can be saved is by arms which can only be produced by sacrificing our liberty. If the assumption is correct, then we have every right to expect the production of armaments to be at a maximum peak

with quotas being met promptly and in full. Otherwise, why have this law? Why embrace this threat to our liberty unless we are achieving the aims proclaimed for it?

Therefore, it is proper for the House to discover how the production of armaments has fared under this law.

I do not need to tell the membership of this House that our armaments program so far has been a tragic disappointment. We are not getting the production we want and must have. The guns, tanks, planes, and ships are not rolling off the production lines as we were assured they would.

An exhaustive analysis made of the armaments production schedule last March showed that our over-all program was lagging behind schedule by from 30 percent to 50 percent.

In the field of jet propulsion, our production of planes lagged as much as 70 percent for fighters.

Production of jet bombers was 65 percent behind schedule.

Our light tanks were 25 percent behind schedule.

Our medium tanks were 70 percent behind schedule.

To state it another way, our armaments program, which was supposed to be completed by 1954, will not and cannot be completed until 1955.

The truth is this production lag became so embarrassing this spring that the Pentagon revised its production schedules by imposing what has been called a stretch-out. This is a polite word for substituting failure for success. Thus, when you read in the newspapers that our armaments production is up to schedule, they are talking about the so-called stretch-out schedule, not the original schedule.

In Korea our men fight a 1952 war with an obsolete 1949 Air Force, all because of this production breakdown. Gen. Hoyt S. Vandenberg, Chief of Staff of the Air Force, using the diplomatic language that the Pentagon deems necessary under such circumstances, terms the air picture—and I quote—"embarrassing"—unquote.

I say to this House that it is a disgrace—quote and unquote.

Thus, the facts show that the Defense Production Act has failed to reach the objectives claimed for it. I think it is incumbent upon us to examine this law thoroughly to discover why it has failed, and I propose to do so here today.

The fundamental weakness of this so-called Defense Production Act is that it attempts to convert a free market system into a managed, regimented, and controlled market. It attempts to suspend or repeal the basic economic law of supply and demand and substitute, in its place, Government edicts controlling allocations, prices, and wages. Fundamental rights of individual citizens are in reality suspended and, to all intents and purposes, repealed.

Under this act, the renewal of which we are now considering, an individual no longer has the right to all proper means of sustaining his life.

The right to retain or dispose of what he has produced is circumscribed.

His right to private property is invaded.

The citizen's right to own and control the tools of production is diminished to the vanishing point.

The monarchs of old, the czars, the despots and the dictators—and, yes, the Communists and the Socialists—have all known that whoever controls the tools of production controls humanity. When our founding fathers drew up that greatest charter of human liberty, the Constitution of these United States, the fundamental distinction they sought to draw between freemen and chattels was the right to own the tools of production. Yet, here we consider a law to suspend that right, and, who knows, perhaps to permanently repeal it—all in the name of preserving liberty in other lands.

Could it be that our production of armaments has fallen a year behind schedule because we have suspended these basic rights? Could it be that when we remove the spirit of the American way of life we deaden the spirit of incentive?

But, let us go a step further.

What is the free market? How does it work? Does it work better or work worse than a government-controlled market? Does a free market inspire men to greater production or less production than a government-controlled market?

Every transaction, whether it be in commodities in the form of goods, or services in the form of labor or skill, has two parts—the buyer and the seller. It has been our historic policy in America to leave the relationship between the buyer and seller as free as possible.

If a worker wants to sell his services as a lathe operator to an employer across the street who is willing to pay more for those services than the worker's present employer, the worker is free to participate in the transaction with the man across the street. The employer across the street, as the second party to the transaction, has every right to seek the services of the lathe worker by enticing him with more money, and, of course, he does this because he knows that the lathe worker is an excellent producer and is worth more money. Otherwise he would not pay him the additional wages.

Thus we have seen incentive operate. The worker is moved to do better work because he will be rewarded in the form of better wages. The employer is moved to pay better wages because he knows he will get better work and, hence, realize better profits. Incentive has free play on both sides of the transaction. That is the essence of the free market so far as the individual is concerned.

I do not have to explain to the House that incentive works in exactly the same fashion in the case of commodities. The better the product, the greater the demand and the greater the rewards. The processor produces better goods because he is better rewarded, and the consumer buys the better goods because he is better served. The incentive is on both sides of the transaction.

There is a second all-important function in the free market—the stabilization of prices and the automatic regulations of supply and demand.

In all markets there is a constant flux of surplus and shortage.

When surpluses exist, prices tend to drop and labor and commodities seek new markets, thus helping to relieve the community of the surplus and the depressing effect on prices and wages.

When shortages exist, the price of both labor and commodities sometimes approaches the exorbitant level. The result is that labor and commodities are attracted to the new market, thus relieving the shortage and stabilizing prices of both wages and commodities.

This wondrous interplay of the forces in the free market is the greatest economic control that has ever existed. No man-made substitutes have ever approached the natural economic law of supply and demand in effectiveness.

Why?

Because the free transaction ceases to be free when man-made controls are imposed. A new element is added to every transaction—a third force, if you please. In addition to the buyer and the seller, we now have the third element, the third force of Government regulation. The bureaucrat says that the buyer can pay only so much and that the seller can charge only so much; that the seller can only deliver so much and the buyer only receive so much.

Incentive goes out the window. Automatic stabilization of prices goes out the window. Automatic regulation by the law of supply and demand goes out the window.

All the elements of economic stagnation have been introduced by the attempt of man to impose his own edicts on the free market.

The laborer finds himself without incentive. Why? Because his wages are fixed by edict.

The producer finds himself without incentive. Why? Because the price of his commodities is fixed by edict.

But that is not all. When governments start tampering with the price of commodities and services, they discover that they must go further. They discover they must allocate materials. Why? Since the allocation of goods by the law of supply and demand has been suspended, they must substitute man-made law, else face the threat of stagnation in the movement of goods. The human element in the form of bureaucratic judgment is substituted for the inexorable natural economic law of supply and demand. In other words, the element of human error is introduced, and believe me, experience has shown that Government bureaucrats have an unlimited capacity for human error.

Make a wrong calculation under man-made controls, and we do not eat potatoes.

Remove man-made controls and presto, overnight potatoes again are on the market.

Make a wrong calculation under man-made controls, and we do not eat meat.

Remove the man-made controls and presto, overnight we eat meat again.

The truth is that man-made controls encourage hoarding, promote shortages, inflate prices and destroy incentive.

When an economy suffers from hoarding, shortages, instability of prices, and a lack of incentive, production drops.

Let me repeat this fundamental truism: Introduce hoarding, shortages, instability of prices, and lack of incentive into our economy, and production drops.

The free market tends to become the black market. The heavy hand of Government controls stifles initiative, discourages invention, halts expansion, and corrupts the market place.

Is it any wonder, when you look the facts in the face, that this so-called Defense Production Act has failed?

Is it any wonder that our armaments program lags a year behind schedule, that our troops in Korea fight with antiquated weapons because the new ones are not being produced?

My colleagues, if the sponsors of this bill had the courage to give it its correct name, the title of this bill would not read the "Defense Production Act" but the "Defense Reduction Act."

Now let us further examine the effects of this misnamed piece of legislation. Let us take a look at the relations between labor and management under this law.

It requires no great amount of foresight and logic to understand that when a mere handful of men in the Executive Branch of our Government have conferred upon them vast powers over wages and prices, one side or the other in a labor dispute is going to take advantage of the human element involved in man-made controls.

We have witnessed this in the settlement of the railroad dispute where the Government seized the railroads, held them for 2 years, and then virtually enforced a settlement that labor found unsatisfactory.

We have seen it in the steel dispute which will probably go down as one of the most disgraceful examples of Government interference with collective bargaining in history. We need look no further than the steel dispute to see what happens when the third force of Government controls is capriciously used by the executive branch. Not economic factors, not the requirements of national defense, not the needs of our boys in Korea, but political considerations motivate the actions of the bureaucrats. Labor itself recognizes this. Philip Murray, president of the United Steel Workers of America and head of the CIO, declared last week that the dispute has become a political football.

We can call this an abuse of power if we please. We can protest that the executive branch is exercising powers it does not have. But the truth is that in this one bill, this so-called Defense Production Act, we give the President of the United States powers that make him an absolute czar of our economy.

It is passing strange that when we do something evil ourselves, it never

seems quite as bad as if the other fellow did it. It is so frequently easier to discover danger from a distance than at close range.

For example:

In 1943 there was published by the Department of State and printed by the United States Government Printing Office a document entitled "National Socialism: Basic Principles, and Application by the Nazi Party's Foreign Organization, and the Use of Germans Abroad for Nazi Aims." On one of the pages of this document there is a discussion of government edict. It is stated that the leader's "authority is supreme, his decisions are final and always right, and his followers owe him the duty of unquestioned obedience."

Is there a lesser grant of authority in this bill?

The truth is that our Government is run today and has been run for the past 20 years by persons who subscribe to an authoritarian philosophy. It is the Old World doctrine of the might of the state. It is the philosophy of the Marxists, both the Socialists and the Communists. The differences between them, if any, are not differences at all but similarities in degree. They subscribe to the same abhorrent set of principles—principles which are utterly foreign to the spirit of the American Declaration of Independence and the American Constitution.

Should we wonder that men who embrace such concepts should advocate this law which we are now considering? Not at all. It follows as naturally as night follows day—or to say it another way, as darkness follows light.

Should it occasion surprise that America is plunging down the road to the total state when such men as Lord Keynes and Harold Laski—one the high priest of compensatory spending, the other the prophet of Fabian socialism—were imported from England in the 1930's to be winned and dined at the White House?

Is it a matter of coincidence or wonderment that one Dr. Julius Hirsch, who was administrative head of the German Price Administration until 1923, when inflation finally destroyed the Weimar government—is it any wonder that Dr. Hirsch held the title of chief consultant to Leon Henderson, the head of the Office of Price Administration during World War II?

How better to destroy America than import the disciples of Old World statism from Europe—Europe, from whence our ancestors, our forefathers, and our fathers fled because America offered them greater opportunity than the oppressive governments which are now held up as models for a new oppression here in these United States.

This is what we call the new liberalism. Think of it. What a mockery. What an abuse of nomenclature.

Yes; these crimes against liberty are being committed in the name of liberalism. But crimes against humanity have a strange way of being uncovered. Perhaps our American police have something when they sometimes use criminals to catch criminals. Perhaps we would do well to listen to the words of

one of the arch criminals of all time, Hermann Goering, a chief architect of nazism in Germany. Goering was interviewed in jail by an American commentator, Mr. Henry J. Taylor. Here is what a badly disillusioned ex-high potentate of nazism had to say, and I quote:

Your America is doing many things in the economic field which we found out caused us so much trouble. You are trying to control people's wages and prices—people's work. If you do that, you must control people's lives. And no country can do that part way. I tried it and failed.

No country can do it all the way, either. I tried that too, and it failed.

You are no better planners than we. I should think your economists would read what happened here.

Those are the words of Hermann Goering, one of the fathers of nazism. The list of witnesses against the concepts which this administration embraces is endless. The very pages of history are crowded with testimony against the concentration of power in the state. Who can be so blind to argue that the way to save liberty abroad is to destroy it at home?

Now, it is said that a second great reason for the enactment of this legislation is the prevention of inflation. We are told that prices will soar and the spiral of inflation will move ever upward.

I think I have demonstrated beyond dispute that the best way to lick inflation is to allow the free market to function in all its ramifications. I think I have made it clear that the best way to prevent materials from being in short supply, to avoid hoarding, and to keep prices stable, is to permit the historical economic law of supply and demand to operate. I have uttered these arguments because I sincerely believe them. I speak in good faith.

The question may now be properly raised as to the good faith of those who claim they are fighting inflation by the employment of the vast economic powers granted under this legislation. In other words, the question becomes: Is this administration for or against inflation?

I think the record speaks for itself. Let us examine it for a moment.

The chief advocate of Government controls, President Harry S. Truman, began removing controls in September 1945, and he completed the job by October 1946. I might add that he removed them reluctantly at most steps along the way, taking his final action in October 1946 because he could see that the candidates of his political party were about to go down in defeat in the November 1946 elections, and he was trying to save them.

Mr. Truman argued that if controls were removed, the ravishes of inflation would overwhelm the country. But for political reasons, he removed them anyway.

Now, let us see what happened.

Prices did rise because of the severe shortages which price controls had only aggravated instead of alleviating. And as prices rose, Mr. Truman changed his

story and began talking about prosperity.

But regardless of the President's opinions, the inexorable law of supply and demand was working, and instead of the dreaded inflation which he had predicted, prices began leveling off as they always have when the free market is not inhibited by man-made controls.

What next did this chief advocate of man-made controls do?

In the 1948 election, he stumped this country from one end to the other telling farmers that the Republicans were to blame for the leveling process in prices. He warned them that if he were not elected, prices would drop further. Mind you, this was the same Mr. Truman who a few months earlier had been predicting that America would be re-vivified by inflation.

I will leave it to the judgment of the House to measure the good faith of these contradictory positions taken by the President.

Elected in 1948, the President, in his State of the Union message to Congress in January 1949, demanded that we enact the so-called Spence bill, writing into law stand-by economic controls, many of which are in the pending legislation. Despite the fact that the members of his party were now in control of the Congress, Mr. Truman failed to get the stand-by powers he requested.

In 1950, in his State of the Union message, he again sought these extraordinary stand-by powers. Once more the Congress refused to give them to him.

With the outbreak of the Korean war in June 1950, the Congress, on its own initiative, enacted the Defense Production Act, now under discussion and sent it to the White House in September. The action was taken by the Congress because a hoarding wave had swept the country in anticipation of Government controls being slapped on all essential commodities. Prices were climbing by leaps and bounds. Shortages in critical materials appeared overnight because of the hoarding.

Did the President invoke the controls contained in the Defense Production Act laid on his desk in September 1950? He did not. He waited five long months while prices and the cost of living soared daily.

When he finally imposed them, on January 26, 1951, the over-all cost of living for the American people had risen 8 percent during the interval in which he failed to act.

Once again I will leave it to the judgment of this House as to the good faith involved in the events I have just described.

Today the President still inveighs against the ravishes of inflation, and the sponsors of this legislation join him in his outcries. But once more, let's look at the record.

This is an election year, and with man-made controls, political considerations, not the requirements of national defense, not the needs of our boys in Korea, and not economic factors will determine how they are used—how the

Government-controls piano will be played—which notes will be pushed down and which notes lifted.

Thus far in 1952, the piano player, despite much inveighing against the threat of inflation, has removed one control after another in an obvious effort to send prices soaring once more.

Curbs on all installment buying have been completely removed, as have restrictions on all types of consumer credit by lifting the so-called regulation W.

Regulation X, affecting the credit requirements on housing, has been greatly eased.

The so-called voluntary credit-restraint program to hold down all borrowing, particularly bond issues by local and State governments, has been abandoned officially by President Truman.

Steel allocations for local construction have been eased, and the curbs on numerous minerals and metals have been eased or removed completely.

Price ceilings have been suspended on two-score items.

Secretary of the Treasury Snyder has announced that the Government will borrow up to \$10,000,000,000 of new money between the Fourth of July and Christmas.

Military spending is scheduled to move into high gear by fall.

Does this sound like a Government that is fighting inflation?

Does this sound like an administration that is acting in good faith with the American people?

You, the Members of this House, know what is going on, and so do I. The American people are being made the victims of the biggest flim-flam game in American history.

I repeat—this is no Defense Production Act; it is a Defense Reduction Act. We do not have an Office of Price Stabilization under this bill; we have an Office of Political Spongers. This legislation is nothing more than a bench-warmer's paradise for 12,000 OPS political appointments who will man the river wards, the flop houses, and the vacant lots to help produce another phantom vote for this administration next November 4.

Talk about good faith. Anyone in his right mind knows that this administration is promoting inflation, not fighting it. Every move it makes is dedicated to that end.

Billions upon billions of dollars—almost \$85,000,000,000 in all—are dumped into the economic life-stream, pushing prices ever higher and building up enormous pressure for still further increases. Government bond schedules, procurement schedules, and military spending are all pyramided one on the other to reach a vortex in the inflationary spiral next November.

The face of America will be flushed with the fever of inflation. False prosperity necessary to the reelection of those in power will have been created. But the good faith of all involved can best be judged by the fact that the day after the election, they will start slapping controls on again, one by one, if the American people should fall once more for this flim-flam game which has

been so successfully promoted in the past.

What a picture. From the rigor mortis of price controls one day to the fevered inflation of Government spending the next and back to the rigor mortis of price control the next.

Since the model for these processes, these devices, these artifices is the statism of old Europe, perhaps this House would do well to recall the experience of the Weimar Government of Germany, to which I alluded earlier.

The Weimar government played the government-controls piano for five long years in Germany. All the tricks of artificial prices and artificial wages floated on the air like the notes from some Pied Piper's horn. As prices—both as a result of Government promotion and the rigor mortis of government controls—soared ever upward, Germany went into a sort of cataclysmic trance. Production came almost to a standstill. Farmers refused to sell their produce. Tenants refused to move. The labor market ceased to exist as wage controls froze jobholders to their jobs.

Those who had anything held on to it for dear life. Those lucky enough to have a job clung to it like drowning men. Those lucky enough to have a roof over their heads refused to move.

But each year during these five long years, more young people moved into the labor market, as they reached their majority. But there were no jobs.

Young couples continued to marry. But there were no homes.

Soaring prices made food dear. But there was little food.

The "haves" kept what they had. The "had-nots" had nothing to keep.

Need I remind this House that the "had-nots" were organized by Hitler?

My colleagues, how much longer are we going to continue this desperate business of defying economic law, destroying basic American principles and undermining our liberties? Rugged as this country's fabric is, great as the American people are, how much longer can either the American system or the American people withstand the political manipulations of these disciples of Old World doctrine?

I say it is time that the elected representatives of the people—the Members of this House—put a stop to this trend toward the total state and strike the first blow for liberty by defeating this socialistic monstrosity, misnamed the Defense Production Act, when it comes to a vote this week.

When we talk about saving the world, we had better talk about saving ourselves first, lest we become the first victims of that which we are fighting.

The resources of America are bountiful, but they are not unlimited. The ingenuity of Americans is unsurpassed, but it is not unlimited. The patience and the inherent good will of the American people are famed around the globe, but even those qualities are not unlimited.

Our friends in the executive branch of the Government speak eloquently of planned expansion, planned prosperity,

and a planned new world. The truth is that what we have in operation is a planned exhaustion, and we are rapidly nearing the end of the road.

They cannot make the American system work because they do not believe in it; they do not understand it; they do not trust it; they want to destroy it.

How can a free market exist half free, half controlled? How can a free economy exist half free and half controlled? And finally, how can a free people exist half free and half controlled?

Any marine can tell you that you can choke a man to death by wrapping your hands halfway around his neck.

It is time this Congress awakens to its real duty and stops forever the enactment of these vast grants of power to those who are slowly choking the life out of America.

We, as the elected representatives of the people, have an oath of office to uphold which commits us to the letter and spirit of the Constitution.

We, as elected representatives, have a duty not only to our constituents, but to the generations to come, to preserve and strengthen the free institutions for which men have fought, bled, and died for 4,000 years.

And above all else, we have a higher duty, a moral duty, to safeguard every single hard-won right that man has earned, to protect the individual dignity that freedom has bestowed on every human being, and to keep America the shining symbol of liberty in a world where the torches of liberty are slowly being extinguished, one by one.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HALLECK. First of all, I want to commend the gentleman for his very thoughtful and well-reasoned statement. Particularly, I wish to commend him for again calling to the attention of the membership of the House of Representatives the fact, and it should be constantly remembered, that it was not until 5 months after the price and wage control act was put on the books that President Truman saw fit to invoke its provisions, and in that time much of the damage that was done could have been avoided.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. KELLEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. KELLEY of Pennsylvania. A few moments ago when the gentleman from Illinois [Mr. ALLEN] was addressing the House, I asked him to yield to me for a correction and he refused to do so. I

simply wanted to point out to him, when he said that the officials of the steelworkers' union were receiving high salaries while the men were not receiving anything, in the interest of fairness I wish to tell him that the officials of the steelworkers' union voluntarily relinquished their salaries during the dispute.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. ALLEN of Illinois. All I can say is that the union members themselves say that the members of the executive board who decide these things still receive their salaries and expenses. I am not a union man. I am only taking the word of the union men themselves.

Mr. MADDEN. Mr. Speaker, I did not intend to say anything on this rule, but I was somewhat amazed by the speech made by the gentleman from Ohio [Mr. BROWN] when he was referring to the fact that in times like these we should revert back to a peacetime economy. In other words, the gentleman inferred that the economic situation in the Nation should be conducted on the same basis as in normal peace times. He advocates eliminating controls, and all other preventive measures, during this great armament producing period.

My friend from Ohio failed to mention that 85 cents out of every Federal tax dollar is diverted to the category of war. If we were living in the days of President Coolidge or President Hoover, or back maybe in the middle thirties, it would be a different situation. Today we are engaged in a mammoth armament production period. I represent a district that produces more steel than any congressional district in the United States and I happen to know what the steelworkers and their families are going through not only since the strike started but also before the strike.

If I could only impress upon some of the Members of this House that last fall, instead of Congress aiding to keep the cost of living down for people in industrial areas, instead of trying to curb inflation, Congress voted for the Capehart-Herlong and other crippling amendments to the stabilization legislation.

If we passed an effective Defense Production Act last year labor would not be demanding increases to meet the increased cost of living. I know my friend from Ohio did not mean what he stated when he said, "Remove price controls and, presto, everything goes down." We had an experience like that back in 1946 and 1947; some Members spoke on the floor and asked to have price controls removed and they all said everything would go down in price. We all know what happened. The consuming public defeated the Eightieth Congress on account of prices shooting up after regulations were removed.

I want to caution the Members of this House that we are in as serious an economic situation as far as the diversion of our economy into armament and war production is concerned as we were during World War II. We defeated inflation during World War II by enacting protection for consumers. Remember that millions of consumers over the country

are watching what the Congress does on this legislation today and tomorrow. In industrial areas the situation is indeed critical from the standpoint of the high cost of living.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield.

Mr. VURSELL. I would like to refer to the statement the gentleman just made to see if I can get him to answer a question. My question is this: Is it not a fact that the present is not analogous to 1946 or 1947 when controls were removed? Because we had gone through the hold-up of production by the OPA until production was at the lowest ebb in all history. Today it is at the highest it has ever been.

Mr. MADDEN. Let me answer the gentleman by stating that today the money that is being diverted into armament is practically on a par with the conditions we were going through back during the period of World War II. When price controls were taken off in 1947 immediately prices shot up. I know what the situation was in the industrial area in the Calumet region of Indiana.

Let me say in regard to the remarks of the gentleman from Virginia [Mr. SMITH] as to the amendment he proposes to offer, if there had been sincere collective bargaining, if there had been honest collective bargaining on the part of steel management beginning last January, there would not be any cause for invoking the Taft-Hartley Act or for seizing the steel mills. I say that management in steel has made no honest effort to bargain collectively. When the Wage Stabilization Board rendered its decision, immediately steel management did not want to comply. The Capehart amendment would give steel management the increase that the Wage Stabilization Board granted. They wanted to reap far greater profits during these days of unreasonable high profits. They immediately said: No; we do not want that \$4 a ton which the increase would give us under the Capehart amendment. We want \$12 a ton. In 1947 steel was making a profit of \$11 per ton. In 1951 their profit was \$19.50 per ton. If steel management accepted the Wage Stabilization Board recommendations and accepted the increase allowed by law under the Capehart amendment, they still would be making an approximate profit of about \$9 per ton over 1947.

That is conclusive evidence that steel management was making no effort to honestly bargain collectively. The Members of this House have a serious problem on their hands in the next 2 days in connection with this legislation and especially in regard to the proposed amendment to be offered by the gentleman from Virginia [Mr. SMITH]. Let us not repeat the mistake of the Eightieth Congress.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

TO PROMOTE ECONOMY AND EFFICIENCY IN THE MILITARY DEPARTMENTS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to rerefer the bill (H. R. 8130) to promote economy and efficiency through certain reorganizations and the integration of supply and service activities within and among the military departments, from the Committee on Expenditures in the Executive Departments to the Committee on Armed Services.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. BONNER. Mr. Speaker, reserving the right to object, on June 9 a subcommittee of the Expenditures Committee, of which I have the honor to be chairman, introduced as a result of their studies in the United States and abroad and their recent report a bill which is known as H. R. 8130. This bill was referred to the Committee on Expenditures in the Executive Departments of the Government, and referred by that committee to the subcommittee of which I am chairman.

On June 9, Mr. Speaker, I addressed the House and pointed out that extended investigations of a subcommittee of which I am chairman leads to the undeniable conclusion that there is less unity in supply management in the military set-up than there was in 1945 when our country was so aroused over waste in the Army and Navy. We now have triplication, Mr. Speaker, instead of duplication which we had at that time. We must have better management in the Department of National Defense than we have at the present time.

Mr. Speaker, this bill covers reorganization of the national defense, particularly of the Office of the Secretary of Defense.

I hope the membership of the House will read the remarks that I made on June 9, read the report that was issued by the subcommittee, also the hearings that were conducted by the committee. The hearings and the report justify this bill and will prove conclusively to the House, the Congress, and to the country that this bill should become law.

Mr. Speaker, the bill has aroused national interest. There have been front-page stories in leading papers throughout the length and breadth of this country. So much interest has it caused that it has disturbed those who occupy high positions, those who enjoy the cushion chairs of the Pentagon. They do not care to have their present existence disturbed. They care nothing for the expense that is entailed in the defense of our country, they care not about the reckless abandonment that goes on there with respect to contracts and purchases and management, if you please, in the national defense.

It is high time, Mr. Speaker, that legislation of this type be brought to the floor of the House and enacted. The Munitions Board in the Department of Defense. They are running around helter-skelter and there is no proper authority vested in the Chairman of the Muni-

tions Board, and this bill, Mr. Speaker, sets up an Assistant Secretary of Defense with responsibility for all these things now vested in the Chairman of the Munitions Board and makes this Assistant Secretary responsible to the Secretary and the Nation for sound business practices. We can destroy this country just as quickly, Mr. Speaker, by unwanted waste of our wealth and money and material as we can be destroyed from outside, by an enemy overseas.

Mr. Speaker, I have the highest regard and respect for the able Parliamentarian of this House. He is, without a doubt, one of the finest employees of the House of Representatives. When this committee received this bill, I naturally thought that he had carried out his responsibility and fulfilled it as he then thought should be done. Whatever his decision may be, Mr. Speaker, on the question that is now asked under unanimous-consent request, I will abide by. I hope, Mr. Speaker, if this bill is taken from this committee, which I represent, that it will receive proper consideration. This committee has already set up hearings on the bill. We will have the Secretary of Defense Tuesday of next week, and we are to have other leading figures of America who have had experience with this subject on the 24th, 25th, and 26th. We have asked for reports on the bill and the subcommittee has gone about carrying out its responsibility that has been delegated to it by the full committee as is expected by the Members of this House. So, Mr. Speaker, I do hope if this bill is taken from the Committee on Expenditures, which in all earnestness is trying to do a clear, concise job, that legislation will be immediately acted on by whatsoever committee it is referred to, and that legislation on this bill or another of its type will be brought to the floor of the House, for Heaven knows, the subject needs attention.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Georgia.

Mr. VINSON. I want to state to the distinguished gentleman from North Carolina that the subject matter of the bill is not in issue at this time; it is only a question of jurisdiction. If the Committee on Armed Services' request is granted, I know of no better witness, and the first one to be called, than the distinguished gentleman from North Carolina and other members of the subcommittee, and I can assure him that this subject matter will receive prompt consideration from the Committee on Armed Services.

Mr. BONNER. I wish to call the attention of the House to title 5 of this bill as well as to the title of the bill. The title of the bill reads:

To promote economy and efficiency through certain reorganizations and the integration of supply and service activities within and among the military departments.

Title 5 reads:

Promotion of economy and efficiency through certain reorganizations and integra-

tion of supply and service activities within and among the military departments.

"Reorganization," Mr. Speaker, under the rules of this House, certainly comes within the purview and the jurisdiction of the Committee on Expenditures in the Executive Departments of the House.

I have the highest regard and respect for the chairman of the great Committee on Armed Services. I know he has rendered a great service to the Nation. I want to point out also the Hébert committee which has discovered and brought to the attention of the American people misconduct, waste, and extravagance. This bill will take care of the things he pointed out as well as things that the Bonner subcommittee has pointed out. Whatever may happen to the bill, Mr. Speaker, as I said, I will abide by the decision, but I certainly hope action will be taken, for action is long past due.

Mr. HOFFMAN of Michigan. Mr. Speaker, further reserving the right to object, I want to endorse everything that has been said by the gentleman from North Carolina, who speaks not only from the heart but because of the knowledge he gained personally while making an investigation of what the armed services are doing abroad. In addition to that I wish to call the attention of the House to the fact that when the original legislative reorganization bill was adopted, it was the purpose of Congress to do away with special investigating committees. I might cite an example. The Committee on Expenditures in the Executive Departments at that time was not spending for clerk hire and assistants over \$10,000. At the present time I venture the statement that the committee is spending at least \$300,000 instead of \$10,000. I do not say that by way of criticism but I do say that to call the attention of the House to the fact that instead of cutting down on the number of committees, instead of curtailing investigations, instead of channeling necessary ones into the committee where they belong, the Committee on Expenditures in the Executive Departments, which is charged with the duty of seeing that the tax money is not wasted, we are continually setting up new committees, giving them hundreds of thousands of dollars, and at the same time getting just nowhere with the program of economy.

When the reorganization bill was written in 1947 one of the purposes was to prevent the military services from obtaining control of and directing the activities of the Congress and our domestic economy. Notwithstanding that bill and the bill provided for civilian control in many instances and over many activities, the military are getting in and extending their power. If we do not watch our step we will have a military government. What some fear, if this goes to that particular committee, and I assume it will, is that notwithstanding the earnest efforts of that committee the first thing the country knows we will find ourselves completely under a military government. That is why I make this protest at this time.

Because an objection now will be fatal, I withdraw my reservation of the right to object, Mr. Speaker.

Mr. HOLIFIELD. Reserving the right to object, Mr. Speaker, I endorse the words of my colleagues, the gentleman from North Carolina [Mr. BONNER] and the gentleman from Michigan [Mr. HOFFMAN] in regard to this particular matter.

I also call the attention of the House to the fact that the uniform Federal cataloging legislation was initiated in the Committee on Expenditures in the Executive Departments and became law. Subsequent to the passage of the bill certain actions were taken by the Committee on Armed Services by which, through parliamentary maneuver and through changing a bill which had been referred to them in committee from its original status to another status, they obtained certain jurisdiction over the cataloging and split the uniform cataloging into two sections, a civilian catalog and a military catalog.

The Committee on Armed Services is now claiming jurisdiction over another area which the Committee on Executive Expenditures originally explored.

Mr. Speaker, since the chairman of the Armed Services Committee has taken issue with the decision of the Speaker to refer H. R. 8130 to the House Committee on Expenditures, I am reminded of the fact that the gentleman from Louisiana [Mr. HÉBERT], of the Armed Services Committee, gave warning some days ago that the jurisdiction of our committee would be challenged. In his appearance before a subcommittee of the Senate Armed Services Committee, on June 4, 1952, the gentleman from Louisiana [Mr. HÉBERT], in answering a question as to my committee position and interest in the Federal cataloging program, added:

I might say, too, Senator MORSE, the problem of jurisdiction is going to be settled sooner or later down the road, and I am just as willing to face it right now.

The gentleman from Louisiana [Mr. HÉBERT] also testified that, in his opinion, my objections to the cataloging legislation reported out by his committee were based a great deal on jurisdictional grounds. He also said "that if any jurisdictional dispute entered into this matter, it was not on the part of the Armed Services Committee of the House"—transcript of Senate hearings on H. R. 7405 and S. 3023, June 4, 1952, page 157.

Mr. Speaker, it is clear that the House Committee on Armed Services desires to "settle down the road" the jurisdictional issue, but it certainly is not true that the Committee on Expenditures raised the issue on jurisdiction with regard to Federal cataloging.

The first time that Federal cataloging received statutory recognition since 1929 was in Public Law 152 of the Eighty-first Congress—legislation which was handled by my subcommittee of the House Committee on Expenditures and created the General Services Administration. Section 206 of that law authorized the Administrator of General Services to es-

establish and maintain a uniform Federal catalog system. The law contemplated that cataloging by the military and civilian agencies would continue under over-all civilian direction. Subsequently, by sanction of the law, the Administrator delegated full responsibility for the development of the uniform Federal catalog system to the Secretary of Defense and through him to the Chairman of the Munitions Board.

After the enactment of Public Law 152, Congressman ANDERSON of the Armed Services Committee proposed that Congress make a declaration of policy on Federal cataloging in the Armed Forces. This proposal was introduced in the House of Representatives as House Concurrent Resolution 97. Since this resolution was objected to by both the military and civilian agencies concerned with cataloging, an amended version of House Concurrent Resolution 97 was drafted to include the cataloging activities of all Federal agencies rather than those of the military alone. This amended version was presented to the Armed Services Committee by the gentleman from California [Mr. ANDERSON] as a committee print. As Chairman VINSON explained:

This is a committee print because under the rules of the House I doubt very seriously whether this committee would have jurisdiction if we introduced a new resolution, amended as it is. (House Armed Services Committee, Hearings (No. 154) on House Concurrent Resolution 97, January 17, 1950, p. 4913.)

In other words, Mr. Speaker, although the House Committee on Expenditures originally had jurisdiction over Federal cataloging by virtue of Public Law 152, Eighty-first Congress, which was reported by that Committee, and although a subsequent resolution of the Congress, in the form finally adopted, reaffirmed and was fully consistent with Public Law 152, Chairman VINSON is on record as acknowledging that the House Expenditures Committee properly should have had jurisdiction and that it was necessary to resort to a special committee procedure to retain that resolution in the Armed Service Committee.

It is significant that when the concurrent resolution went to the Senate for approval, it was referred to the Senate Committee on Expenditures.

Several years later, when the gentleman from California [Mr. ANDERSON], succeeded in reviving his military catalog bill and obtain House approval for it, after 20 minutes' debate on each side under suspension of the rules, he acknowledged his willingness to have it amended in the Senate. The gentleman from California [Mr. ANDERSON] testified before the Senate Armed Services Committee as follows:

Now, Mr. Chairman, I have no particular pride of authorship in this particular piece of legislation. If amendments are desirable and if they will make more effective the legislation we are seeking to pass and if they will result in bringing more closely together the civilian agencies of the Government and the military establishment in doing this job, I would welcome such amendments.

But under the rules of germaneness in the House which are different from in the Senate it was impossible for us to draw this bill so we could include the General Services Administration for the bill would have been referred to another committee. (Transcript of Senate hearings on H. R. 7405 and S. 3023, June 4, 1952, p. 64.)

In other words, the gentleman plainly admits that the primary consideration in the original drafting of his bill was to preserve the jurisdiction of the Armed Services Committee. I believe it is clear from what I have said, Mr. Speaker, that the jurisdictional issues were not raised by the House Committee on Expenditures in the field which I am discussing. The Congress decided the jurisdictional issue when it approved the basic Federal property legislation. The record shows that all jurisdictional challenges and maneuverings subsequently have emanated from the other committee.

I wish to emphasize there is nothing personal in these statements. I have the highest respect for the members of the Armed Services Committee. It seems to me that in the vast field of military activities there is enough work for all and that our Committee on Expenditures has been in the forefront of the fight for greater economy and efficiency in the executive agencies, including the military departments.

Mr. Speaker, I withdraw my reservation of the right to object.

Mr. LANTAFF. Reserving the right to object, Mr. Speaker, in connection with the legislation which has been so ably discussed by my subcommittee chairman, the gentleman from North Carolina [Mr. BONNER], may I point out that when the National Security Act was passed this Congress created a civilian component, the Munitions Board, to establish policies and to monitor procurement and logistics in the Department of Defense. However, the Secretaries of the Army, the Air Force, and the Navy have a veto power over the civilian Chairman of that Board. As a result, the military, notwithstanding the desire of this Congress to put civilian control in the procurement field, continue to control it. As late as July 17 of last year the Secretary of Defense was still issuing directives trying to clarify the position of the Munitions Board.

The purpose of the Bonner bill which was introduced and referred to his committee was to abolish the Munitions Board and to set up a new agency within the Department of Defense which would strengthen civilian control over procurement and logistics in the Department of Defense, as Congress originally intended when the National Security Act was passed. Unquestionably this legislation is probably one of the most important bills that has been introduced in this Congress, and its adoption can save the taxpayers millions of dollars.

It is my understanding that the Parliamentarian has ruled that this legislation properly belongs in the Committee on Armed Services. If that be the case, then I certainly hope the distinguished chairman of the Committee on Armed Services will give this legislation an early hearing so that the findings of the Bon-

ner committee in the field of supply management can be considered by Congress.

Mr. VINSON. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. SPENCE].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8210, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I am so confident that this bill involves the economic stability of our nation in this time of peril, that I did not think it would be made entirely a political question. I have been here a good long while, and I have seen the gentlemen on the left select their issues—and it has brought them no success. They can select this as an issue, if they want to. In his stilted and oratorical style, the gentleman from Ohio, who represents at least one faction of the Republican party wants to kick out of the window all the controls, allocations and priorities, and everything that is in this bill and go back to the law of supply and demand. If you want to make that an issue, we can make it. What is the law of supply and demand—that law depends on the supply and demand for goods and services and the demand and velocity of money and credit. The Federal Government is spending a billion dollars a week for its national defense. The greater part of this goes into the pockets of the people but it results in no production of consumers goods. Is it worthwhile? I think it is. But, the gentleman says that the greatest peril to us is that the Congress is forging chains on the American people to take away our liberties and reduce us to serfdom. I think there is a far greater peril than that. The Archduke of Austria was assassinated in Sarajevo just before the first World War. It ignited a spark that started a flame which almost consumed the world.

A day or two ago a Russian plane shot down a Swedish plane in the Baltic, and it aroused those people to white heat. It would not take much in this disordered state of the world to bring about another great catastrophe. Is it worth while preparing for that? Is it worth

while protecting our economy? Is it worth while channeling materials into our national defense? You must decide that. But this is no ordinary time. A peaceful world is very different from this world. There are men who have great power, and mighty nations behind them, who are as vicious as ravaging wolves. They have no principle. They would like to enslave the world. They want to make free people adopt their system of government. That is the only way the American people will ever be enslaved. The Congress of the United States will never enslave them. The American people, who are intelligent people, will never adopt voluntarily any other form of government than their own. The only way we will lose our liberties is by the imposition of the will of others upon us. That is what we are preparing against. Is there no danger? I think there is. The world feels that way. I have been abroad, and I know the terror and uncertainty that some of those people feel. They are afraid every night when they go to bed that in the morning they may see a change in their institutions. They live in fear. We are far removed from them, and the only way we can preserve our liberties is by preparing ourselves.

George Washington said:

To be well prepared for war is the best way of preserving peace. Eternal vigilance is the price of liberty.

Now, are we going to go back to the law of supply and demand? Are we going to let our Government fight in the open market for the necessary things for its protection? The gentleman who has spoken said that because the President did not use these powers within 5 months great injury came to the economy of our Nation when prices rose. Then in the next breath he said: "Price control has had no effect on prices." Of course it will have an effect on prices, and if we do not channel strategic and critical materials in the way they should go for our protection, the Government will be at a great disadvantage and the prices it will pay will be enormous.

I remember how Secretary Stimson during the last World War came before our committee and begged us to put price ceilings on the things that he needed, because the appropriations that were made would have to be supplemented all the time because of the rise in prices. If you want to make this a political issue, you can make it. If you want to say that the American people are in danger of having their liberties destroyed because the Congress is going to forge chains that will bind them, you can say that, too. I do not believe it. This bill is a much more liberal bill than we have had. It is a bill which I think will subserve the purpose for which it is passed. I do not believe that the specious arguments that have been made by the gentleman for political purposes are going to carry his party with him. I believe that the men upon that side of the aisle are just as patriotic as on this side, and I believe they want to maintain the stability of our institutions and the economy of this Nation as much as we

do. I regret that it is attempted to make a political issue of this matter. If you have an honest difference of opinion about it, that is all right; but to say that because we are on this side of the aisle we are going to vote against it or we are going to vote for it is saying that you are paying no attention to the welfare of your Nation.

Nobody has talked much about the bill; they have talked mostly about what is going to be done to the bill.

I have never thought that labor was a commodity.

The third of the six great objectives as stated in the preamble of the Constitution was to insure domestic tranquillity, and it is impossible to have domestic tranquillity and industrial warfare at the same time. To introduce an amendment here providing that the President must invoke the Taft-Hartley Act in the settlement of the steel strike would be like throwing a lighted fuze in a powder keg. It would be taking away from a separate and coordinate branch of the Government the right of free choice. I think the President as long as he heads the executive branch of the Government can select what measures he may think fit within the law to accomplish the purpose.

We all know that the Taft-Hartley Act is anathema to labor. I agree that we want production; it is essential for our welfare and preservation, and we ought to do everything we can to see that production is increased to meet the necessities of our Nation. But there has been a 150-day cooling-off period in the steel industry and they have not cooled off a bit. Not to invoke the Taft-Hartley Act instead of cooling, would add more heat; that is my opinion, and therefore I am going to vote against it.

The only satisfactory way in which these things can be adjusted is by collective bargaining; I do not think seizure can accomplish a satisfactory result because the laborers of this country are part of the Government of this country. You cannot treat labor as a commodity. It is the only source of income to him who toils. He is dependent upon it for every necessity and every comfort for himself and his family.

What the settlement of this present strine will be I do not know; I know it is very essential that it should be settled; I know it is essential to the general welfare that the men should go back to work and that management should treat them fairly. You cannot compel those things by hard and fast legislation, and you had better realize that.

Mr. Chairman, this bill provides for an extension of all of the controls for 1 year. The Senate bill which we have not considered provides that rent control, price control, and wage control shall expire on the 28th of next February. The next Congress will not convene until January 3. The President will not be inaugurated until January 20. The House will not be organized much before the 28th of February. It will therefore be impossible to consider this bill as it should be considered before the 28th of February. However, the Congress will still have control, as it has over every

law it passes. I think it would be a futility to make the expiration date conform to that in the Senate bill.

Inflation is the most insidious thief in all the world. It not only takes money out of your pocket, it goes into your safe deposit box, it takes away your earnings, and if we make no effort to stabilize our economy and to hold the purchasing power of our money at its present level we would be recreant to every duty we owe the American people. In France now you can get 360 francs for a dollar, in Italy 650 lire for a dollar. That could happen to us if we made no effort to enact legislation with the objective of the bill we are considering.

I quoted rates of exchange to you that I found a few months ago. I do not know what they are today. But when money becomes worthless the fruits of the labor of the past are gone. Men who thought themselves independent are paupers. We do not want that to happen here.

I am not going to read the various provisions of this bill. I may say to you that we heard 115 witnesses, 15 of whom were Members of Congress. We did not select the witnesses for their views. We heard all kinds of testimony giving all kinds of views as to this bill. There are nearly 1,700 pages in the hearings. We gave the matter careful consideration. We tried to make provision for the correction of inequities and hardships in the bill and I think we have brought in a bill that will generally meet the objections that were made before the committee.

We submit it to you with the confident hope that it will be passed, with the confident hope that you are going to continue these stabilizing forces that mean so much not only to the prosperity and happiness of our people at home but that mean so much in the way of preventing others from destroying those liberties and making the American people subservient to the will of those who are hostile to our institutions and to the freedom which is our most treasured possession.

Mr. Chairman, I ask for a favorable vote for the bill.

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I think that there is one thing, probably many more, but at least one, in which the esteemed chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE], and all of us on the minority side of that committee, are in agreement. I think every one in this House is against inflation. Everyone should be against excessively high prices. Everyone in America should be concerned about inflation. Many of us have been concerned about inflation throughout the years.

Now, in this act the controls which we authorized 2 years ago and continued last year have not prevented inflation. While these controls have been in effect and while the Administration and its followers have given reams and volumes of lip service to the control of inflation and have held this act out as the means by which inflation could be controlled,

the value of the dollar has slipped about 7 percent, so that the value of the dollar is at least 7 percent below what it was when we passed the Defense Production Act of 1950. The selective application of credit controls has little or no bearing upon the volume and velocity of credit which controls the value of the dollar, which in turn controls prices.

There were two basic errors made in the administration of this law over which the Congress had little or no control. The first was that when the original act was passed in September, 1950, notice was given to business and agriculture and industry that possibly some time in the future price controls would be invoked.

It will be recalled that the President did not ask for price controls in 1950. When this Congress saw fit to authorize the imposition of price controls, the President in substance said, "Well, it is all right for them to do it if they want to; we do not have to use them." But a price control administration was set up shortly after the enactment of this law, and the administrator of OPS said, "Now, boys, if you do not behave yourselves we are going to crack down on you, we are going to put price controls on."

The experience which agriculture, business, and industry had had during World War II taught them that there were inequalities and inequities involved in the administration of price controls, so there was encouragement on the part of everyone to put their prices sky high. The danger of inflation at that time, attending the Korean incident and our defense effort, caused our people to turn their dollars into goods, and the unusual demand at that time created the inflation.

Then we found that America had acquired new standards of production, that the American capacity to produce is almost illimitable. So in January, when the Office of Price Stabilization got around to putting on price controls, they found that inventories in consequence of this production capacity were the highest that they had ever been, the pipelines were full, and the inflation had taken place. Then was their opportunity to stabilize, and they lost a golden opportunity to stabilize.

Instead of rolling prices back to wages, prices which had increased between June of 1950 and January 26, 1951, instead of rolling those prices back to wages, which had not kept pace with prices, the stabilizers decided to raise wages up to prices, which was the only just thing to do if they were not going to roll prices back to wages. Therein lies the first basic error which was made in the administration of this law, and that error cost the American people literally billions of dollars.

The next basic error that was made was in the steel wage-price controversy. The Wage Stabilization Board, we are told, is not set up under the provisions of the Defense Production Act. The President claims to have certain inherent powers generally, outside the provisions of this act, by which he may set up advisory boards and commissions. Anyway,

a Wage Stabilization Board was set up, and its jurisdiction was advisory only. It could only advise. It had no administrative powers. They could not function even semijudicially. It was purely advisory. So when the Wage Stabilization Board made its recommendations, the administration was apparently so anxious to let Phil Murray and labor in steel and aluminum, over which Phil Murray had absolute control, and he also has control over about 35 percent of labor in copper and brass—as I say, they were so anxious to let Phil Murray know that they were doing his bidding that they spread it all over the newspapers and the radio: "See, Mr. Murray, what this administration has done for your laboring man." Of course, after that, after this recommendation which was supposed to be the basis for negotiations was made public, then Mr. Phil Murray, because he is in competition with John L. Lewis and Walter Reuther could not very well back down. He was trying his case then before the public instead of at the conference table. That was the second basic error, and it has plagued us ever since to the point that now we are not getting steel production. What the effect of it will be nobody knows. A little more sense—just plain, unadulterated, common sense in the administration of this law would have saved the American people billions of dollars, and would have resulted in the filling of our warehouses so full of basic materials and manufactured goods that in a year's time, there would be no justification for continuing even the allocation provisions of this bill.

Let me say in respect to title 4, which is the price-control provision, it was never the intention of this Congress that price controls should be invoked unless and until there was such a shortage of consumer goods as to justify rationing. Now the history of the price-control provisions in this bill is simply this: From our experience in World War II we knew that if the President was to allocate basic materials for the defense effort—we did not know at that time that they never intended to use more than 20 percent of their production, and they are only using somewhere between 14 percent and 18 percent of this vital production at the present time in the defense effort—we did not know that because we were thinking in terms of World War II when we were using 50 percent and 60 percent and 70 percent—that it naturally would result if we allocated these basic commodities to the defense effort, the allocation would result in a shortage of consumer goods necessitating rationing which can be effectuated only if we have price controls. Now you are way ahead of me. We have never had rationing so there has never been any justification for the imposition of direct price controls. There is no economic justification for the continuance of title 4 at the present time. There may be a political reason, as the gentleman from Kentucky has said. He says that if you want to make this a political fight, all right you can do it. But, all I can say to the gentleman from Kentucky is that if it were not for the politics

in this bill, and if this were not an election year, there would not be a chance that title 4 would be continued, and we all know it.

Let me reiterate there is no present economic justification for a continuance of direct price controls. Almost all of the commodities which 17,000 employees are administering are below ceilings; 635 or 640 food items are selling from 2 to 10 percent below ceiling prices. Of course, when we take prices of them, they are much more than that, but they are down that much below list prices.

A strange thing happened in the committee, to illustrate what I am getting at and what may result from the judicious administration of this law. There was a shortage of copper. We had an agreement with Chile to get copper from Chile at 27 cents. The domestic ceiling price is 24 cents. That agreement ran for a year and it expired on May 28. So Chile said, "No more copper at 27 cents. We will have to make a new agreement." So Mr. Fleischmann, and Mr. Fowler finally got the OPS to go along to take all price controls off imported copper, so that any copper or brass mill, any fabricator of copper and brass can buy copper today in foreign countries. There is no price control on it. There is still price control on domestic copper.

I said to Mr. Fleischmann, "Why did you do this?" I said, "Why was it necessary to take price controls off foreign copper to get it?"

He said, "We were up against the fact that unless we removed price controls on foreign copper we were not going to get production."

Of course, if the law of supply and demand works in one instance it works in other instances. Perhaps if you took price control temporarily off of domestic copper you would get greater production of domestic copper. You cannot have your cake and eat it too. You cannot set up one rule for one segment of our economy and another rule for another segment of our economy.

These issues in this bill are basic, and we have said to them: "You use them generally so that they will be fair and equitable."

I think the chairman of our committee should be a little concerned as to what might happen to this bill. I have a very unique situation. I am denounced by merchants for going along with price controls. I am denounced by the CIO, PAC, and ADA for being against them. In making my position clear I hope I have not so confused you that you will not know where you are going when you vote on this bill. So I will clarify my position. I see no present economic justification for the continuance of price or wage controls. I think they should be joined. You cannot knock one out without knocking out the other. You have said in this bill that is what you wanted. There is no justification for a continuance of credit controls, but that is another subject. I believe at the present time there is a reason why we should continue the allocation of materials until we are very sure of our ground.

That is my position generally with respect to this bill. I hope I have not confused you too much, because I will admit I am a little dizzy myself on the whole subject.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SPENCE. Mr. Chairman, I yield 18 minutes to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, I am very happy to subscribe to all that has already been said on this subject by our distinguished chairman. Pursuant to leave granted to me in the House I include in my remarks an address made this very day by Governor Ellis Arnall, Director of OPS, on this very important subject that we are now considering. I hope that every Member of Congress will take the time to read it; it is important. I think it will eliminate much of the confusion that is attendant upon the debate of this bill, and will go far toward eliminating any doubt in the minds of any of you as to the need for continuing the Defense Production Act for at least another year. His address follows:

Our Nation has experienced two opposite extremes of economic disruption within the brief period of one generation. First, we had a depression accompanied by widespread unemployment, and then an inflation resulting in excessive cost of living. Most of us remember what happened during the depression when jobs were scarce and prices were low. And, on the other hand, I'm sure we won't be blinded by the evils of depression and fail to see that inflation can be just as disastrous.

Inflation will thoroughly disrupt the economy of any country. If we believe what history teaches us, and if we can rely on past experience, we know that money and prices get out of hand in times of war or major rearmament. Increased military production, scarcity of materials, and stepped-up spending all tend to throw the economy out of balance. They all lead to inflation unless the Government takes appropriate measures to hold the price line.

We can prevent inflation by effective legislation, and with the full cooperation of every responsible citizen. And the free press—the business press—is surely one of the most important instrumentalities in insuring the cooperation of our people. I am sure all of us will agree that the financial and political future of our country is worth fighting for. We not only owe it to ourselves to lick inflation, but we have a joint responsibility with our friends and allies throughout the world. For it is most certainly true that a sound American dollar is the financial backbone of a free world.

An informed public will rise up against inflationary pressures. Excessive pressures can force us out of our way of life. By encouraging businessmen to work with Government in holding the price line, by showing that American business has a real stake in the financial security of our Nation, the business press is making a worthy contribution to the future of America.

The war against inflation must be fought on many fronts. We are all in this fight together. The consumer, the farmer, the laborer, the manufacturer, and the businessman all have a role in making stabilization work. Without the effective cooperation of any one of these segments of our economy, no system of controls is effective.

Some of the measures which must be taken to bring about stabilization create temporary hardships and some sacrifices. But these are steps we must take if we hope to preserve our freedom—our American way of life.

A strong stabilization program calls for higher taxes, restrictions on spending, wages and prices, and other restraints. Inevitably some hardships are caused by such measures.

There are some who object to paying more taxes to provide the tanks, the planes, the ships, the guns, and the men needed to strengthen the defenses of our country. But let these objectors answer this question: "Is any sacrifice too great to preserve the freedom of our great country?"

Wage and salary controls cause some handicaps, some temporary displacements. Nevertheless, by working harmoniously and productively under the wage and salary stabilization program, labor is making its contribution to the cause of freedom.

We have received some complaints from manufacturers, merchants, and businessmen who say that price controls are causing some disruptions, that controls call for more record keeping, and other discomforts. There may be some merit to these complaints because ours is a complicated economy—one not easily regulated by a few simple rules.

It would be fairly simple to stabilize prices if only a few products and services were involved and only a few manufacturers, retailers, and service establishments conducted the bulk of the Nation's commerce. But, as you know, the American economy is composed of more than a third of a million manufacturers and nearly 3,000,000 firms in the distributive trades and service establishments.

However, complicated as price control may be, the Office of Price Stabilization is doing its best to stabilize prices. The success of our efforts largely will depend upon the cooperation we receive from those who purchase the goods and services, those who sell them, those who make and furnish them, and from the entire business community of our country.

It is definitely to the advantage of every businessman to support the price-control program. For inflation will mean higher costs to him—and will destroy cost control for every business. If prices are not stabilized a firm may receive more for the commodities it sells, but its profits may be drastically reduced by rising costs of the materials and articles the firm buys for resale.

Indeed, I think it could be said that, for business, ours is also an office of cost stabilization. And it is just as important to hold the cost price line as it is to hold the selling price line.

Price control is not something apart from the normal functions of business. It is not something one businessman can ignore with the hope that all of his competitors will keep their prices down while his are permitted to rise. Neither is the converse true, the case of the honest businessman who complies with the law but sits idly by and does nothing when a dishonest competitor violates the law. Of course, both examples are wrong. We are all in this stabilization program together. What one firm does wrongfully affects every other firm in that industry and ultimately the whole economy. We must all learn the rules—and we must all play the rules, if we want a sound economy.

Reputable business firms cannot afford damage to their names and good will by engaging in unlawful price practices. The honest businessman will abide by the law and not sell at more than ceiling prices. The honest, law-abiding businessman has every right to immediately report any unscrupulous competitors who may be trying to take business from him by selling at prices higher than ceilings or by other illegal means. In fact, it is his duty to help force the violator in line.

The consumer—by understanding how ceilings are determined, by watching for evasions, and by refusing to patronize merchants who do not live within the law—can do much toward stabilizing prices. When I speak of "consumer" I do not restrict the term of its every-day use; I include the manufacturer who must buy materials and machinery in order to make his products and the merchant who buys the manufactured article for resale. We are all consumers of some kind and whatever any of us buy has its impact on our economic life.

Our country is still confronted with many grave problems—both national and international. No one knows what the next few years will bring. Whether we like it or not, we are living in a world community and happenings in virtually every area of the globe have their effect on the American economy. Because of the unsettled world climate, we are forced to build our defenses and at the same time fight inflationary pressures. We are faced with the dilemma of having to create a situation that on one hand makes for inflation, and yet at the same time take steps to stop it.

So far, we have done a pretty good job of effecting a balance of power in this precarious situation. In other words, inflation has been checked, but it has by no means been licked. However, so long as Communist aggression continues, much of our national resources must go into armaments, the Federal budget necessarily will remain high, and the balance between purchasing power and civilian supplies will continue to create many dangerous economic problems. Some \$65,000,000,000 will be spent on defense by sometime in 1953. This will be followed by several more years of high defense expenditures. With these conditions existing, the possibility of inflationary pressures cannot lightly be overlooked.

Of course you will find many businessmen today who will tell you that the need for price control is over. They have much to say about soft markets, declining prices, and other trends which they say indicate that price stabilization is no longer needed.

In some limited fields, one or more of these factors do exist, and the Government stabilization efforts have taken cognizance of them. We have suspended some products from price control and intend to suspend others soon. But the real truth is that there has been no significant change in the underlying causes which sent the cost of living soaring after Korea.

I am just as firmly convinced now that America's economic health is as seriously threatened today, and that the very safety of the Nation is endangered, as I was when I took the job of Price Director in February.

And may I add, this is not just a "scare" warning. I can support this statement by cold, hard facts.

But before I attempt to analyze some of the inflationary factors facing us, let me ask a few questions about price controls. Do you find the things you buy today any cheaper than they were 6 months ago or a year ago? I don't. Prices for everything I have bought recently are either higher or as high as they were before.

Have you checked with your wives or gone shopping with them and seen the prices they have to pay for food and other things? I have. And I want to tell you my wife is paying more for most of the things she buys than she ever did before. Where are those soft markets and those bargains these businessmen talk about? I don't seem to be able to find them when I make a purchase.

I am further convinced from the many letters, telephone calls, telegrams, and personal visits I have from businessmen that things are not getting cheaper. Do you know what they all want without exception? They want either one of two things. First, they ask me to decontrol whatever product they

are making or selling, so that they can sell it for any price the market will bear. If they don't ask for decontrol, they ask for an increase in ceiling prices. Either way you look at it, if we grant the request, it means higher prices and greater inflation. And somebody has to pay the price.

Here's an example of what I've just been talking about. A few weeks ago, OPS had to authorize ceiling-price increases for a number of grocery items because the wholesale and retail grocers came to us and showed us that their profits had been reduced and therefore that they were entitled by law to increased ceilings. Under our Industry Earnings Standard, I had no alternative but to grant the increase. This standard, as you know, is based on the requirement of the Defense Production Act that our price ceilings shall be "fair and equitable."

We authorized the increased grocer ceilings and immediately following the announcement in the press that grocers could increase a number of canned foods from 1 to 2 cents per can, my office was deluged with telephone calls and letters from the trade associations representing food processors, wholesalers, and retailers. All of them said that the publicity they received from our announcement was bad for the grocery business and that the grocers did not intend to put the new ceilings into effect.

Well, I was very happy about this because we are doing everything we can to keep food costs down. I felt, perhaps, that in a negative sort of way, we had made a little progress checking the rising cost of food. This illusion was dispelled 1 week later.

I was turning the pages of the Washington Evening Star and there played across two full pages was an ad from one of the large grocery chains stating "Over 1,000 items are priced lower than OPS ceilings."

We checked the ad for accuracy. We found that actually only 353 items advertised were priced below OPS ceilings. Of these, 102 sold at ceilings when purchased in single units. Prices lower than OPS ceilings were obtained only when the item was bought in multiple units. For example, an item on which the ceiling was 13 cents was offered for sale at two for 25 cents. Another with a ceiling of 7 cents was offered for sale at three for 20 cents.

Then we checked the list to see how the items on which OPS had recently granted increases in ceiling prices were selling. There were 81 of them advertised. Thirty-seven of these items had to be bought in multiple units of from 2 to a dozen in order for the buyer to purchase them at less than the new ceiling price. And even then, only a fraction of a cent was saved. In other words, the new selling price, while slightly lower than the new ceiling price, actually exceeded the former ceiling price. We found that 44 items were selling at 1 cent per unit less than the new ceiling, but again at a higher selling price than the former ceiling.

I'm afraid that the myth of soft prices has been repeated so often that many responsible businessmen have been deceived by it. Despite wide belief that the Nation is in a period of soft prices, with most items selling well below their ceiling levels, actually, most items that make up the cost of living are selling right up close to their 1951-52 high peaks.

A survey conducted recently by the Bureau of Labor Statistics showed that items making up 50 percent of consumer expenditures on the consumer index list were selling at 2-year peaks; another 21 percent at within 2 percent of these peaks, and only 10 percent were far enough below the 1951-52 highs to be considered significantly soft.

Among items selling at or very near record 2-year highs were, bread, baby food, milk, and many other foods; suits and hats and

other items of apparel; automobiles and automobile repairs and insurance; rents, beer, beauty and barber-shop services. Rents, subject to only limited control in certain areas, were up 0.2 percent from March 15 to April 15, and are up 7.5 percent since Korea.

We are faced with additional price increases that by law we cannot avert. The law and OPS policy dictate that no ceilings shall be set that are not fair to the businessman affected. As I said before, OPS policy is laid down in what we call the "Industry earnings standard." Under this standard, OPS is required to permit higher ceilings for an industry when the industry is earning less than a fair return of its investment. This fair return is measured roughly under the formula Congress adopted to apply the excess-profits tax.

The industry earnings standard has forced OPS to grant ceiling increases on such important items as wholesale and retail groceries, beer at wholesale, waxed paper, lead storage batteries, glass containers, certain bakery products and zinc die castings.

A great many more industries have applied for such increases, and surveys are under way or planned to consider their merits. Among them are milk, meat, machinery, steel, petroleum, and cement. Does this indicate that prices are soft or would decline if controls are lifted?

Wholesale prices, another market which indicates some softness, have now started to firm up. Average wholesale prices, which have declined rather steadily during 1951, have turned upwards again in the recent weeks. The BLS weekly wholesale price index for all commodities advanced 0.4 percent in the week ended May 20 and 0.1 percent the week before that. As of May 21, the BLS spot market index of sensitive prices was 1.3 percent above the 1951-52 low point reached a month earlier, and the food component of that index was up 4.1 percent from its 1951-52 low.

There is no indication of softness in the prices which make up industry's costs of production, or which the Government must pay in its vast defense armament program. Prices are generally right against the ceilings on petroleum and chemicals, metals, building materials, automobiles and trucks, machinery, and many other commodities.

The Government has recently been forced to permit importers to pay a higher price for Chilean copper. Canadian producers have announced their intention to raise the price of newsprint \$10 a ton.

Another real threat to price stabilization exists in those areas in which we do not have the authority to regulate prices. Here are some examples of the dangers which exist in those segments of our economy not regulated by OPS. We cannot effectively stabilize the prices in the foreign markets of such things as wool, copper, rubber, tin, and many strategic materials. Since there are no ceilings on these items in the foreign countries where they are produced, these imports affect our domestic prices.

Freight rates have recently been permitted to increase again, bringing the total increase since January 1951 to 16 percent. This added cost must, in many instances, be passed on in higher ceiling prices to avoid an unfair cost-price squeeze. Retail coal dealers, for example, were recently granted a 6-percent increase to offset higher freights.

Certain items, such as real-estate transactions, utility rates, barber and beauty shop services are exempt by law from direct price controls.

An action is pending in Congress to remove ceilings on fresh fruits and vegetables, yet market prices for many of these items have been at record highs during the year. Because of legal exemptions, we have no control over the price of professional and

medical services, domestic services, commuter fares, automobile insurance, and many other things which materially affect the cost of living.

Does this sound like the threat of inflation is over? Make no mistake of it, there is still a real need for price control.

The American business press is the best informed, most alert group of its kind in the world. Business publications in this country far outstrip the business publications of any other nation—in circulation, in editorial content, and in the number of industries covered. These publications are widely respected by the millions of readers in the various industries they serve.

American business has prospered, and no small part of that prosperity has been due to the excellent job which has been done by our business publications to make the American businessman the best informed in the world. The thousands of businessmen who take part in our OPS Industry Advisory Committee meetings will attest this fact. The informative articles and editorials on price control which you have carried in your publications have been referred to many times in our meetings with industry. American businessmen respect your judgment and will continue to look to you for information and guidance.

You can make a real contribution to the future of America by repeatedly stressing the simple economic fact that only a few people reap profits from inflation. The businessman, the laborer, the farmer, and the buyer all have a stake in our economic life. Inflation will hurt them all.

Some of our businessmen yet fail to realize that inflation decreases production and lowers the standard of living. They are not aware that inflation causes the standard operation yardstick to be mislaid, and permits waste and inefficiency to take over.

We want the American businessman to believe that we are all in this fight together. The Office of Price Stabilization was created to aid and help business—not to hurt, impede, or strangle it. We believe that the business community is a vital part of our economic future. OPS is mindful of its dual role in promoting the welfare of business and consumers.

It is not the intent of OPS to take any action, which, in the long run, would be destructive of business. We make no attempt to stand in the light of business progress. We will continue to concentrate our efforts in carrying out the will of Congress to promote and preserve American business.

The price stabilization program is dedicated to preserving our American way of life—our system of free enterprise. We want the businessmen of our country to realize this and to look to us as friends.

May I also direct your attention to the fact—and I am sure you will not accuse either of these gentlemen of having indulged in politics in making their statements—that the president of the District Bankers' Association and the president of the American Bankers' Association both agree and so stated publicly recently that we are still faced with a serious threat of inflation. To quote briefly from the president of the American Bankers' Association, he said:

The period ahead will be a critical one, and it is a good idea to have an insurance policy when inflammables are stored in the barn.

That is a good common-sense warning. There is not any doubt, and you know it that we are faced with deficit spending. You have authorized and appropriated the money for the purpose. We will spend at least another \$65,000,-

000,000 on the defense effort alone during the next 12 months. I do not think you need stretch your imagination very far to come to the conclusion that pouring \$65,000,000,000 of new money into the monetary stream of the country is certainly inflationary, and unless we continue this Defense Production Act we will be in very serious trouble in the days ahead.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. MULTER. Surely.

Mr. ROGERS of Florida. I just wonder if the gentleman saw the statement that was made by Mr. Martin, Chairman of the Reserve Board, that we had already passed over the hill of inflation.

Mr. MULTER. I did not see the statement, but I cannot believe that the gentleman means that the threat of inflation is entirely behind us; I cannot believe that he means that inflation has been licked; I cannot believe that he intends to imply that when we pour an additional \$65,000,000,000 of money into the stream of circulation that that will not have a tendency toward inflation; that at least we must be prepared to control it as we did immediately after Korea.

Mr. ROGERS of Florida. The gentleman will admit, however, that Mr. Martin is in a position to know the effects of the present condition with regard to inflation.

Mr. MULTER. Yes; and let me remind the gentleman that Mr. Martin and the members of the Federal Reserve Board are unanimous in urging the extension of the Defense Production Act; and, despite what the gentleman from Michigan [Mr. Wolcott] has said, they also urged that credit controls be extended on a stand-by basis. I remember sitting in this House many a day hearing the same gentleman from Michigan propound that the way to control inflation is through credit controls, not price controls. I do not blame him for saying that there is terrible confusion about this problem, for he himself is more than slightly confused. A few moments ago he told us we did not need any credit controls any more and that price control is not going to do the job of controlling inflation. If you do not need credit controls, which he has always advocated as being the way to control inflation, and if we do not need price controls, then I wonder, is he prepared to sit back and let inflation take us by the throat and throttle the economy and enterprise of this country?

Let me remind the gentleman, too, that on August 1, 1950, the President of these United States sent a message to the Congress in which he urged that we give him the stand-by controls that he thought necessary on price and credit matters but that we give him the other powers immediately. He said:

It would be tragic if the Congress were to reject the controls we need right now (August 1950) while voting stand-by measures which could neither do the current job nor be applied successfully to the contingencies which may arise.

Of course, those contingencies did arise. Do not forget that we wrote into the bill the provision that before he could invoke price control or credit control we must first try voluntary controls. The testimony before the committee prior to the time the bill reached the floor of the House, like the testimony that has been presented to the committee on each of the occasions when we heard those who were opposed to extension of controls, indicated that everybody was for control of the other fellow's business, that he needed no control, he is all right, he would voluntarily do the right thing. When we tried it in accordance with the bill we wrote, we found that everybody was trying to jump the gun, everybody wanted to get his price raised before there were compulsory controls, with the result that the voluntary controls you legislated into the law proved to be merely an additional incentive for the raising of prices and the bringing about of increased inflation that we were trying to prevent.

I would like to direct your attention at this time to some of the specifics with which we will have to deal in the bill now before us extending the Defense Production Act for another year.

I would like to discuss two of the problems which we must consider in relation to the extension of the Defense Production Act. I refer to the Ramsay bill, H. R. 6843, to establish quotas on the importation of certain articles which contain raw materials on which priorities or allocations have been made, and to section 104, the so-called cheese amendment, which with or without the Committee amendment should be eliminated. Both of them are contrary to the security and economic interests of the United States and should be kept out of any extension of the Defense Production Act.

First let me give you my reasons for opposing the amendment sponsored by the distinguished gentleman from West Virginia [Mr. Ramsay]. His bill would permit the establishment of quotas limiting the import of any product to 50 percent of the average quantity imported during the period 1947-49 whenever the product contains raw materials for which we in this country have established priorities or allocations which limit production in the United States. This is an unnecessarily drastic measure containing almost no safeguards against the indiscriminate application of restrictive barriers to trade. Under the bill import restrictions could be applied merely by having a substantial portion of American producers ask for them. There would be no need to show that anyone had been injured by imports. All that must be shown is that the product contains a material which is under allocation, even if the American producer is getting all of the material that he needs. Although an exception can be made to the bill's provisions when the Secretary of Defense certifies that a higher volume of imports is required to meet essential defense needs, this exception will not prevent needless hardship to American importers, consumers, and foreign producers in those cases

where increased imports may not be justified on defense grounds but where there is no good reason to restrict imports.

The list of materials under allocation or priority in this country is so lengthy that almost every industry engaged in manufacturing could take advantage of the bill's provisions to shut out foreign competition. Just try to imagine all of the products which could be subject to the terms of this bill. Even if we take only a few of the better known metals that are under allocations, such as copper, nickel, steel and aluminum, I imagine that it would be difficult to find many industrial products which would not contain at least some small amount of one of them.

Although I find it difficult to envisage any circumstances under which we should want to open the gate to such a flood of restrictionist measures as this amendment would make possible, under present conditions it just does not make sense. In general, we are now over the worst of the materials shortages, and restrictions on the civilian use of materials are being eased. Just recently, for example, controls were removed on bismuth, cadmium, lead, and antimony and relaxed considerably on zinc. It is anticipated that further relaxation will occur within the next few months. Therefore, it seems logical to expect that there will be even less possibility in the future than there has been in the past for competitive inequities arising from raw materials shortages.

Furthermore, we already have legislation adequate to impose import restrictions where they are justified in connection with the allocation and conservation of scarce materials. Section 101 of the Defense Production Act gives the President authority to apply import restrictions in these cases, and I do not believe that any further legislation is either necessary or desirable.

Another reason why we should reject amendment is that it would not contribute to a better world-wide distribution and conservation of materials which are in short supply. I understand that the Western European countries have made considerable progress through OEEC in instituting controls limiting the end uses of scarce materials. It seems to me that cooperative effort of this type is more effective in achieving the desired objective.

Nor will this bill conserve or increase the supply of scarce raw materials. In fact, if its end result would be to affect adversely the attitude of other countries toward cooperation with us, as seems highly probable, they might be less willing to continue sending us supplies of certain raw materials for which we depend on them. Practically every important industry is dependent upon imports to supply at least some of its essential raw materials. This is true of the bulk of factories in every industrial community in this country.

The cases which have been used to illustrate the need for such legislation provide no real evidence of the need for these drastic measures. Several of these

cases, for example, the spring clothespins, chinaware, and glassware industries, represent instances of industries which have been making efforts to exclude foreign competitors long before shortages of materials entered into the picture. This fact gives rise to the question whether raw materials shortages are the real reasons for the competitive problems which these industries are facing.

These industries have complained that competition is forcing them to close down plants and lay off workers. I find it difficult to see how this bill would provide any relief where unemployment is due to inadequate quantities of raw materials. It does not assure anyone of an increased quantity of raw materials. Instead it would serve only to keep imported goods out of this country and deprive the American consumer of products he may need and would like to buy.

The most serious objections, however, are on foreign policy grounds. I have already mentioned the damage that it might do to our efforts to bring about an equitable world-wide distribution and conservation of scarce raw materials. It could also do serious damage to our efforts to deprive the Soviet bloc of strategic goods. For if our allies cannot sell their goods to us they will be obliged to look to other markets. Furthermore, if this bill were applied to its full extent, it could result in a considerable loss in the dollar earnings of the other free-world countries, particularly in Western Europe.

In 1951 United States exports exceeded \$15,000,000,000 in value. These exports were a source of significant income to many thousands of Americans in cities and on farms throughout the country. But because our economy is so large, it is easy for us to overlook the role of exports to the economies of other countries, even though the value of their trade may be quite small in relation to our own. To many countries foreign trade is indispensable even to the maintenance of the most modest standards of living. To such countries their foreign trade is even more vital when considered in relation to the requirements of their defense efforts. In the case of the United Kingdom, for example, of every \$100 worth of goods produced she exports \$21 worth. In the case of Belgium, the figure is \$30. Even in the case of Canada, with its vast resources, exports account for \$22 of every \$100 of her production.

Let us now devote a little attention to section 104. I believe that the import restrictions it sets up on cheese are not only unnecessary but are actually harmful to the American consumer and to American agriculture as a whole. The testimony before our committee showed that domestic production of most types of cheese would not be hurt by the termination of section 104. Practically all of the testimony, given by those interested in maintaining import quotas on cheese has related only to blue-mold cheese, and I do not know whether removing import quotas would or would not result in injury to those producers. I do know, however, that there is other legislation which authorizes import con-

trols where necessary, legislation which can be applied in a more selective manner and therefore would probably do less harm to the interests of the consumers. I refer, of course, to section 7 of the Trade Agreements Extension Act and to section 22 of the Agricultural Adjustment Act. The importation of blue-mold cheese is in fact now being investigated by the Tariff Commission under section 7 of the Trade Agreements Extension Act, and, if the Commission finds that imports would cause serious injury it can take remedial action, either in the form of a quota restriction or a rise in the tariff rate.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Would the gentleman be willing to leave it to the Secretary of Agriculture and the President to determine the quotas on imports?

Mr. MULTER. I do not think that is the way to do it.

Mr. AUGUST H. ANDRESEN. Well, section 104 in the bill leaves it entirely to the Secretary of Agriculture to fix quotas, and he can select any type of cheese and leave it uncontrolled; he can take in only the cheese that causes the difficulty in this country, like blue-mold cheese, which the gentleman mentioned, but any other type of cheese the Secretary of Agriculture has the complete discretionary authority to handle the entire matter in accordance with the way the administration and the gentleman wants it done. The gentleman should be satisfied when he leaves it to the Secretary of Agriculture and the President to handle this.

Mr. MULTER. Tell me this: What objection would there be on behalf of the cheese producers in this country to having it, if there is to be such a limitation, done on a price basis? Why should they object to a cheese being brought in here that sells at from 10 to 100 percent more than a similar domestic cheese? What objection should there be to bringing in any type which is not even made here?

Mr. AUGUST H. ANDRESEN. I have no objection, but let me answer the gentleman. The gentleman knows that in all of these countries they have devalued their currencies by 30 percent, which makes the American dollar 30 percent more valuable in those countries.

The tariffs really do not mean anything. Does the gentleman want these imports to come in here under a foreign valuation, not under an American valuation, to be dumped on our market, to close down domestic industries and to do damage to the consumers of the country?

Mr. MULTER. No, I do not, and that is not being done and was not being done before we wrote section 104 into the bill, and it will not be done if you take the section out. The price of imported cheese has been invariably much higher than that of the domestic type. Let me quote this very brief sentence from a letter received by me from a gentleman who has been in the import industry, importing cheese, for 50 years,

and who is known as the dean of the cheese importers:

Our firm has imported from Italy, for over 50 years, pecorino romano cheese made from sheep's milk, which is only manufactured in Italy, with a consumption in this market of about 10,000,000 pounds per year, selling at a higher price than any similar type of cheese made in this country, and yet we can only import a limited quantity.

There is no competition with that cheese. Why should those importers, American citizens all, be limited in the quantity they can bring in, if the people are willing to take it and pay for it at the higher price? We know that this is helping Italy. We have been talking about saving Italy from the Communists. When it comes to helping them with a few dollars, not by grants, not by loans, but helping them build up their own industry through importing some of the cheese that our American people are willing to buy, you come along and say, "Under section 104 you cannot do it."

Mr. AUGUST H. ANDRESEN. I am willing to leave it to the Secretary of Agriculture. Probably some of these different types of cheese are not competitive, but the Secretary of Agriculture has absolute authority under that provision in the bill to eliminate them from any import controls whatsoever. Is not that correct?

Mr. MULTER. I am sure the gentleman will agree with me that, by section 104 which he authored and sponsored he has succeeded in limiting the importation of cheeses into this country that are not in competition with any domestic cheese.

Mr. AUGUST H. ANDRESEN. Yes, but the Secretary did that. We do not administer the law up here. I was in hope the Secretary would not show that discrimination.

Mr. MULTER. Then to be fair, you should agree to take this section out.

Mr. AUGUST H. ANDRESEN. No; you will have difficulty on that subject.

Mr. MULTER. As regards other types of cheese, I find it difficult to see why the domestic producers need protection from imports. Consumption per capita has increased considerably compared to prewar while the absolute quantity of cheese imported has not increased, and the percentage of imports as compared to domestic production has even decreased. Furthermore, with respect to most types of cheese, the imported variety does not now compete on a price basis, and did not before this legislation was passed.

Aside from the fact that section 104 is not necessary and does not serve our security interests, the required restrictions are harmful to American agriculture as a whole. Income earned from agricultural exports is essential to the continued well-being of the American agricultural community. In 1951 agricultural exports amounted to more than \$4,000,000,000. This is more than the farm cash income of any State of the Union. It is more than four times the farm cash income of New York—\$1,000,000,000. It is also four times as great as

the cash farm income of such other important agricultural States as North Carolina, Ohio, and Indiana. United States exports of each of such important United States products as fruit, vegetables, corn, and wheat exceeded \$100,000,000 in 1951. United States exports of eggs, poultry, and pork products were also valued at many millions of dollars. The share of New York alone, in these exports approximated \$45,000,000. Exports are vital to producers of many other major American farm products. For example, more than one-half of United States production of cotton, wheat, rice, dried whole milk and dried peas, and about one-quarter of our production of tobacco, soybeans, plums and prunes, hops, and lard were sold in foreign countries in 1951. When we restrict imports from other countries, we reduce their ability to buy from us, and agricultural interests will suffer both directly and indirectly.

To me, section 104 is inadvisable for still another reason, and that is its adverse effect on our foreign policy. We have appropriated a very substantial sum of money to assist Western Europe in its efforts to become self-supporting. We also want the Western European nations to continue to rebuild their economy and to expand their defense efforts. If Western European countries are to be increasingly able to pay their own way in this joint defense effort, we should terminate legislation, such as section 104, which frustrates this objective and makes our whole aid program open to the charge that it is calculated to perpetuate foreign dependence on American bounty and to establish additional outlets for domestic production while barring imports of foreign products. Furthermore, section 104 necessitates action which is inconsistent with international commitments we have entered into. It is bound to create doubts about our sense of responsibility and the wisdom of our leadership.

For the reasons which I have set forth, I believe import restrictions are not in the national interest and should not be a part of the bill to extend the Defense Production Act.

In all of the foregoing I have had clearly in mind the necessity and desirability of protecting American agriculture, industry, and enterprise of every kind. Nothing that I have said can hurt them in any way. All that I have said is in the best interests of the over-all prosperity and security of our country. The provisions I have addressed my remarks to concern matters that have no place in emergency legislation. They are matters that should be referred to the committees having jurisdiction over them as permanent legislation. Extensive and complete hearings should be conducted by those committees and if they determine any relief is required, those committees should report appropriate legislation of a permanent nature.

I trust that these provisions can be eliminated from this bill, which is temporary emergency legislation.

Mr. AUGUST H. ANDRESEN. Does the gentleman propose to offer an amendment to strike out section 104?

Mr. MULTER. I do.

Mr. AUGUST H. ANDRESEN. I will be very glad to hear the gentleman, and will be glad to debate the subject with him at that time.

Mr. TALLE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. COLE].

(Mr. COLE of Kansas asked and was given permission to revise and extend his remarks.)

Mr. COLE of Kansas. Mr. Chairman. I am alarmed, I am not frightened but I am alarmed. Our distinguished chairman in his opening statement this afternoon debating this measure said: "You may be opposed to price and wage control but even if you believe it," and I emphasize, "even if you believe it, you dare not do it."

Mr. Chairman, I am alarmed if in that atmosphere of fear, if in that atmosphere of uncertainty, and despair we shall attempt to legislate upon this very important law.

I do not believe that any Member of this Congress is afraid to cast his vote.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. SPENCE. I did not mean to scare anybody. The fear I spoke of I thought would be a legitimate fear.

Mr. COLE of Kansas. That is fine. I do not believe, Mr. Chairman, that anyone in this Congress has any fear of casting his vote, if he believes he is right, so the chairman and I agree. But this is true, as the ranking minority member of our committee, Mr. WOLCOTT said:

There is no economic justification for the continuation of price controls.

Mr. WOLCOTT did say there is a political need, perhaps, in the minds of some Members of Congress that we should vote for price and wage controls.

Now I want to discuss some of the evidence which was presented to our committee by some people who believe we should continue price and wage controls. It was pointed out at the beginning of the hearings, we are now mobilizing our country to defend ourselves from possible aggression. Well, that is true. This Congress had voted billions and billions of dollars for that purpose. It was said also that when we mobilized our country for military purposes, we would siphon from the national product a certain percentage of consumer goods and channel those consumer goods to the use of the military. That statement was made time and time again before our committee. Finally I said to Mr. Putnam and Mr. Arnall, "Just what do you mean by siphoning off 20 percent or 14 percent of our national product. I can walk into any grocery store today and buy anything I want. I can go into any drug or department store and buy anything under the sun that my family needs. I can go down to the automobile dealer and buy any type of automobile in almost any price range, and I mean from \$25 up. I can go into any hardware store and buy any tools that I need. I can go into any farm equipment and machinery supply place and buy any farm machinery I need to operate my

farm. We have a complete and ample supply of commodities on hand today. Now what do you mean that we would be taking a percentage of our national product, and thus require price control?"

Finally, I received an answer. "What we mean is the Government is spending a certain percentage of our national income for military purposes." I said, "Then the question is a fiscal one; is it not?" Then I referred again to my age-old inquiry: What is inflation? What is relevancy of high prices to inflation? What are high prices? Well, practically everyone agrees that high prices are not the cause of inflation. High prices are the result of inflation. If that is so, then our problem is to solve the disease known as inflation. And how do we do that? We do it by attacking it at its basic source. If there are too many dollars chasing after too few goods, we attempt to balance the economy. On the one hand, if there are too few goods, we ration those goods, we allocate those goods, we divide them among our people, as the gentleman from Michigan [Mr. WOLCOTT] said. But if there happens to be too many dollars, then it becomes a fiscal policy, and by indirect controls the inflationary impact can be, should be, and must be corrected.

So we have an ample supply of commodities, and thus our problem today is one of fiscal control. The present inflationary danger can be stabilized by tax expenditure, monetary, and credit policies.

What are some of the objections to price control in the present economic picture? One of the great objections to price control today is that it interferes with the free market. What is the free market? A free market is the decision made by millions of people in this country every day. What are those decisions? Those decisions are, "What shall I buy? Where shall I buy it? At what price shall I buy it? From whom shall I buy it?"

Other millions of decisions are made by the people of America today in the free market. What are those decisions? "What shall I produce? How much can I produce? For whom shall I produce? Where shall I sell it and under what circumstances shall I sell it?"

Those millions and millions of decisions made today in the free market mesh one with the other. So, much to the surprise of our efficient planners, it works. How does it work? It works to give to the American people the greatest standard of living this world has ever known.

Now, are we afraid? If so, what are we afraid of? I asked that question of some of the witnesses appearing on behalf of the administration in favor of this legislation. They said, "We might have an all-out war." I said, "Do you mean to say to me we must continue price and wage controls under every circumstance when there is a possibility or a probability of an all-out war?" I said, "Can we not and have we not in the past enacted laws which have taken care of those situations when crises such as that arose? Must we always find ourselves shackled and regimented by arbitrary,

inefficient, and costly controls? Can we not return"—yes, I used the word "return" advisedly—"can we not go forward and bring about freedom of choice which, after all, has made this the greatest country in the world?"

Price control stifles production and distribution. We know how it does it. One of the lowliest items of consumer use proved that to America not very long ago. I speak of the potato. Nothing has so clearly explained to the people of America how price control can and does stifle production and distribution. With price controls placed upon potatoes, it drove them out of the market. We could not buy potatoes at any price, no matter what you paid. But just as soon as price controls were lifted from potatoes, presto, by magic, the very next day, the very next day in all stores throughout our Nation one could buy potatoes at approximately the same price that they were offered to them under price control. Yes, they were a little higher. Oh, yes, the price did go up a little bit, but when we fought and fought and fought in 1946 and 1947 to get price controls off—yes, prices did go up. They went up considerably on some items. Some people stood before this Congress with a market basket and said, "Oh, look at the terrible thing you have done to the people of America." But what happened again? Again, amazing though it might have been to the efficient planners of this country, prices leveled off and production expanded, and not one single Member of Congress offered a bill to recontrol prices. Why? Because they realized that price control would not continue the free-choice system and expand our production and distribution. They realized that the consumer benefited by the free market.

Price control is wasteful and expensive. We are all well aware of the voluminous reports that every merchant, every manufacturer, and every producer is required to send to the OPS; and they are required to send them irrespective of and whether or not their items are under price control. Thousands and thousands of man-hours, thousands and thousands of dollars are expended in preparing useless and unnecessary reports. It is expensive in other ways. We find that when an application for relief is filed, the OPS takes it under sympathetic consideration, and case after case after case, known to every Member of Congress—case after case after case, sympathetic consideration, weeks after week after week, month after month after month, and year after year—and no decision made. While the helpless and hapless producer or merchant, sits there waiting for relief.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. TALLE. In connection with what the gentleman has just said, the gentleman remembers as I do that on a number of occasions during our service here together we have been told that there was a tremendous shortage of warehouse space for all sorts of Government documents and papers. Now, these reports

the gentleman has just spoken of are utterly worthless.

Mr. COLE of Kansas. Right.

Mr. TALLE. And if they are required by law they will take up space. Soon they will demand afresh that we build more warehouses to store the useless stuff.

Mr. COLE of Kansas. I thank the gentleman.

Price control is unfair. I asked Mr. Arnall, I think it was—perhaps it was Mr. Putnam—this question: What is a high price? How do you determine what is a high price? I received this very interesting answer: The Office of OPS determines what a high price is by looking at a chart, and that chart has certain peaks and valleys—you are familiar with them. When a chart shows that the price of a commodity has reached a peak compared to a so-called normal period, the high peak is determined to be the high price. So they are interested in slicing the peaks; they are not interested in the value of the dollar; they are not interested in whether or not a dollar buys less today than it bought last year or 5 years ago; they are interested solely in curtailing the "peak price."

How does that work as far as being fair to the various producers is concerned? Some producers are permitted to take into consideration the additional costs with which they have been charged since the beginning of the Korean War; some producers are refused their additional costs; some producers are given one type of relief. Someone in OPS has said that "these costs are proper; other costs are not proper." Someone in Washington determines whether or not a producer can "absorb" or "pass through" cost A or cost D, whether producer Smith can have the same type of relief that producer Jones is given; and in many cases they have had contradictory, conflicting, and absolutely unreasonable differentiation in the procedures adopted to permit producers to obtain a fair price.

The OPS cannot decide whether it is administering a price and wage "freeze," or a flexible stabilization program. On the one hand, it objects to the Capehart and Herlong amendments, which are designed to stabilize prices, while at the same time pointing out with satisfaction that Capehart amendment gives satisfactory relief to the steel industry.

Some prices are frozen—for instance, crude oil—while costs of producing the commodity are "stabilized"—permitted to rise. The producer is thus squeezed between soaring production costs and frozen selling prices.

The reason for this is the criterion used by OPS to define a "high price." The Agency believes in its chart and its "peak price system." It wants to make a showing of holding the line, ignoring the fact that the dollar has less value today than the dollar of a few years ago, ignoring the constantly authorized rises in costs.

Yes, Mr. Chairman; I am alarmed. I am deeply concerned that Congress should even be considering this measure. Instead, we should be considering meas-

ures designed to assist the free choice system—to provide the expanded production which we need.

Mr. SPENCE. Mr. Chairman, I yield 25 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, people generally do not like for anyone to tell them what they can or cannot do relative to their own business affairs. We all like to be independent and to sell the things we produce in our own way, through our own customs, and we feel that supply and demand should control as to prices. That is natural. But under certain circumstances and conditions, when the dollar is decreasing in value and the future looks as if the dollar may decrease more, we must do everything we can to prevent further inflation. The most important weapon to defeat inflation is full production. We must not in this bill do anything that will retard full production of all commodities. At the same time, it is imperative that we prevent some commodities from rising so high that it will be dangerous not to have some stopgap to prevent it.

I shall make an attempt to explain more than 20 amendments that were placed by the committee in this bill. The amendments were for the purpose of making the bill a better one. We tried to comply with the request of many complainants who said they were being treated unfairly. If these amendments are not enough to make this bill one of justice and equality to everyone alike and one that will retard inflation, then offer other amendments, and in the end I hope we can have a bill which will mete out justice to all, will halt inflation, and will not retard full production. I think many Members of the House feel as I do, that under present circumstances it might be dangerous to lift all controls at this time when we are spending such gigantic sums for national defense.

Our defense-mobilization program in terms of contemplated expenditures for military procurement and construction is presently about a \$132,000,000,000 program. The main impact of that program on our economy is still to be felt as more than \$100,000,000,000 of that total remains to be spent. As this program reaches its level of expenditures, the program will be taking about 18 percent of our total national production. It is only a matter of common sense that we keep a law such as the Defense Production Act on the books at least for a while. That act grants authorities to deal with problems of production and stabilization that are bound to occur in a defense-mobilization program of the size we are undertaking and in the light of existing international uncertainties.

Our committee conducted full hearings on extension of the act. The hearings make two thick volumes of printed material. Many problems in connection with administration of the act were raised and many suggestions made for

modification of authorities. In executive sessions the committee gave intensive consideration to many amendments and acted favorably on over 20 of the proposals. In committee I applied two tests to proposals made: First, did the proposal make common sense; and, second, was it workable. I supported amendments that met these tests. I intend to judge amendments offered on the floor in the same manner. I hope we do not waste time in the debate on this bill in lengthy consideration of amendments which just do not make common sense or which are administratively unworkable.

Section 104 dealing with import control authority over fats and oils has evoked considerable controversy particularly with respect to cheese imports. We have continued the section 104 import-control authority on a modified basis. We have made clear that import limitations can be imposed by types or varieties of a commodity or product rather than on an across-the-board basis. For instance, import limitations could be placed on bleu cheese imports which are competitive with the domestic industry but would not have to be placed on Roquefort which is noncompetitive with domestic production. Once import quotas are set, the Secretary of Agriculture could permit additional imports up to 10 percent by taking into consideration the broad effects upon international relationships and trade. The committee's modification ought to go far toward meeting the fair middle ground in this controversy.

Section 302 of the act makes provision for loans for the expansion of productive capacity for materials essential to the national defense. Section 103 of our bill makes clear that such loans could be made to manufacturers of newsprint. Back in November of 1951 the Defense Production Administration announced a program of seeking to expand newsprint production in this country by 495,000 tons per year which, if accomplished, would give us domestic newsprint production of about 45 percent more of the 1.1 million tons produced in 1951. United States production in 1951 amounted to approximately 18 percent of our total supply with 79 percent coming from Canadian imports and 3 percent from European imports. The recent \$10 a ton price increase announced by Canadian suppliers calls attention to the desirability of expanding newsprint production in the United States. Under the Defense Production Administration's announced objective for expansion in newsprint production, accelerated tax amortization certificates have been issued for new facilities which would have a capacity of approximately 370,000 tons of annual production. The provision making clear that loans can be granted for the manufacturers of newsprint will probably assist in attaining the expansion goal of approximately 500,000 tons and is entirely consistent with the decision under which accelerated tax certificates are granted in connection with such expansion.

In section 104 of the bill our committee inserted a provision which would assure that so long as price and wage stabilization is in effect under the act, the announced price support levels for the six basic agricultural commodities would not be set below 90 percent of parity. In the period when we are calling upon our farmers to expand production in the interest of national defense, it is only right that they be assured that once they have so expanded production they can rely on support prices at a fair and fixed level. As you Members know, 1952 announced support programs for the six basic agricultural commodities have been set at 90 percent of parity.

Section 104 of the bill also continues a provision designed to assure dairies that price ceilings on milk for fluid consumption will be set at a level which allows a pass-through of the three principal elements of cost, namely, milk, cans and containers, and distribution labor or at a level which assures them the benefit of the Office of Price Stabilization industry earning standard applied upon a milk marketing basis. Additional provision with respect to milk distributors provides that in any State where a regulatory body is authorized to establish both minimum and maximum sales prices for fluid milk, that OPS shall not set ceilings at less than minimum prices or at least equal to the maximum prices established by the State regulatory body depending upon which type of price setting authority the State body has followed. In section 108 of the bill there is a provision which, although drafted in language making it generally applicable to State minimum sales prices, would also apply to OPS ceiling prices on milk. Under this provision the OPS generally cannot fix a price ceiling on any material in any State below the minimum sales price of such material fixed by State law or regulation now in effect. This means that if there is a State minimum sales price in effect with respect to milk that the OPS could not fix a ceiling below such level.

The committee decided to exempt fresh fruits and vegetables from price controls. Considerations in this action were the facts that fresh fruits and vegetables by nature are highly perishable products, and crops can be made in a relatively short period of time.

I know many of the Members from the agricultural States will be interested in a provision in section 105 (c) of the bill which exempts wages paid for agricultural labor. As a matter of fact, I doubt if most of the farmers of the country are aware that wages paid for agricultural labor could be controlled under the provisions of the act. It just would not be practicable to attempt to do so and there is no reason for leaving in this authority which if exercised might place a good many of our farmers in at least technical violation of the act. It is just common sense to be practical about this matter and strike this authority from the act.

In section 105 (d) of the bill we have provided a general exemption for wages, salaries, or other compensation paid to persons employed in small-business en-

terprises. In this case a small-business enterprise is one employing eight or less persons in all of its establishments. Provision is made for the President to make exception to this general exemption, in any case, such as the machine-tool industry for instance, where it might have a harmful effect on the defense mobilization and stabilization program. But, by and large, there are many small-business enterprises in this country where the only effect of wage control on employees is to cause the small business to make burdensome and unnecessary reports to the Government. Common sense says we ought to do something about this problem and we did.

Last year the Congress adopted the Herlong amendment which thereafter prevented OPS from issuing regulations that would deny to distributors their customary percentage margins over costs during the base period. However, OPS regulations applicable to some distributors had been issued prior to the adoption of the amendment and it was not required that these regulations be brought into line with the Herlong provisions. We have changed that in this year's bill. Section 106 of the bill by striking the word "hereafter" out of the first sentence of the Herlong amendment makes the provisions of the amendment generally applicable whether OPS regulations were issued before or after the adoption of the amendment. Those that were issued before the adoption of the amendment cannot remain in effect if they deny distributors their customary margins over costs in the base period. The Committee made this clear when it added the words "or remain in effect" after the word "issued" in the first sentence of the Herlong amendment. The Committee further changed the first sentence of the amendment so that there would be no doubt about the amendment applying whether a distributor's customary margin was figured on a percentage or on a dollar and cents basis. In the case of some types of distributors the OPS is applying the mark-up provisions on an individual basis and in others on an industry-wide basis. Either type of application is permissible under the law. But I would like to say here and now that I think all types ought to be treated alike. As far as the law is concerned I am sure they can be treated alike.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SPENCE. I yield five additional minutes to the gentleman from Georgia.

Mr. BROWN of Georgia. In the hearings before the committee many witnesses complained of the burden of filing reports with the OPS. Some witnesses pointed out that their selling prices were substantially under OPS ceilings and argued for decontrol to avoid the unnecessary burden of reporting to OPS. In all fairness the agency has recognized this problem and in a few cases such as cotton and textiles has suspended price controls and reporting requirements on a temporary basis. Provision has been made for recontrol should prices again approach former ceilings. The trouble

with that approach is that it is slow and cumbersome and is not adaptable to the many types of prices for which there is no recognized market to which you can turn to ascertain what prices actually are. Our committee took a different approach to the problem which in no way will disturb the decontrol actions already taken. We provided for the suspension of reporting requirements to OPS on all sales made 7 percent or less under applicable ceiling prices if the seller certifies to the President that such sales were made at such prices. We did not disturb existing price ceilings at all. They stay there on the books and will continue to be stopping points for any prices that push against ceilings. But when sales are made, and that includes sales by any retailer, wholesaler, or processor, at 7 percent or less below ceilings the person is relieved of his reporting requirements to OPS and relief from that burden will accomplish all that you could accomplish by some other form of temporary decontrol action. Mr. Walter Graefe, of my State, one of the largest canners in the South, tells me that 88 percent of his canning is much below ceiling at this time.

In one of the recent decontrol actions, ceilings were set on some byproducts which had the practical effect of reducing the ceiling on an agricultural commodity below the limits allowed by the Fugate amendment which we adopted last year. I called this to the attention of the Director of Price Stabilization and he took the necessary corrective action. Under the suspension of reporting provision which our committee has proposed such a situation will not again occur because there is no suspension of price ceilings even on a temporary basis. Ceilings will stay right where they are.

The proposal attacks the soft price problem in a direct manner, grants relief needed, is both workable and practical. It is found in section 110 of the bill and would become a new section 411 in the act.

Early last month the Federal Reserve Board announced the suspension of the voluntary credit restraint program and the consumer credit control program which is commonly known as regulation W. Last week the Federal Reserve Board announced a lowering of the down payments required under housing credit controls commonly known as regulation X and appropriate revision was made in the credit control programs applying to Government assisted housing. Special types of credit controls such as regulations W and X are discriminatory in that the restriction on borrowing hits hardest the person with limited cash resources. Our committee struck out all authority in the Defense Production Act for the imposition of these credit control programs. While I do not believe any of them are necessary at the present time, I do have reservations on the question as to whether or not some of this credit control authority should not have been continued on a stand-by basis.

Our committee proposes a revision to section 707 of the act which would make

clear that protection is afforded a person who was unable to perform a contractual obligation because of regulations or orders which made it impossible for him or his supplier to furnish the necessary materials to permit the contractor to carry out his contract. Presently the contractor is protected with respect to his own operations and the deletion of the word "his" in section 707 extends the protection to include his suppliers.

The bill which the committee originally considered provided for a 2-year extension of the act. In the bill which our committee reported we have provided for a 1-year extension of the amended authorities. We have provided a similar 1-year extension of rent control under the Housing and Rent Act of 1947.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. SPENCE. I yield five additional minutes to the gentleman from Georgia.

Mr. BROWN of Georgia. The provisions of the Housing and Rent Act are otherwise unchanged except that a provision would be added to bring rents charged on Government-owned properties in accord with regulations promulgated by the Bureau of the Budget by July 15, 1952. This will permit the application of a uniform policy with respect to rental of Government-owned properties. Also, it will be noted in section 109 of the bill that the protest and review procedure relating to price-control regulations or orders is made applicable to rent-control regulations or orders. The validity of rent-control regulations or orders could be tested in the Emergency Court of Appeals in the same manner as price-control regulations or orders may be tested.

I would like to call to your attention the comment which appears in the committee report under the heading of "Certain technical violations." This paragraph speaks for itself, and I am sure that the Members of this body will be pleased to note the position the committee has taken in expressing itself on these cases of nonwillful technical violations.

After you Members have an opportunity to study the bill and review the committee report, I think you will agree with me that the committee has done a good job of proposing revisions which meet the tests of workability and common sense changes. If any further changes are made on the floor, I hope such amendments will improve the bill.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from New Jersey.

Mr. KEAN. Do I understand if somebody is aggrieved by a decision of Mr. Tighe Woods on rent control, that he may now go to court about it?

Mr. BROWN of Georgia. He can go to court.

Mr. KEAN. That is, either landlord or tenant?

Mr. BROWN of Georgia. I believe so, although I am not so sure about that.

Mr. SPENCE. Yes. That is true.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I agree with the last remarks of the gentleman from Georgia when he said that the committee did a good job. I think we did a good job, but I think we would have done a better job had we eliminated the whole business and let people forget about being controlled. We have been holding hearings in this committee since the last of April. Only two or three people came in asking for price controls, and they were the ones who headed the bureaus that are controlling the businessmen and people of the country. Then, week in and week out, we heard men, substantial men, come before us representing all kinds of industry, every industry, and point out how wrong it was, what they were forced to do under the regulations. There are thousands, yes, tens of thousands, of other people who were not in there to tell us of their troubles. They have to make out reports to these bureaucrats monthly, but they could not come down here because they could not afford to; they are just the ordinary small merchants.

The chairman was afraid that we were bringing politics into this question. I do not think we are bringing politics into it; I think that any man who believes in freedom, who thinks anything of the traditions of the country, has got to stand up here and stop this everlasting business of the Government trying to take care of our lives, tell us what we shall do, what we shall buy, and how much we shall pay for it.

You do not have to believe me; you can go into any hamlet, town, or city of the United States—I do not care what State you are living in—and find that all these things you want are in abundant supply; and there is an enormous supply of practically everything that is made. The only thing of which we do not have a surplus, perhaps, is metals; and we may be short, or will be in a little while, of steel. But it will not be the fault of the Congress. Everybody knows why the steel mills are closed now. They could be opened tomorrow, in my opinion, if the President would do what the Congress told him to do 4 or 5 years ago.

We are supposed to see that we do not have a run-away economy, and yet there is hardly an article on the market today that is not way below ceiling. I had a letter from a shoeman in my district—we still make shoes in Massachusetts, even if the Southern States have taken over more or less of our cotton-textile business—but he says:

Shoes, as well as leather and skins, are selling far below the OPS ceilings. There are no evidences in sight pointing to any increase in the price of shoes. They have taken controls off of hides and skins, and the same justification exists for taking the controls off of the finished product. While shoes are

selling below ceilings, the retailer is under unending necessity of keeping records and making reports in aggravating detail by reason of OPS regulations as they now stand.

In order to correct one of these regulations, even where the Administrator is willing to do so, it takes anywhere from 4 to 8 months to settle these cases and by that time somebody who ought to have been getting an increase for 6 or 8 months has not, while everybody around him has.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. CURTIS of Nebraska. Did the gentleman's committee go into the matter of the administration of these control laws in the various State and regional offices?

Mr. NICHOLSON. No.

Mr. CURTIS of Nebraska. You did not inquire into their personnel practices and how they went about their business?

Mr. NICHOLSON. No.

Mr. CURTIS of Nebraska. I think there is ample and credible testimony available if the Congress would receive it to show a tremendous waste of manpower and costly procedure; they are hiring people who have not held other jobs. There is an overlapping. They have more economists and analysts than they have chairs to sit them on.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. NICHOLSON. Mr. Chairman, in reply to the gentleman from Nebraska may I say that is a matter for the Ways and Means Committee or the Appropriations Committee to consider because this little thing that is troubling all of us now costs over \$100,000,000 a year. That is the matter that should be looked into.

Now, the matter of scarcity has been the fault of the Government, not the people who are trying to do business with the Government. For instance, we have a shortage of tin, and our great friend, England, to whom we send billions of dollars and who sells four-fifths of the tin we have used for the last 50 years boosted the price 300 percent. They also hiked the price of rubber by about 300 percent. Then the Government stops the individuals from buying from somebody else and then the Government starts allocating. We are supposed to have a shortage of brass, copper and other hard metals, so industry comes before our committee and requests a little better allotment or the privilege to buy in the open markets, which they do not have now.

I go through a little town in Connecticut, Dayville by name, on my way home. It has a good sized factory, the only business they have in the town, yet that factory cannot get the materials with which to do business. At the same time we are sending billions of dollars to Europe and those countries are sending all of the raw materials they can produce into this country. The result is they make a ghost town out of a little

place in the United States in order to build up some town in Europe or Asia that none of us have ever heard of. That is what these people seem to have in their minds. Never mind the American citizens, never mind the people who are doing business; they will do business because they always have.

Well, there is a limit to what they can stand from bureaucrats. Of course, I am a solid minority as to this price control proposition. I want to see it all thrown out. I want to see liberty come back to the American people. They say that we are doing this to preserve freedom and liberty in these foreign countries. Well, let us look around a little bit and try to preserve freedom and liberty in our own country and see that it is not lost.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DOLLINGER].

(Mr. DOLLINGER asked and was given permission to revise and extend his remarks.)

Mr. DOLLINGER. Mr. Chairman, the Defense Production Act this Congress passes will either protect the American people against higher, disastrous, inflationary prices and safeguard the Nation's economy, or it will jeopardize our entire mobilization program and undermine our liberty. Our duty is clear. Unless we wish to gamble with our freedom, we must provide an adequate system for maintaining strong price controls, and real, effective rent control. This means a law providing for strong controls, not a weak, ineffectual one with loopholes for selfish interests to use to their advantage at the expense of defenseless consumers.

Will this Congress pass the strong law required—or will it throw the American people to the wolves of greed and inflation? One hundred and fifty million Americans are affected by this law; they are relying upon us to give them the protection they need.

Our present Defense Production Act is woefully inadequate. Under it prices have continued to soar, the cost of living has steadily increased. It has worked for the benefit of a few, while adding to the burdens of millions of our people. This time, let us face the issue squarely, and give the country the kind of Defense Production Act which these perilous times demand.

No one can deny that the heaviest burden of our defense program still lies ahead of us. No one can deny that the unsettled world conditions which now prevail will continue for many years to come and that even greater dangers threaten our national security. This means that increased efforts in defense mobilization are required. Greatly enlarged defense production results in a corresponding increase in Government spending. At the same time, the channeling of material and products for Government use and in the defense mobilization effort, lessens the availability of civilian goods. Our defense program has a great effect upon the national economy. This accounts for the abnormal economic conditions now existing, which

we must recognize, face, and deal with appropriately and intelligently.

We must acknowledge that Government, which is now directing the economy of this Nation because of its tremendous needs and demands, must also fulfill its duty and protect the consumer. That duty rests upon us in Congress.

Statistics prove that consumption in our country is at its highest peak; we have high wages and earnings; but we must not lose sight of the fact that other prevailing factors clearly point to further inflation. Uncontrolled inflation would be disastrous. Of what use would be our powerful defenses which we are building up under our mobilization program, if we were to suffer economic ruin within our borders; what a crime we would commit against the American people if we let them be conquered from within by the deadly enemy—inflation. We are charged with the responsibility to pass legislation which will assure a reasonably stable economy and the halting of inflation.

We know that more than \$20,000,000,000 have gone down the inflation drain because we failed to put effective inflationary controls into operation at the outbreak of the Korean conflict. I pleaded with the Congress to roll back prices to the pre-Korean level when the Defense Production Act came before us last. This was not done. As a result of our failure to protect him against inflationary prices, the American consumer has suffered real hardship. The average wage-earner cannot afford many staple foods now, which formerly he and his family could enjoy; his struggle to meet ever-rising living costs is terrific; his children are suffering privations and lack of the necessities of life. The buying power of the workers' weekly earnings, after taxes, has steadily declined, and a continuation of this situation means eventual danger to our economy also.

In these times of abnormal conditions, the American people would be terribly victimized if the law of supply and demand prevailed. The operation of that law, if uncontrolled, would assure tremendous profits and benefits to those selfish and conscienceless forces, which always feast and grow fat in such abnormal times. They would prosper at the expense of those who are already overburdened and who are now making enormous sacrifices for our country. Our people look to us for assistance against the powerful, grasping interests which put their own good far above love for country or preservation of it.

America is in peril, our advisers tell us. Our military experts have told us that from now through 1954 will be the period of maximum peril for this Nation. We cannot risk finding ourselves in an armed conflict without being fully prepared in all ways; the day of increased preparation is here. Our people will be called upon to mobilize, to sacrifice more and more, and to submit to any restrictions upon their economy which may be necessary, in order to preserve the security and existence of our Nation. All this the vast majority of Americans are

more than willing to do. But, at the same time, inflation stalks that program of preparedness; inflation can defeat us as surely as any aggressor's weapons, if we do not kill it first.

The American people have suffered greatly as a result of our lack of foresight in not providing for adequate controls years ago. We have seen prices soar and soar under our present Defense Production Act. By adopting the Capehart and Herlong amendments we paved the way for higher prices; those amendments are inflationary and unworkable. The Butler-Hope amendment interferes with effective meat price control by banning slaughter quotas. All these amendments should be eliminated.

Wherever rent controls have been relaxed, we have seen the grasping landlords apply in droves for rent increases. We have read pitiful stories and heard sad tales from our servicemen who are now contending with gouging landlords whenever they attempt to establish any kind of temporary home near their base.

Prices of food are very high now; they would go much higher if controls were lifted. Inflation is now hitting the farmer. The Department of Agriculture index of prices paid by farmers was at an all-time high by mid-April, about 14 percent above June 1950. When farmers' costs go up, the price of food goes up. Consumer prices went up in April of this year; food prices alone were up 13½ percent. Since then, increases in wholesale food prices promise further rises in the cost of living. If we do not have controls, higher prices for milk, bread, popular cuts of meat, and a large number of other grocery items would be demanded. The housewife and farmer would be sadly affected. We know that the food retailers, milk dealers, meat people, machinery people, and other producers are all demanding higher ceilings now. Many witnesses who have been heard by the Banking and Currency Committee, of which I am a member, have been demanding that controls be killed—they are certain that they can ask higher prices if that happens.

In ordinary times, the demand for higher prices is controlled by competition. As I have pointed out—these are abnormal times. Our defense program and its effect upon the economy of the country must be taken into consideration. The issue we must face is not supplies—it is prices; the question is not one of shortages but the prices which people will have to pay. Already the price increases so far have caused dire hardships to wage earners, farmers, and others; they have meant calamity to the millions whose salaries cannot cover ordinary living costs; to poor widows; to many, many thousands who must try to exist on small pensions. We must remember that those poor people have no high-powered lobbyists to speak for them—they are entirely reliant upon us for help. They must have food and shelter—these they cannot get along without.

It is particularly imperative that we continue the authority for the control of fresh fruits and vegetables. When-

ever fresh fruits and vegetables threaten to go sky high in prices, we must be prepared to set ceilings and to protect the consumer. About 14 cents of every dollar spent for food goes for these items, and they represent about 5 percent of total consumer expenditures. Should there be a serious crisis—even unfavorable weather conditions—prices on these vitally important food items would soar to great heights, and we would be powerless to help the consumer, unless machinery was already set up to combat the inflation.

It is obvious that during the next perilous years controls must be increased and strengthened in order to provide economic safety. For the reasons I have stated, I charge that the bill before us is a poor imitation of what a real Defense Production Act should be; that it does not give the American people the safeguards they deserve and that our economy requires; and that it does, in fact, provide benefits for those who would profit by their country's distress and danger.

This vitally important Defense Production Act should be extended for at least 2 years. We know that our perilous years will extend beyond that. To extend the act for less than a year would work havoc, for we would then have a lapse of price controls.

The evils of inflation cannot be left to chance; they must be anticipated and dealt with in advance; workable and effective legislation must be in effect so that we can combat inflation whenever it arises.

Let us pass a strong, effective Defense Production Act; let us reach out a helping hand to those 150,000,000 Americans who look to us for the protection they have lacked up to this time; let us help our country and lay a firm foundation for a safe economy now and in the difficult years ahead. This is our duty; we dare not shirk it.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Chairman, once again the Committee on Banking and Currency has labored hard and long and has hammered out a renewal bill for the Defense Production Act.

The bill renews substantially all the present powers on defense production, allocations, and price, wage, and rent controls. There are a few weakening amendments in the bill which I regret—all the more so since the present act is none too strong for the task in hand. I would have preferred strengthening the present act instead of weakening it further by various fringe amendments. However, I believe that the bill as it stands, despite its many and obvious defects, if enacted, will afford reasonably strong protection to the defense program and to the hard-pressed consumer against the ravages of inflation.

Because a few prices have started slipping downward, there is a tendency in some quarters to regard the battle against inflation as being over. There could not be any more disastrous error of judgment. The plain facts of the matter

are, first, that our defense expenditures are rising now at a more rapid rate than ever before; second, that the international situation is still explosive and may get worse before it improves; and, third, that with all the controls in force the best we have been able to do with the cost of living is to hold it at last winter's all-time peak.

I shudder to think of what would happen if we were to let the controls lapse at this time. I know that some opponents of controls dismiss the consequences by saying, "Oh, yes, some prices will go up a little." But, Mr. Chairman, a little bit of inflation which you can't control doesn't stay little. It keeps getting worse. It grows from day to day.

We saw in 1946 what happens when we lift controls before the economic emergency is over. We dare not make the same mistake again now in a full defense emergency.

We owe it to the men whom we draft for service in Korea and elsewhere not to stand by and allow inflation to cause misery for their loved ones—not to allow profiteering by the greedy.

We owe it to the 40,000,000 taxpayers of this country, who are being taxed so heavily in order to pay for our defense program, that we do not allow inflation to take an additional slice of their income.

We owe it to ourselves, to our children, and to our children's children to complete the defense effort we have undertaken in order to fortify the free world against the threat of Communist aggression without allowing these added expenditures to set off an inflationary spiral which would destroy our economic strength.

The committee in calling for a year's extension of price, wage, and rent controls has taken a firm stand for continuing the fight on inflation until the inflationary threat to the defense program and to the country is over. Of course, we do not know that the threat will be over by next June. But a termination date of June 30, 1953, gives the Congress a decent opportunity to pass a further extension should that appear necessary next spring. On the other hand if the need for controls should end before next June, we can count on the suspension and relaxation program of OPS and the other agencies to do away with the burdens of controls once such controls no longer serve a useful purpose.

I am very glad the committee rejected the idea of an 8-month or 6-month extension. Such short extensions would invite speculators to gamble on the early removal of controls and would lead some of them to hold goods from the market in hope of being able to sell them later and make a killing after the controls were off. Having withheld the goods from the market in anticipation of the removal of controls, such speculators could then flood the Halls of Congress with lobbyists to fight against the renewal of controls. When we consider that even a February 28 termination date such as the Senate bill has adopted would leave only 5 weeks between the inauguration of the next President and the

deadline on the passage of an extension act, we can see what a terrific advantage this would give to the lobbyist against controls. All they would have to do is to get some of their friends to do a little extra talking and to move for delay—it will not even have to be a full-fledged filibuster—and they will have gained their object, which is to let the controls lapse.

In the field of wages, we all know that a February 28 termination date would fall in the midst of the season for the renewal of wage contracts. Both labor and industry would be inclined to delay on their contract negotiations on the theory that wage control might be over by March 1. This would not be conducive to the maintenance of sound morale in industrial relations or of full production which flows from sound morale.

A June 30 termination date, which the committee has recommended, would cut down the amount of speculation on the renewal of controls because it would give Congress an orderly opportunity to pass renewal legislation if that is necessary.

As regards wage stabilization, the committee bill continues the present procedures without change. The committee has refused to heed the demands of certain interests that the Wage Stabilization Board be emasculated as a punishment for the Board's recommendations on steel wages. Mr. Chairman, I believe that the wage board's recommendations on steel wages were both fair and equitable and within the stabilization rules. But even if I had disagreed with the wisdom of the Board's action in this case, I would be opposed to the idea of ripping out the Board because I did not like one of its decisions. That is too much like shooting the umpire because he ruled for the other team.

The present wage-stabilization set-up—a tripartite board of public, labor, and industry members, handling both wage-stabilization regulations and labor disputes—has worked remarkably well. We have had fair and equitable wage stabilization and by and large we have had full production at stable costs. Despite the propaganda of the steel industry against the WSB decision, it knows that the steelworkers are entitled to the kind of wage increases the Board recommended. Proof of the fairness of the Board's rulings is the fact that industry and labor generally have gone along with them and strikes have been rare and unusual.

Under such circumstances it seems to me a big mistake to discard our time-tested wage-stabilization set-up and embark on new experiments that run the risk of upsetting the labor-relations apple cart. Let us never forget that wage stabilization can be successful only with the whole-hearted cooperation of the groups affected. We cannot by legislation chain men to their jobs at fixed wages: we can only ask workers to cooperate in a stabilization program out of a spirit of patriotism and economic statesmanship. We must encourage the utmost participation of labor and industry as well as Government in the administration of the program.

The continued housing shortage which prevents normal bargaining between landlord and tenant makes it essential that rent control be extended for at least a year. The housing situation cannot be improved overnight, and with housing the one commodity which we cannot do without, for which there is no substitute, the sky would be the limit if controls were eliminated. Their continuation is essential to the welfare of the people in our larger cities.

As I said at the outset I am not satisfied with all the provisions of the committee bill. I would have preferred, for example, that the committee bill had not included a ban on price ceilings on fresh fruits and vegetables. I would have also preferred that the bill had not modified the so-called Herlong amendment to give higher margins to the chain stores. I would have preferred that these provisions had been omitted because they can only have the effect of raising prices to the consumer—prices which, God knows, are already too high for large sections of the people. But in a democracy such as ours, one cannot have his own way on all things—we have got to abide by the vote of the majority. I am supporting the bill drafted by the committee majority as the best we can get right now to protect the consumer in the dangerous period that lies ahead.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, the most urgent task confronting the United States right now is the rapid completion of our preparedness program. Despite the magnificent strides that we have made in the past 18 months in the rebuilding of our defenses, the hardest stretch of the road still is ahead of us. We still have a tremendous production job to do.

If we are going to get this job done with the maximum of efficiency and a minimum disruption of our civilian economy we are going to need an extension of the Defense Production Act for a minimum of another year.

In emphasizing the control aspects of this law we often overlook that the primary purpose of this law is to enable us to rebuild our defense with a minimum loss of time, a minimum of economic dislocation and the minimum cost to the taxpayer. We cannot keep our arms-production program operating on this basis unless we keep a firm rein on prices, wages, rents, and prevent inflation from getting loose as it was in the early days after the outbreak of the Korean war.

Right now our economy is operating at a fairly even keel. As far as I'm concerned that's a most compelling argument for keeping our stabilization program intact for another 12 months. It is a compelling argument that the various controls agencies are effectively doing the job that is theirs. All the American people are the beneficiaries of their work.

We cannot afford to take a chance with any further runaway inflation as long as the international situation re-

mains as tense as it is and as long as our defense program is only at the halfway mark.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. FUGATE].

Mr. FUGATE. Mr. Chairman, I am supporting H. R. 8210 which would extend the Defense Production Act for 1950 with Amendments.

Your Committee on Banking and Currency held 4 weeks of hearings on this bill. Everyone who desires to be heard was given an opportunity to appear and make such representations as he chose.

The bill is about the best that can be offered in view of the highly controversial nature of price and wage controls. Any controls, no matter how mild, are objectionable and obnoxious to most people. To some they are so offensive that they do not want any part of them. I am one who accepts them because they are the least of two evils. All good Americans will put their country's interest above their personal convenience in a time of emergency.

The Defense Production Act of 1950 was adopted by the House by a vote of 383 to 12. The act was extended in 1951 by a vote in the House of 323 to 92. It is evident from the vote that the membership believed it to be of immediate and continuing necessity. They recognized the dangers of inflation to the economy in a period of national stress and took action forthwith to meet the situation. They further recognized, as set out in the declaration of policy, that the purpose of international Communism was world dominion; that America's defenses were woefully inadequate and that the sinews of the Nation should be mobilized to meet the challenge of a damnable, atheistic ideology that contravenes every principle of democracy. God and Christianity under the Communist system are mere words without force or meaning. Men are chattels to be enslaved for the State. They have no individuality. They are denied freedom of thought, action and devotion. We cannot and will not accept this concept.

By the belief that America must defend her shores and her covenants we embarked upon a course of action that has made great strides in building up our war potential and substantially meeting our needs without violence to our economy. It seems to me that it would be the height of folly to abandon such a sound policy at this juncture. If we were correct in 1950 and 1951 we surely will be right in continuing for another 12 months the provisions of this bill.

There is not a Member in this House who does not believe we have made substantial progress in building our defenses and containing communism. Having put our hand to the plow we must not look back but go straight down the course to the end. We would be unfit as leaders to pause now when we have Joe Stalin and company slowed to a snail's pace.

This control measure is good insurance. I dare say that there is not a

Member here who does not carry some form of property insurance. Why do you pay out your money for this coverage? Because you think it is good business. It is good business for this country to insure against the attacks of the Reds. They recognize only force. They are just as ruthless and inhuman as fire, storms and lightning.

I am supporting the extension with amendments for the following reasons:

First. The national emergency is not over, and it is indispensable for us to build and maintain an ample defense.

Second. The potentials of inflation are present, and every precaution should be taken to maintain a sound economy.

Third. While most consumer items are in ample supply, some are scarce and it is right and fair that those in short supply be spread equitably.

Fourth. Strategic materials in short supply must be allocated to essential needs.

Fifth. A sudden flare-up in Korea or elsewhere would likely produce scare buying, and it is important to have machinery ready to cope with the situation immediately.

Sixth. I am sure that controls have helped in preserving the value of the dollar and protected the consumer and the Government, as prices have gone up only about 3½ percent here since Korea against rises in other countries up to 40 percent. Prices have remained more stable in the United States than in any other country.

Seventh. The committee has made changes in the act which will ameliorate the provisions that were imposing hardships on producers and consumers. One of the most onerous was the requirement by OPS on reporting. This has been reduced to a bare minimum. All items selling 7 percent below ceiling are automatically dropped from the list, and no reporting is required.

It is understood and agreed between the committee and OPS that items will be decontrolled as rapidly as possible. Suspensions will aid many industries.

During the course of our hearings on extension of price controls, I was proud of the appearance before the committee of one of Virginia's leading citizens. Mr. Henry P. Taylor, of Walkerton, Va., a former president of the National Canners Association, presented a complete economic justification for the suspension of price controls on canned foods. Mr. Taylor, who is both a farmer and a canner, knew what he was talking about. Being a rather small canner, he was able, from his own experience to explain the unnecessary and unwarranted burdens that price control imposes on the industry.

Canned food production, Mr. Taylor demonstrated, was the highest in the history of the country last year. Supplies currently on hand are the largest in history. He pointed out to the committee that the Department of Agriculture recognized the adequacy of supplies of canned vegetables in their recommendation to growers that they decrease vegetable tonnage this year by 15 percent.

Further supporting his economic analysis of the canned food situation in relation to price control, Mr. Taylor pointed out that since 1947 the index of canned food prices compiled by the Bureau of Labor Statistics has been consistently under the cost of living index. Furthermore, Mr. Taylor established that 88 percent of the volume of canned fruits and vegetables has been selling at less than ceiling prices. In fact, one-third of the volume of canned food sales has been at less than 10 percent of ceiling prices.

On behalf of the canning industry, Mr. Taylor proposed to the committee that agricultural and fishery commodities that are in adequate supply be suspended from price control. Mr. Taylor's proposal was similar to the decontrol provision that Congress adopted in the Price Control Extension Act of 1946. This approach to the problem of price control suspension, in my opinion, has great merit. It recognizes that prices are determined by the law of supply and demand. Obviously where the supply of a commodity is abundant there is no inflationary threat.

The canning industry, I am informed, has advised Governor Arnall that canned foods meet the suspension standards that have been established by OPS. Certainly Mr. Taylor's testimony before the committee established this fact. I have discussed this situation with Mr. Arnall and have been advised by him that action with respect to canned foods is on his suspension agenda. In view of Mr. Arnall's recognition of the fact that not only canned foods but other commodities in which there exists no inflationary threat and whose prices are below established ceilings should be suspended and will be suspended by voluntary administrative action, I did not think that the committee should bring before the House what might become a highly controversial amendment to the law. I do feel, however, that it is the overwhelming consensus of this body that price control on such things as are in adequate supply and which will not, in the foreseeable future, exercise any inflationary pressure should be suspended from price control just as rapidly as the Office of Price Stabilization can issue the suspension orders.

I want to express my appreciation to Governor Arnall for the sympathetic approach and attitude he maintains toward the whole program of price control. He is doing an excellent work and should have the wholehearted support of the Congress. His position is one where criticism is the usual order. I for one believe he is able, conscientious and determined to do a good job for his country, and I am deeply grateful for men of his caliber.

In conclusion, let me say this bill should have the support of the House and the country.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I am in favor of H. R. 6546, and especially the provision exempting from price con-

trols fresh fruits and vegetables. I represent one of the greatest fruit growing sections in West Virginia, if not in the entire eastern part of the United States. This legislation is vital to the orchardists in my district.

The fresh fruit producers take a great risk each season and it is necessary to depend upon prices for certain years to make money to cut down on their losses in the lean years. Because of the uncertainties governing this industry, such as weather conditions, and so forth, the producers must have elasticity in their prices. The price control on this fluctuant product works an extreme hardship on the growers.

In the words of Henry Miller, any kind of price control on this product would be entirely unfair and would incur too great a risk to this business. Mr. Henry Miller is president of the West Virginia Congress of Agriculture, representing 62,449 paid members, and has made an exhaustive study of this situation not only in West Virginia but throughout the Nation. This same opinion is held by Carroll R. Miller, secretary of the West Virginia State Horticultural Society.

There is no need for ceilings on apple products as they are now selling among the lowest priced canned fruits and vegetables. Prices are ruinously low while cost of production has increased.

I am sure the Members from the other agricultural States in which growers are similarly affected will agree with me in this stand. This is a vital matter with the West Virginia fruit growers who have been hard hit in recent years. Many are quitting now. They need help, not added injury by law.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I find that the statement I made during the debate on the Defense Production Act of 1951 applies equally to the Defense Production Act of 1952, H. R. 8120, with this exception. The things I said at that time have been borne out by the testimony of many witnesses before the committee during the hearings and by actual experience in the wholesale, retail, and manufacturing industry throughout the Nation and in the control of services and credit.

One of the statements I made during the debate on the 1951 Defense Production Act was that controls and stabilization of wages, prices, and credits are repulsive to the American way of life, and are an attempt to replace the fundamental law of supply and demand. This statement, or words to this effect, was repeated time after time by many witnesses who appeared before the committee during the hearings, and I am confident that many Members of the Congress have received many letters from their constituents expressing the same thought.

Legislation that restricts and controls the economy and consequently the production of goods and services is the most difficult kind of legislation to agree upon. This kind of legislation is as controversial as a tax or tariff bill and on final

consideration no one is entirely satisfied because nobody wants their wages, prices, services, or credit controlled by Federal legislation.

If the administration had used the authority which the Congress authorized them to use to freeze prices, wages, services, and credit in September of 1950 shortly after the outbreak of the Korean conflict, the situation would have been much different, but instead the administration did not attempt to use this authority until several months later which brought about a state of frustration, confusion, and scare buying unequalled in the economic history of the Nation. There is little wonder that it was difficult to obtain the full cooperation of the public in the administration and establishment of economic controls and stabilization. There is little wonder at the fear of the public that the underlying intention of the administration was to nationalize industry and socialize the Government because as these controls were fastened on the economy of the country as a result of an extreme emergency, they become even more difficult to release when the emergency lessens or has passed.

Fortunately the pressure of public opinion and the abundant production of agricultural and manufactured products, the increase in the construction of housing, the fundamental common sense of the American people, who refused to be driven into scare buying and are saving their money, and who are buying carefully and selectively have brought the fundamental law of supply and demand into operation, which requires no legislation by Congress or Federal bureaucracies to employ thousands of so-called experts to prepare charts, statistics, to write ambiguous rules, regulations, directives, amendments, amendments to amendments, and overriding regulations which a Philadelphia lawyer could not interpret or explain.

The pressure of public opinion and the abundant production of commodities has even made it necessary for the National Production Authority to remove and relax the controls of many essential strategic materials during the past year covering some 25 items including leather, rubber, sulfuric acid, hides, chemical wood pulp, cadmium, bismuth, lead, and many other commodities.

The good common sense of the American public have made it unnecessary to continue installment sales credit controls—regulation W—and construction credit controls—regulation X—which this bill provides shall expire on June 30 this year.

Many other amendments were adopted by the committee relaxing and removing restrictions on commodities and services. Here are a few of the controls that were in the 1951 Defense Production Act which have been relaxed or exempted by committee amendments in this bill, H. R. 8210.

Limits on the restriction that can be placed on slaughterers of meat.

Minimum-ceiling formulas on the price of milk products for liquid consumption.

Exemption from price controls of fresh fruits and vegetables.

Exemption of marine terminals from price control.

Exemption of price and wage control on bowling alleys.

Exemption of agricultural labor from wage control.

Exemption of wages and salaries and other compensation for small business employing less than 8 people.

Elimination of reports to OPS by retailers and wholesalers who certify that the sale of their materials or services are 7 percent below the OPS ceiling price.

Provision is made for loans to producers of newsprint for experiments and exploratory manufacturing of newsprint from other than wood pulp products.

In fact the OPS is going to be hard pressed to find some way to continue to keep employed the 16,000 or more employees in that agency because of amendments added to this bill.

The one section of the bill which was not amended by the committee but which, in my opinion, should be amended is title II—(amendments to the Housing and Rent Act of 1947.) I offered an amendment to that section of the bill in 1951 which the House approved but which was knocked out in conference.

I propose to offer the same amendment again to that section of the bill which provides that after the survey ordered by the President, by the Secretary of Defense, and the defense mobilizer, that if it is found that the three following conditions prevail in the area surveyed: First, a new defense plant installation has been added to the community; second, it requires an immigration of workers and, third, there is a shortage of housing in the area. The local elected legislative body has the right to review these findings.

I think the time has come for the Congress to recognize that local governments have some responsibility in matters of this kind. After these findings have been made by the chief mobilizer and the Defense Secretary, my amendment will provide that they shall be submitted to the local government for the purpose of determining whether these conditions actually exist. Within 60 days, the local elected legislative body can agree or disagree on whether rent control will be imposed in the area under their jurisdiction. The amendment which I propose is as follows:

Page 12, after line 5, insert the following new subsection:

"(c) Subsection (1) of section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new sentences: 'If any locality which has been decontrolled as a result of action by its local governing body under paragraph (3) of subsection (j) of this section is included in an area certified under this subsection as a critical defense housing area, the President shall promptly notify the local governing body of that fact, and shall not establish any maximum rent for any housing accommodation in the locality until 60 days have elapsed after the date on which such notice is given. If, within such 60-day period, the local governing body

adopts a resolution in accordance with applicable local law and based upon a finding by it reached as the result of a public hearing held after 10 days' notice, that any of the conditions listed in paragraphs (1), (2), and (3) of this subsection does not exist in the locality, the certification involved shall have no effect with respect to the locality for the purposes of this subsection and subsection (m) of this section. The preceding two sentences shall not apply with respect to any housing accommodation occupied by, or by the family of, a member of the Armed Forces who is stationed at an Armed Forces installation in or adjacent to the locality, or with respect to any certification made before the date of enactment of the Defense Production Act Amendments of 1952.'

This amendment has nothing to do with those areas that did not decontrol themselves by legislation. Those that are now under control or have never taken the initiative to remove themselves from control are not affected, but I think any area that took the initiative to remove itself by legislation should have the right to determine by affirmative action whether it wants to or should go under rent control.

It is an economic and a social problem in these areas. It is a serious question that the repercussions in any area where the Federal Government invades the right of local government.

I certainly think this is a very vital part of the bill, aside from many other parts of the bill having to do with the control of credit and the economy of the country. This is of a different character. The city and county officials have nothing to do with the price of food in their area. They have nothing to do with the control of credits in their area, but they have a lot to do with the people who own and rent houses in their area, and they have a lot to do with realty value, tax values, and the assessed valuation of those properties that have a direct bearing upon the attempt on the part of the Federal Government to impose rent controls.

I trust when the time comes that those of you who believe that local government has any right at all to determine for itself whether rent control should or should not be established will support my amendment.

Mr. Chairman, as further evidence that OPS is trying to convince the public that they are protecting the public against high prices and inflation by increasing the ceiling prices on certain food products which are selling, because of supply and demand, below OPS ceiling prices is shown in the following letter from the Southern California Retail Grocers Association:

SOUTHERN CALIFORNIA
RETAIL GROCERS ASSOCIATION,
May 22, 1952.

The Honorable GORDON L. McDONOUGH,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN McDONOUGH: This week the OPS hit independent grocers a blow below the belt.

On May 19, the OPS issued an order in Washington permitting wholesalers a slight increase in their margins on nine canned fruits and vegetables. And on issuing the order, the OPS told newspapers and wire services that prices would go up 1 or 2

cents a can in independent stores, but not in chain stores.

The higher-prices statement made headlines in Los Angeles papers, and everyone who read the news stories got the idea, planted by an official Government agency, that prices would go up in independent stores, but not in chain stores. However, investigation the next day showed that the nine items had been selling all over southern California at less than the old ceiling prices and that competition between grocers would keep the retail prices down. Even the local OPS office issued a statement to the effect that the prices of those items would not go up in this area. But the damage had been done.

We issued a statement pointing out that the raising of ceilings on items selling below ceiling was pure propaganda. We are enclosing a copy of our statement.

The OPS prices-are-going-up statement seems to be part of the present OPS party line. We understand that about 2 weeks ago OPS held a high-level strategy conference and decided to engage in an active propaganda campaign to try to put over the point that prices are going up. And now the OPS propaganda campaign is on. The cry of higher prices is a well-worn but effective weapon. It will poison a lot of people's thinking if the OPS is permitted to get away with it.

We see it as nothing but a last-ditch attempt by tax-paid bureaucrats to use propaganda to keep their agency in operation when the need for it has long since passed. And in the battle, the OPS is further hurting independent grocers who have already been suffering from the hundreds of unnecessary orders issued by that agency.

We hope you will do what you can to stop these OPS attacks on legitimate business.

Sincerely yours,

SAM
S. M. White,
Secretary-Manager.

It can easily be seen that OPS is attempting to reduce the cost of living to the consumer by increasing the ceiling prices on foods that are already selling below ceiling prices, as if such a thing were possible.

The National Canners Association also criticized this ridiculous OPS policy in a letter to Hon. BRENT SPENCE, the chairman of the Banking and Currency Committee:

NATIONAL CANNERS ASSOCIATION,
Washington, D. C., May 23, 1952.

Hon. BRENT SPENCE,
Chairman, House Banking and Currency Committee, Washington, D. C.

DEAR MR. SPENCE: OPS has just authorized an increase in the mark-up of certain canned fruits and vegetables, stating that distributors needed the increase because of low earnings. Some newspaper accounts have given the impression that consumer prices of canned foods will increase as a result of this action.

Consumers have been buying most canned fruits and vegetables for the past year at prices considerably below OPS ceilings. This is because the supplies of canned fruits and vegetables have been and continue to be large enough to create a competitive situation that forces sellers to take less than their ceilings for their products. So long as this situation continues it will be the factor that determines the prices consumers pay regardless of OPS action.

The consumer's dollar is divided between the distributor and the canner who supply the canned foods. Under normal conditions the distributor gets as much of the consumer's dollar as competitive conditions will justify. Under price control, distributors

are allowed a fixed percentage. Now that OPS has permitted distributors to take a larger bite out of the consumer's dollar it remains to be seen whether or not the distributors can collect.

The size of the distributor mark-up does not determine prices consumers pay. Those prices are determined by the supplies available to satisfy a consumer demand, and the willingness of the consuming public to pay the asking price. Since those supplies are now and from current indication are likely to continue large, no alteration of distributor mark-ups by OPS is likely to change the overall picture with respect to prices consumers have to pay. Although this action may result in some temporary adjustments in the price situation, in the final analysis the large supply situation will assert itself with consumer prices being determined accordingly.

This regulation, therefore, amounts to permission granted by OPS to take a larger percentage of the consumer's retail dollar with a correspondingly smaller percentage to go to the canner.

The BLS reported yesterday that retail prices of canned fruits and vegetables are considerably lower than a year earlier, and also are lower than those reported a month ago.

We are supplying this information to your committee because we wish to make it clear that there is nothing in the recent OPS action that affects the situation as reported to you at the hearing on May 16, 1952, with respect to the need and justification for suspension of price controls on canned foods.

Yours very truly,

HENRY P. TAYLOR.

It is time that something be done to put a stop to such silly administration by a Federal bureaucracy which employs 16,000 people and costs the American taxpayers more than \$100,000,000 to maintain.

Mr. Chairman, I yield back the balance of my time.

(Mr. McDONOUGH asked and was given permission to revise and extend his remarks.)

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, not too long ago Earl Browder, for 15 years the secretary of the Communist party in America, declared, and I quote:

Price controls occupy an essential place in every progressive economic program in every country in one or another form.

From Browder's statement, it is clear that the spectacle of the Congress of the United States extending price controls at a time of the greatest production in our history, must be good news to those everywhere who do not believe in a free-market system.

To Members of the House who favor extension of price and wage controls I propound this question: Where have price controls ever prevented inflation, and not just postponed inflation?

Is there anyone who can report such a record from the history books? I would like to hear from them right now.

Where have price controls ever successfully prevented inflation and not just simply postponed inflation?

Mr. Chairman, in the absence of any answer, I conclude that no one can tell us of such an example.

I wish some member of the Committee on Banking and Currency who favors price and wage controls might furnish such examples, if he has any, because we are confronted by a paradox. We are told price controls will stop inflation or will prevent inflation, yet no one can stand up to this House and tell you a single place where price controls have prevented inflation, and not simply just postponed it.

This gives us proof of the farce of this whole business. You are entitled to have some evidence from the history books of cases where price controls have successfully prevented inflation and not just postponed it. Either that or we should not be talking about price control as a method of preventing inflation.

Mr. Chairman, a wider variety of inflationary stimulants are being injected into our economic system today than at any previous time in the twentieth century.

When those forces will begin to produce a convulsion in our economic life, I do not know. I do not stand here telling you that prices are not going up. They are going up some day, as certainly as we continue to pump inflation into the economy.

But of this I am certain, ultimately such a convulsion will take place with disaster to the public credit unless these inflation stimulants are shortly curbed.

The following list of these stimulants is incomplete, but it gives a picture of the attempts being made to prolong the boom conditions that rest on the combination of inflationary credit, deficit spending, and undeclared war.

First. On March 24, 1952, the President requested the National Voluntary Credit Restraint Committee to suspend its screening of non-Federal public financing. This was done.

Second. Creation of easy credit for defense industries, plus certificates of necessity allowing accelerated depreciation on new plants, are both providing a powerful impetus to spending by industry.

Third. On May 7 the Board of Governors of the Federal Reserve System suspended regulation W relating to consumer installment credit—just turned that whole field of inflationary credit loose.

Fourth. On May 30 the DPA established a civilian stockpile operation to purchase materials. This price-bolstering device is in addition to military stockpiling activity.

Fifth. On June 9 the Board of Governors of the Federal Reserve System relaxed the provisions of regulation X in order to promote greater debt creation and inflation in the building industry. These easier credit terms in the real estate industry went into effect June 11.

Mr. Chairman, the foregoing is a partial list of the actions of the administration in recent months to bolster prices, yet then they come to Congress asking us to extend the OPS as a device to hold down prices.

I submit that this performance insults the intelligence of the American people. But it is worse than that. It indicates clearly that the administration does not

truly want to hold down prices, or to stabilize the value of the dollar.

Not at all.

This administration requires inflation to maintain the fiction that they can make the country prosperous.

But they dare not have the people discover that the value of the dollar is being ruthlessly and deliberately destroyed. That discovery by the humble and trusting people of America would end this cruel swindle, and that day will come.

So they demand a continuation of price control to cover up this gigantic conspiracy to destroy the financial strength of the middle classes of this country, whose savings are largely in dollars and obligations payable in dollars.

The foregoing is a strong charge, but the evidence supporting it, some of which I have just outlined, is overwhelming.

In addition, the funneling overseas of the real wealth of the American people goes on at full speed. It is on a scale only surpassed by the spending of World War II at its height. This spending, explained as necessary to protect us against communism, is probably communism's most potent weapon for the eventual destruction of our capitalistic western civilization, based on human liberty.

Now, Mr. Chairman, listen to these words from Andrei Gromyko of Russia. He told an acquaintance of mine, "The American dollar is the Trojan horse by which we will defeat you Americans."

It would be well for Members of Congress to ponder that boast and then take a hard look at recent history.

Since 1939 the paper currencies of 11 countries have been wiped out by complete inflation. Here they are: Albania, Austria, Bulgaria, China, Czechoslovakia, Germany, Hungary, Japan, Korea, Poland, and Rumania. Those countries hold 729,000,000 people almost one-third the population of the world.

Today most of those people, their savings made worthless by government inflation, are Communist-controlled. Do you think there is no connection between inflation and communism? These countries had price controls to stop inflation, too.

Now I quote from another interesting source:

I believe that the cold war, of which Korea was the climax, was designed in Moscow in the conviction that ultimately it would throw the economy of the United States into chaos and make the USSR the political arbiter of the world.

This is the judgment of Nicholas Nyardi, former high-ranking Soviet official. He should know what he is talking about.

Mr. Chairman, price control has ultimately brought disaster to every nation that used it over a period of time, because it attempts to evade natural law.

This Congress might almost as well pass a law declaring that the Potomac River should flow back up to the mountains as to pass legislation repealing the natural law of supply and demand. Price control under present conditions falls in about the same category; and

it will bring disaster to America just as it has elsewhere.

Price control is an essential instrument to those who get rich during inflation and it is an essential instrument to those whose goal it is to destroy our free economy.

It serves to conceal the deliberate destruction of our monetary system by thinly veiled, printing press, irredeemable money.

Is the Congress sincere in its desire to prevent ruinous inflation in America? Then it will move to restore a currency redeemable in gold upon demand. No irredeemable paper currency has ever preserved its value even for the lifetime of one generation.

We can be honest with the people. In that event we will terminate price and wage controls.

Or we can continue price and wage controls in the effort to continue to deceive the people about the depreciation of the dollar. Such deceit has never yet failed to pay off in political, economic, and moral catastrophe.

Mr. Chairman, if we go on with price control, the ultimate outcome is easy to foresee: All we have to do is look at the paper money inflations that have taken place in countries all over the globe and you will see what is going to happen to the savings of the American people who today are trusting their government by buying annuities, war bonds, and other dollar obligations.

I will not vote to continue this fraud on the patriotic citizens of this country. I appeal to my colleagues to end price control before the harm it does becomes irreparable.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, the Committee on Banking and Currency decided, by a vote of 13 to 11, to incorporate into this defense production extension bill a provision continuing section 104, the so-called cheese-quota provision, with the added proviso that the Secretary of Agriculture might increase the import quotas established thereunder by as much as 10 percent in the interests of general international relations.

This amendment is no improvement whatever over the present section 104, which the administration has repeatedly asked to have terminated. As nearly as can be determined, none of the problems in international relations which section 104 has created would be mitigated by a 10-percent increase in the quotas imposed under the section.

Section 104 has hurt our international relations in three ways: First, foreign countries have taken section 104 to mean that United States import policy will never allow them to increase their dollar earnings to the point where they will be self-supporting and will no longer need our aid; second, we have been compelled to violate our international trade agreement which prohibits the imposition of quotas under the standards used in section 104; third, we have in effect invited other countries to apply measures of the same kind to our agricultural exports. On each of these points the new version

of section 104 is as objectionable as the old.

The significance of section 104 in the eyes of other countries goes far beyond the effect of the measure upon the cheese trade from which some of them could derive substantial earnings. Enacted just after some other restrictive legislation and administrative measures and followed by still others, it has come to be regarded by many as a weathervane of the general direction of our foreign-trade policy. Consequently, its reenactment with or without the new proviso would confirm the gravest fears of other countries that the United States proposes to pursue a restrictive trade policy, even if it means sharply reducing the assistance which it has granted through such measures as the mutual-security program. The 10-percent proviso would not alter other countries' views of the basically restrictive character of section 104, and rightly so, since it would neither restore any substantial purchasing power nor remove the violation of commitments involved in it.

The new proviso in no way makes section 104 less of a violation of our international obligations. In the interests of safeguarding American agricultural exports, which are twice as large as competitive agricultural imports, we undertook reciprocally not to restrict agricultural imports except in specified agreed circumstances. In our case this means no quantitative restrictions on agricultural imports except to avoid serious injury as found by the Tariff Commission and the President, or to safeguard domestic agricultural programs under section 22 or to liquidate temporary Government-held surpluses or to deal with shortage problems. The authority we already had to impose import restrictions was consistent with these obligations. The provisions of Public Law 590, which the Senate has adopted, would also be consistent. Together these safeguards would be entirely adequate to meet our needs. But section 104, with its broad criteria for restriction, goes far beyond what is permitted or necessary. In fact, it virtually asserts a unilateral right to take whatever action we wish, whenever we wish. Obviously, the amendment in the House committee bill does not begin to correct this basic objection to section 104 or to provide an acceptable basis for the development of confidence and trust on the part of other countries.

The third objection to section 104 is one to which attention must now be directed if this measure is reaffirmed by Congress. Reenactment of section 104 has already been found by our trading partners to be in direct violation of our commitments. At a meeting last September this was formally decided, but because Congress was at that time considering repeal of the measure, the United States was able to persuade those advocating retaliation to hold off until Congress could complete its consideration. Reaffirmation of the law now will throw the door wide open and invite withdrawal of concessions now benefiting our export trade.

Such attempts as this to whittle away through a back-door approach our trade agreements program by riders to other bills not only tend to cripple our trade agreements program, but will eventually destroy it.

The mutual-security program and our other foreign-aid programs are being defeated by adoption of amendments or riders such as section 104 of this bill.

EFFECT OF SECTION 104 ON AMERICAN
AGRICULTURE

The restrictions imposed under section 104 reduce the opportunities for other countries to earn dollars and consequently their ability to buy American goods.

Maintaining export markets is important to large segments of American agriculture. In 1950 the United States exported \$2,800,000,000 of agricultural products. These exports accounted for more than one of every three bales of United States cotton production, more than one of every five bushels of wheat, almost one of every four pounds of tobacco, and about one-third of the production of raisins and prunes. In this same year the United States imported \$3,900,000,000 of agricultural products. Of this total, however, \$2,100,000,000 were noncompetitive products not otherwise available, such as coffee, rubber, cocoa, tea, bananas, and spices. The competitive products—excluding sugar in the amount of \$372,000,000—amounted to about \$1,400,000,000, or less than one-half the value of our agricultural exports.

If other countries cannot sell their goods in this country they will not be able to maintain their level of purchases of American agricultural products. For example, the Netherlands has estimated that the restrictions have resulted in a loss of about \$1,500,000 of their dollar earnings, and that their capacity to buy oranges, prunes, and other similar products has been reduced. France has indicated that the restrictions have prevented the purchase of a substantial quantity of California oranges.

The interest of the agricultural community is not limited to agricultural exports. Many nonagricultural producers and workers in the United States are engaged in industries which earn substantial income from export markets. If foreign countries have to reduce their purchases from these industries, then the income of American industrial workers will decline, and they will no longer have the money to buy American farm products in quantities which they would like to buy and which the farmers would like to sell.

OPPOSITION BY RESPONSIBLE GROUPS TO SECTION
104

Section 104 is opposed by many responsible organizations in the United States such as American Farm Bureau Federation; National Farmer's Union; Tobacco Associates, Inc.; American Cotton Shippers Association; the United States Chamber of Commerce; the Commerce and Industry Associations of New York, Inc.; Association of Food Distributors, Inc.; Congress of Industrial Or-

ganizations; International Association of Machinists; Americans for Democratic Action; National Council of American Importers, Inc.; National Cotton Council of America; General Federation of Women's Clubs; International Trade Section of the New York Board of Trade.

INTERNATIONAL REPERCUSSIONS OF SECTION
104—PROTESTS BY OTHER COUNTRIES

The following countries have protested to the United States Government against section 104: Argentina, Australia, Canada, Denmark, Finland, France, Italy, Netherlands, New Zealand, Norway, Switzerland.

Some of the main points made by these countries against section 104 is that these import restrictions: (a) reduce their export markets in the United States and thus hinder their opportunity to earn the dollars they need to make them self-supporting and to contribute their full share to the defense of the free world; (b) add to the political and economic difficulties in areas sensitive to Communist and other disruptive influences; (c) are inconsistent with the liberal trading policy which the United States has encouraged throughout the world.

(Mr. EBERHARTER asked and was given permission to revise and extend his remarks.)

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I was interested in the learned discussion of the gentleman from Pennsylvania [Mr. EBERHARTER], who is also my friend; but I was amazed that he has become the representative of foreign producers who seek to take over the markets in the United States for some of the vital commodities produced in this country. I am representing both the producers and the consumers in the United States.

The gentleman from Pennsylvania fails to recognize that cheaply produced food products or manufactured products in other countries that are shipped into the United States displace American production and labor. The highest wages paid labor in Europe are in England. There the coal miners received around \$21 a week whereas the coal miners in the gentleman's State received up to \$100 a week.

I recognize that we must have food for the American people. The section of the bill to which the gentleman has referred deals with the importation of food. He is particularly interested in foreign cheese. I know he is a connoisseur of good cheese, and I hope he can become accustomed to eating some of our good American cheese in addition to the foreign cheese.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I like domestic cheese as well as foreign cheese, but I

dislike seeing the price of domestic cheese increased 25 percent because of this very provision in the bill. I would also like to ask if the gentleman would want us to be forbidden all of the export market, which is twice as great for agricultural products as the amount of agricultural products we import? Does he want to ruin the American farmer by closing all export markets?

Mr. AUGUST H. ANDRESEN. The gentleman from Minnesota works for and desires a healthy foreign trade in all farm commodities, but he cannot go along with the gentleman from Pennsylvania who is advocating a policy to ruin American dairy farmers in his advocacy of permitting unlimited imports of dairy products, fats and oils, to come into the United States.

Mr. EBERHARTER. That is what the gentleman is doing.

Mr. AUGUST H. ANDRESEN. In addition, the gentleman from Pennsylvania is also injuring American consumers of dairy products. The gentleman fails to realize that the population of the United States is increasing every year by nearly 3,000,000 people; he fails to realize that there are 10,000 babies born every day in the United States, one every 9 seconds, and these babies need milk. He fails to realize that he is a party, unintentionally I am sure, to a scheme to liquidate the dairy farmers of this country and that by bringing in unlimited quantities of cheese, butter and other dairy products, the liquidation of dairy cows in this country will be accelerated. The gentleman fails to realize that some of the programs that he has supported in recent years to use substitutes instead of good dairy products has brought a decrease of more than 4,000,000 milk cows in the United States during the past 6 or 7 years. It takes cows to produce milk. We should have more milk cows to keep pace with the human population to produce an abundant supply of milk and other dairy products at reasonable prices to consumers. Because of the decrease in the milk cow population, the per capita consumption of milk is at its lowest point in recent history and consumers are paying the highest price for retail milk. The gentleman from Pennsylvania should confer with the housewives of his district, as I am sure that they will go along with me on a program to secure greater production of milk at reasonable prices.

The policies urged by the gentleman from Pennsylvania and others can only lead to greater liquidation of dairy cows in the United States, and the end result will be higher prices for all American consumers. I predict that within a few years unless the trend is reversed in the milk cow population, consumers will be paying at least 5 cents more a quart for milk than they are paying today. Does the gentleman favor going along with a program of that kind?

Mr. EBERHARTER. Certainly, the gentleman mentioned the increase in population. Does that not indicate that we need more food to feed the increase in population?

Mr. AUGUST H. ANDRESEN. Yes; it does, but I want it produced in this country. The gentleman wants to bring all of our food in from foreign countries. His policies will liquidate American producers of dairy products, and when we get short in our supply, he will not find any foreign Marshall plan or economic aid to help sustain the food demands of the American people. Furthermore, a substantial portion of the dairy products which would be shipped into the United States from foreign countries should be consumed at home or in adjacent countries to sustain the lives of the people.

Mr. EBERHARTER. The gentleman realizes that the price of milk and cheese has gotten out of the reach, because of their high prices, of the ordinary American consumer. They are pricing themselves out of the market. Furthermore, I will say to the gentleman, if you close the export market to the American farmer you will do him a lot more damage than by hurting a few dairy producers in this country.

Mr. AUGUST H. ANDRESEN. Let me answer the gentleman. I pointed out a few moments ago the reason for the high price of milk. Policies of the Truman administration which have discouraged farmers from increasing their dairy herds have resulted in a decrease in milk production of more than 4,000,000,000 pounds of milk in recent years. I say to my friends that this is one reason why consumers are paying the highest price for milk, and the farmers do not get the benefit of the high price paid by consumers. I wish the gentleman would go along with me on a program to increase the milk-cow population in the country so that we can secure more milk for consumers at reasonable prices. I stress again that within a few years consumers will be paying at least 5 cents more a quart for milk than they are today unless present policies and trends are reversed.

Mr. EBERHARTER. The gentleman will agree that twice as much farm products are exported as are imported. If that market is closed to us, what are we going to do?

Mr. AUGUST H. ANDRESEN. I know that since April 3, 1948, we have shipped out of this country more than \$5,000,000,000 worth of farm commodities to various countries in Europe and elsewhere in the world but, who paid for it? The American taxpayer paid for this food, of course, and our Government gave it away.

Mr. EBERHARTER. And the farmer got it; the farmer got the money for his goods, did he not, under the price-support program?

Mr. AUGUST H. ANDRESEN. Certainly, but the American taxpayers paid for it, and I do not believe in that kind of an economy. Let me answer the gentleman further, who appears to be so solicitous of foreign producers. He has made several speeches here and I have read them very carefully. His philosophy is wrong. He should be interested in maintaining a strong economy in this country both as to food and industrial production.

Mr. EBERHARTER. I have been solicitous of the American farmer. I want

to preserve the export market for the American farmer, for the American wheat farmer, the American cotton farmer, the American peanut farmer, and the soybean producers and for all of those farmers. But, the market will dry up if we continue this restriction on imports.

Mr. AUGUST H. ANDRESEN. I also want to save the export market for wheat, cotton, tobacco, and peanuts, but I cannot go along on a program to liquidate some 5,000,000 dairy farmers in this country. The gentleman does not know, perhaps, but from 70 to 80 percent of the diet of the American people consists of dairy products and other perishable foods. He does not know that 52 percent of the milk produced in the United States goes into manufactured dairy products, like butter, cheese, and other items.

Section 104 of the bill before us gives the Secretary of Agriculture authority to establish import quotas for fats and oils, butter, cheese and other dairy products, peanuts, and rice. Apparently the gentleman from Pennsylvania does not trust the Secretary of Agriculture to properly administer the law. The President is specifically directed to exercise the authority and power conferred by section 104. Surely, the gentleman should have confidence in both the Secretary and the President.

Section 104 as reported by the committee authorizes the Secretary of Agriculture to limit imports of the commodities enumerated in the section to such quantities as would not (a) impair or reduce domestic production of such commodities or products below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of such commodity or product, or (c) result in any unnecessary burden or expenditure under any Government price-support program. This section also provides "that the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodity specified in the section, not to exceed 10 percent of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationship and trade." This proviso, and in fact, the entire section gives the Secretary of Agriculture the broadest discretionary authority to deal with individual types and varieties of such commodities when fixing import quotas. However, the Secretary must make his findings in accordance with the criteria set forth in section 104.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Will the gentleman explain the source of Roquefort cheese and whether it is in competition with dairy products from the gentleman's State?

Mr. AUGUST H. ANDRESEN. I would like the gentleman to know that I am not thinking in terms of dairy production only for the State which I have the honor to represent. I feel that we should be concerned about dairy production for the entire country, because milk and dairy products are the most important item in our diet.

I am somewhat familiar with the production and sale of Roquefort cheese, which is largely produced in France from sheep's milk. This type of cheese is not in my opinion competitive with cheese produced in the United States as it is sold in retail stores in this country at from 50 cents to 75 cents a pound higher than blue mold cheese, its nearest competitor, which is made from cow's milk.

Mr. DEVEREUX. The gentleman does not consider it competitive?

Mr. AUGUST H. ANDRESEN. No; not at present price differentials.

Mr. DEVEREUX. Would there be any reason why we should not allow all of the French cheese, which is primarily Roquefort cheese, to come into this country so that they can, in turn, build up their resources to purchase some of our American products?

Mr. AUGUST H. ANDRESEN. The amount of dollars that French exporters would receive for the quantity of Roquefort cheese they would ship into the United States would not amount to much. However, should the French adopt a price-cutting policy for Roquefort cheese, the same as was done by certain exporters of blue mold cheese prior to August 9, 1951, unlimited imports of Roquefort could have a serious impact upon the production of blue mold cheese in this country. According to the Department of Agriculture and the Tariff Commission imported blue mold cheese, sold at cutthroat rates which was below the cost of domestic production, took over nearly 50 percent of the American market for this type of cheese.

I would like to call to the attention of the gentleman from Maryland that section 104 specifically allows the Secretary of Agriculture to deal with various types of cheese or other dairy products; if the Secretary finds that domestic production will not be injured he can limit imports on one type of cheese and place no limitation on a different type, like Roquefort in which you are interested.

While I would have preferred the re-enactment of section 104 of last year's bill, I am giving my support to the modified section 104 as it appears in the bill now under consideration. We do not administer laws in Congress. We must rely on a responsible agency in the executive branch of the Government to properly administer the laws. The Secretary of Agriculture and the President are charged with the responsibility to administer section 104 for the best interests of American producers and consumers and under a policy that will not cause a burden to the Government under any price-support program. Let me also add that in the case of imported cheese, which appears to have been very controversial during the past 9 months, that the Secretary of Agriculture can establish a smaller import quota for the

types or varieties that cause the greatest impact upon domestic production, and a larger over-all quota for other types and varieties of cheese, and he can do the same thing with the other products enumerated in section 104.

Butter, cheese, and the other products set forth in section 104 are all under the Government price-support program for such products produced in this country. Should Congress fail to enact section 104, unlimited imports of these commodities will enter our country after June 30. The Government support program for domestic commodities will then become a support-price program for the entire world and our Government will then buy hundreds of millions of dollars worth of domestically produced butter, cheese, and the other products at the support price to make way for unlimited imports. We spent more than \$400,000,000 in the potato program during which time Canadian potato producers found a profitable market in this country for potatoes at a price a few cents below the support price. We do not want another experience of this kind at the expense of American taxpayers.

Mr. DEVEREUX. Then I gather the gentleman has no objection to exempting some of these particular cheeses?

Mr. AUGUST H. ANDRESEN. I do not think that we can do that here as a part of section 104, because I know of many other commodities, including other types of cheese, that some would like to have specifically exempted in the bill. When I appeared before the committee, I expressed myself very clearly that I did not think that Roquefort cheese, at the present time, was competitive. I am sure that the Secretary of Agriculture and his very efficient staff will give careful study to all types of cheese and the limitations that should be placed on imports for each type.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from New York.

Mr. MULTER. Would the gentleman oppose an amendment to section 104 as proposed in the committee bill which would further provide that this section shall not be effective against these imports where there is as much as a 10-percent differential between the retail price of the domestic product and the imported product?

Mr. AUGUST H. ANDRESEN. I would oppose such an amendment and I will tell you why. In the first place, a 10-percent differential is not a wide enough margin. In the second place, every foreign country that desires to ship cheese and other products into the United States can devalue their currency overnight in order to gain a price advantage. Nearly all foreign countries have devalued their currency during the past 3 years. This devaluation has wiped out tariff duties. The Secretary of Agriculture is charged with the responsibility of fixing quotas for imports. I am sure that the gentleman has considerable faith in the Secretary and the President.

Mr. MULTER. Foreign currency devaluation does not change the dollar. I am talking about the dollar.

Mr. AUGUST H. ANDRESEN. Yes, it does. When foreign countries devalue their currencies the purchasing power of the dollar in those countries increases in value to the extent of the depreciation in the foreign currency. The gentleman is an expert in finance, domestic and foreign. He also knows that the American dollar has been depreciated at least 50 percent during the past 10 years.

In conclusion, let me again stress the urgency for promptly approving section 104 of the bill now under consideration. Unlimited imports can only injure domestic production without any benefit to American consumers. Nearly all of the commodities in section 104 are close to the support-price level, and we must not again permit the Government to become the principal buyer of such domestically produced commodities, nor should we be a party to injuring American production.

[Mr. WERDEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. HARRISON].

(Mr. HARRISON of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. HARRISON of Nebraska. Mr. Chairman, I asked for this time today so that I might bring before the House of Representatives an opinion that is being expressed by the merchants, the farmers, the bakers and the butchers in my district of Nebraska. I feel certain that my district is no different than the other districts which are represented here.

Too, I feel that the people of the district of Nebraska that I represent are just as loyal and have the self-same feelings about an adequate defense and are willing to make sacrifices in the interests of freedom as is any other people of the country. In 1951 when the OPS regulations were put into effect, with some skepticism as to its value, the people in every line of endeavor went to work in a spirit of cooperation for a world-wide cause. Now the time is close at hand when it is either necessary to extend or discontinue the Office of Price Stabilization and I wish to state here that these people that I represent are united in their opinion that the office should be discontinued.

To give some of the reasons for their opinion, I would like to state that one of the big industries that I represent is the cattle and hog industry, which includes the feeding and slaughtering and distribution of beef and pork. The farmers in my district have, like the farmers in every other district of the United States, come through with flying colors whenever the Government asked for greater production. The farmer thinks that every type of industry is well entitled to a just profit for its services or its merchandise but does not feel that the meat producing and distributing industry should be discriminated against.

Prices paid farmers for meat animals last year under OPS have been lower, which means the producer's income has been reduced. In contrast, the average retail price of meats of 1951 under OPS

was 6.3 cents per pound more than in 1950.

On April 15, 1952, producers were receiving 7.9 cents a pound less for their lambs than a year earlier, 2.5 cents a pound less for beef cattle, and 4.2 cents a pound less for their hogs.

Compare these sizable reductions in prices paid to farmers to the substantially higher retail meat prices paid by consumers. During 1951, under OPS, the average retail price of beef was 12.2 cents per pound higher and for pork the price was 6 cents higher. These figures are conclusive proof of that fact that OPS is directly responsible for higher consumer prices and lower livestock prices—United States Department of Agriculture economics, May 8, 1952.

Experience has demonstrated that price controls: One, distort meat distribution; two, discourage meat production; three, cannot be enforced.

PRICE CEILINGS FORCE ESTABLISHED PACKERS OUT OF THE CATTLE MARKET

Shortly after the imposition of price controls in early 1951, it became increasingly apparent that meat was being diverted away from regular commercial channels. This was especially noticeable in the case of beef. And with the imposition of the dollars and cents ceilings for cattle and beef at midyear, the situation became even worse.

For example, a serious dislocation of cattle slaughtering operations developed in early June, coincident with the effective date of compliance prices for live cattle. During 1950, cattle slaughter by 99 plants of established firms had consistently represented approximately 60 percent of the weekly total slaughter under Federal inspection. This percentage dropped moderately in March, April, and May, then plunged to only 44 percent in June. Although this situation has improved, it is far from being fully corrected.

As a group these 99 plants were forced to reduce their cattle slaughter in the 5 months June through October by 33 percent from a year earlier; while the balance of the federally inspected industry showed a 12-percent gain compared with the previous year.

PRICE CONTROLS DISTORT THE NORMAL PATTERN OF CATTLE SLAUGHTER

The diversion of cattle away from normal channels is further illustrated for the entire year of 1951. Commercial cattle slaughter in the United States totaled about 16,400,000 head, 1,500,000, or 8 percent, less than in 1950. However, this reduction was not equally distributed throughout the country. Slaughter in the Corn Belt—which normally represents 55 to 60 percent of the total—was down 15 percent, while on the east and west coasts it was up 4 and 5 percent, respectively.

During the period of greatest diversion—June to October—the reduction in the Corn Belt amounted to 24 percent, while the east- and west-coast States registered gains of 8 and 9 percent over a year earlier.

Illustrative of the uneconomical results of this diversion in cattle slaughter is the experience of the Army in procuring beef during this period. It is

reported that the Chicago market center found it necessary to purchase practically its entire beef requirements from west-coast plants. Some of this beef was moved all the way across the country to eastern points despite the fact that it was from some cattle which had been purchased at Corn Belt markets. It is worth noting also that this uneconomical shift in cattle slaughter was not entirely a matter of price violations on the part of some packers. The price regulations, even when observed, were such as to favor the shipping of live cattle from major producing areas to other points for slaughter. Although the regulations have been amended several times, this is illustrative of the inability of man-made regulations to replace the economic laws which govern this industry.

CUT IN HOG PRODUCTION BEGAN LAST MAY

According to USDA pig-crop report of last December, the number of pigs raised during the 1951 fall season was 2 percent larger than that of 1950. However, the estimates of sows farrowing by months show that a downward trend in hog production actually began early last summer.

This was at the same time that cattle feeders were greatly disturbed by the OPS action with respect to cattle and beef prices. The deterioration in the corn crop and the decline in hog-corn-price ratio—which has undoubtedly affected breeding for the 1952 spring crop—did not occur until later in the year. Furthermore, the April and July stocks of corn and other feed grains, although less than a year earlier, were still relatively large.

Substantial increases in June, July, and August farrowings turned into minus figures in September, October, and November. Since the breeding season for hogs precedes times of farrowing by slightly less than 4 months, the decisions to reduce 1951 fall farrowings actually were made during the months of May, June, and July.

Since cattle feeding is closely associated with hog production, particularly in the Corn Belt, it is easy to understand how hog producers may have become alarmed by the attitude taken by the OPS toward cattle prices last summer. They may also have remembered the action taken by the OPS last January when pork prices were frozen at levels below the equivalent parity prices for hogs.

CEILINGS AND ROLL-BACKS DID THIS TO CATTLE IN NEBRASKA, IOWA, AND ILLINOIS

In 1951, due to uncertainty and alarm over the prospect of the roll-back of meat prices, the number of cattle on feed in the States of Nebraska, Iowa, and Illinois fell 9 percent from April to July, thus putting a great number of unfinished cattle on the market. Too, the number of replacements that were being put back in the feed lots was reduced by 19 percent.

With the elimination of the threat of further price roll-backs on July 31, cattle feeders have attempted to replenish their feed lots during the past fall. In the meantime, however, substantial

harm had been done to the meat industry.

A SAFE WAY TO EVADE OPS REGULATIONS

While some effort apparently was made by the OPS to crack down on price violators during the early fall of last year, the above situation did not improve until cattle marketings increased seasonally later in the year. The OPS reported that 1,849 violations of meat price orders were uncovered in its enforcement drive which was carried on last September. However, only 89 of these cases have warranted injunctions and just 2 have warranted criminal charges. Thus, because of the ease with which regulations can be evaded, it is doubtful if these efforts were any more than nominally successful.

HERE IS WHY MEAT PRICE CONTROLS CANNOT BE ENFORCED

While most people are honest and obey the law, the number of the meat transactions which take place—and the potential violations—are so great that it is physically impossible for the Government to recruit and train an enforcement staff capable of policing price regulations in this field. According to the careful estimates shown, retail transactions alone total nearly 18,000,000,000 in a single year. In addition, there are annually nearly 450,000,000 individual sales of livestock and meat at wholesale.

If only 5 percent of these transactions were in violation of price regulations, it can be seen that the number of evasions would total close to the 1,000,000,000 mark. The 1,849 cases of evasion uncovered by the OPS last fall, after an intensive enforcement campaign, illustrates the impossibility of actually enforcing these regulations.

In conclusion, what is true of the meat industry is true of many other commodities which are necessary to the every day diet. However, there is no substitute for meat in the American diet and, too, there is no substitute for the kind and quality of meat that comes from the Corn Belt country. Potatoes were driven off the market and into the black market by an OPS regulation and finally when the regulation was released, the potatoes came back to the American table. Let us not discourage production when we most need it. Let us not invite black markets and unfair dealings which penalize the honest merchant.

Farmers are in a position to produce an abundant supply of meat and other food products if the industry is released from the shackles of OPS—you cannot expect abundant production unless the business is profitable. What I have said of the meat industry is also germane to the whole scheme of merchandising. Businessmen cannot in their various lines adhere to the many and varied OPS regulations without a very material additional cost in their operation. In addition to their operational costs, they are being taxed to keep the huge army of Government employees that are necessary to operate the functions of Office of Price Stabilization. With every commodity which is essential to the necessities of life, including meat and potatoes, I should like to urge the Members

of the House of Representatives to follow the wishes of the people of the Third District of Nebraska and vote to discontinue the OPS as of June 30, 1952.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. SADLAK].

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. SADLAK. Mr. Chairman, during this time allotted to me in general debate on the Defense Production Act Amendments of 1952—more specifically H. R. 8210—I desire to stress the phrase "entitlements for consumption."

The phrase "entitlement for consumption" is a new contrivance, an innovation, a new idea of expression, which appears on no page of the 12-page bill before us; yet it is a phrase which the International Materials Conference constantly employs and uses to justify its allocations of scarce and vital materials, and its meaning, its significance—yes; its impact and effect upon this Defense Production Act is direct and, in my opinion, devastating.

The present law, and this extension of the law, gives life, vigor, and implementation to this word vehicle, carrying out the theme song of the IMC, or International Materials Conference, which was organized and is operating without statutory authority.

The IMC has latched on, so to say, to the Defense Production Act and, admittedly, as I shall try to indicate by statements of administrators of the Defense Act and others, could not have effect or implementation without this act; was started under the aegis of our State Department; is not intended merely as a temporary emergency supercartel, but is intended to continue to operate after the need for a Defense Act has expired, and is presently short-changing our industries and workmen and ruining our stockpile.

My interest in the IMC was first aroused by the statements made by Senator FERGUSON, of Michigan, who has done an outstanding pioneering and investigating job in behalf of all of the people of the United States in bringing out into the open the existence, functions, and operations of the IMC.

Subsequently, on May 10, 1952, when some 70 Republican Members of the House of Representatives met at the call of our distinguished minority leader, Mr. MARTIN of Massachusetts, to discuss the International Materials Conference and the unemployment and hardship the conference has brought about, I was designated as chairman of a committee of eight of my Republican colleagues to take a further look into the situation since unemployment in my State of Connecticut has resulted because of material shortages which, in turn, were largely traceable to the actions of the IMC.

My committee examined the electrical manufacturing industry where copper and its alloys are essential materials. Following a month of study of the IMC and its many ramifications, my committee reached certain conclusions and the most obvious one was that the IMC had

no franchise or statutory right to operate at all.

For background, the story of the International Materials Conference goes back to December 1950, when Clement Attlee, then Socialist Prime Minister of Great Britain, came to Washington to visit President Truman and request a larger share of the world's key commodities. Messrs. Truman and Attlee agreed to form an intergovernmental organization specifically designed to handle the problem of raw materials. The French Government was then consulted, and on January 12, 1951, the United States State Department issued a release announcing the formation of what was to become the International Materials Conference.

The purpose of the new organization, according to the release, was to bring about cooperation among the free countries of the world to increase the production and availability of materials in short supply and to assure their most effective use. Thus, the IMC's birth was accompanied by a flow of vague, high-sounding words that gave little hint of the damage the organization would eventually cause in the electrical and many other important industries.

IMC headquarters were established in Washington and remain here. There are some 28 participating countries each with one representative plus alternates and advisers on the various commodity committees. So far, seven committees have been formed. They are: Copper, zinc, and lead; sulfur; tungsten and molybdenum; manganese, nickel, and cobalt; cotton and cotton linters; wool; pulp and paper. Memberships in each committee are limited to those countries which have a substantial production or consuming interest in the commodities concerned. However, it is important to note that the allocations drawn up by IMC apply to nonmember countries just as to member countries. As Mr. Getzin, of the Non-Ferrous Branch, Office of Materials Policy, United States State Department, bluntly stated, the seven committees "are virtually autonomous bodies free to consider any aspect of the problem of world shortages in the commodities concerned." This is a frank statement that the IMC committees have, in their own opinion at least, unlimited power over the raw materials of the entire free world. Thus, a super world cartel has been established.

IMC committees have placed seven basic materials under allocation—sulfur, tungsten, and molybdenum beginning in the third quarter of 1951, and copper, zinc, nickel, and cobalt beginning in the fourth quarter of 1951. New allocations have been ordered for succeeding periods.

A principal effect of IMC has been to divide up the resources—and the jobs—of the American people and to lower their standard of living.

This is shown clearly in the case of copper. An IMC news release of December 20, 1951, announced that the United States allotment of copper in the first quarter of 1952 would be 366,000 metric tons, or 403,000 short tons. It turns out that this is also the approximate amount of primary copper that the

National Production Authority authorized for United States usage in the first quarter of 1952. So it is apparent that United States consumption of copper—and this means jobs in factories throughout the United States—is being controlled by this super cartel called the International Materials Conference.

The IMC release announcing the copper allocations spoke of an "entitlement for consumption" that determines whether thousands of working men in Connecticut, Massachusetts, New York, Pennsylvania, Maryland, Ohio, Indiana, Michigan, and other metal-fabricating States will have jobs or will go on the dole.

The Price Control Act is being used as an instrument for the world-wide control of critical materials.

I object on principle. If those in charge of these matters want to do it, let them come to Congress and get full statutory authority. Both the Foreign Affairs Committee, which deals with intergovernmental affairs, and Armed Services Committee, because of the strategic materials involved, can hold proper and full hearings and decide whether IMC is so vital and necessary. Our State Department has gone along without consulting anyone—set up IMC, and for these many months since December 1950, has been operating illegally. I am convinced Senator FERGUSON smoked out and revealed the activities to the American public of IMC. With my investigation, we have helped throw more light on IMC. This report is found on page A3781 of June 11 RECORD. Ceilings were eased on goods made of foreign copper on May 21 when action on Ferguson amendment was imminent before Senate Banking and Currency Committee.

Here only on June 17 they have made more concessions because they thought the Sadlak amendment was going to be attached to the bill emanating from the House Committee on Banking and Currency. In a release from the Defense Production Administration dated June 17 there appears this statement:

Defense Production Administrator Henry H. Fowler today announced increased allotments of copper and copper base alloys totaling an estimated 16,000 tons monthly so as to make possible foreign purchases up to the limit of International Materials Conference entitlements.

When they find that we are going to take some action on the International Materials Conference they go out and make some concession, get the material that supposedly was unavailable so that they can protect and prolong IMC.

The additional concessions that have been made by NDPA are directly attributable to Senator FERGUSON's activity and now my vigorous efforts to get the same amendment into the bill by a personal appearance before the House Banking and Currency Committee on May 28.

As our American employees learn more about this illegal restraint on our economy, Congress will hear from them, as did the Connecticut delegation recently. Unemployed workers, out of jobs because there was no copper, appealed to us for some measure of relief. These pressures have been relieved for the time being

through sacrificing our stockpile. This contention is confirmed by the last line of the DPA release of June 17 I mentioned a few moments ago, and I quote:

I wish to emphasize that, unfortunately, even with the anticipated increase in imports, both stockpiling and civilian use will still be at a low level.

Mr. Chairman, on page 7171 of the CONGRESSIONAL RECORD for June 11, 1952, Senator SALTONSTALL pointed out that the International Materials Conference has no legal standing, and I quote at this time from the statements made by the Senator to emphasize the unauthorized existence of the IMC:

Assuming the correctness of everything the Senator from Arkansas says about the allocation and the acquisition of scarce commodities, and so on, the amendment proposes that the Senate give its consent to the appointment by the President of representatives to a group, which I understand is an informal group, not authorized in any way by law, or set up under any treaty we have ratified. I say this as a member of the Appropriations Committee because, in checking up on how the money was appropriated to this activity, I find there is no way by which money can be appropriated, except by using the emergency fund. In other words, for the first time, I believe, although I do not know positively, the consent and advice of the Senate is being asked to authorize the appointment of representatives to an organization which does not exist legally.

It seems to me, even though I may agree with what the Senator has said with respect to other aspects of the subject, that to vote to put the Senate in such a position would be highly questionable, because it would appear to me to be stretching the Constitution, or stretching the law, if the question is not a constitutional one. That is emphasized by the fact that the State Department cannot ask for a direct appropriation for the body which has been referred to, because it does not legally exist.

Mr. Chairman, I want to say this in conclusion. Much concern has been expressed with the Ferguson and Fulbright amendments, now part of the Senate bill. As mentioned previously, I had submitted an identical amendment to that of Senator FERGUSON. It was not included in H. R. 8210 when it was reported. My amendment, or the amendments, that I would present for addition to this bill must come from the floor.

On tomorrow, therefore, when we reach this bill under the 5-minute rule and I can gain recognition, it is my intention to introduce an amendment, or amendments, on which I have been working in an endeavor to reconcile the apparent conflict between the two pertinent Senate amendments.

In no way do I tamper with the CMP, or controlled materials plan—the allocations and priorities are not affected—but I aim directly at the source of our difficulty, "entitlements for consumption"—in other words the IMC.

I hope I can have the support of the committee with my amendment.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I yield.

Mr. CRAWFORD. I certainly shall be delighted to support the amendment. May I ask the gentleman this practical question. I think you said something about these people assuming that they

have this power. As a matter of fact, do they not have the power? I am not talking about legal power, but do they not have the power and are they not carrying it through and making orders stick?

Mr. SADLAK. Is the gentleman referring to the international materials conference?

Mr. CRAWFORD. That is right.

Mr. SADLAK. Yes; they are. As I said, they have no statutory authority, but they are implementing what they are doing through the Defense Production Act.

Mr. CRAWFORD. Yes; and they are getting away with it.

Mr. SADLAK. Yes. I accept the gentleman's offer to help put an end to the International Materials Conference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

Mr. JAVITS. Mr. Chairman, I am going to confine myself now to price and wage controls and not deal with labor-management questions which we hear are going to be brought in tomorrow. As I sat here listening to most of this debate, I have had to pinch myself to realize that this is the same group that has voted almost unanimously about \$50,000,000,000 so far this year for defense and where we hear almost every day in speeches that we are in the grimmest life and death struggle against communism man has ever known. Some seem to forget all about that when trying to get everything that they can get for some particular local or sectional interest in discussing this question of the internal economy of our country.

I agree with Bernard Baruch. I do not think we can run this whole effort to defend against the deadly Communist danger adequately unless we are willing to subordinate our own local interests and maintain the machinery for price and wage control without special exemptions and preferences, which will effectively deal with the exigencies of the country's economy under defense mobilization.

I think the committee has gone back a very much longer way than it should, if we are going to observe that principle. I rather have the idea and with great respect and deference to every member of the committee whom I know and respect, that perhaps they have been a little bit too intimidated about what X, Y, and Z was going to do to their bill when they got on the floor. I would rather feel that the majority of the committee should have brought out a bill keeping intact the machinery for price and wage stabilization and then let X, Y, and Z come up against the buzz saw of a national emergency which we all talk so much about.

Mr. Chairman, for example, all machinery to deal with credit controls are eliminated from this bill, and yet credit control is constantly referred to as one

of the important classic tools with which to control inflation by the objectors to wage and price control. Yet, that is all taken out of this bill. Why?

Mr. Chairman, a great many people come here and talk about the consumers, yet they are proposing to write things into this bill which would make the consumers' prices higher in respect of food prices. In this bill there is an even tighter provision than we ever had before tending to make food prices higher, because the 90 percent of parity for the six leading farm commodities is made inflexible, and there is no provision for a flexible parity of 75 percent to 90 percent, as contemplated in the 1949 Agricultural Act. That is very plain for everybody to see.

Now the proof of what is happening is found in this very splendid, little document called Economic Indicators, June 1952, prepared by the Joint Committee on the Economic Report and the Council of Economic Advisers, which gives the indices and shows the price of food is climbing again, and climbing right back to within reach of the highest levels reached from November 15, 1951, to January 15, 1952, and what we are told about food prices going down just is not so. They are going right back to previous highs.

This is catching up with the farmers too. Because the farmer now under the parity index is paying a good deal more than he did before for what he is buying. So he is getting pretty worried because the spread, even under his preferential position in price control, is narrowing very much. Let us not wonder now that we have everybody coming for a special deal out of the price bag because we are doing it ourselves writing in these special exceptions on cheese, fats and oils, the Herlong amendment and the Capehart amendments and new ones now being proposed.

Plentiful supply in one product or another or the propriety of decontrol of particular items are not the issue. What is the issue is that complete and adequate machinery to deal with the inflationary situation which exists and which we know will increase, not diminish, with added defense expenditures which are a practical certainty, is the urgent need. Under the circumstances, we dare not weaken or discard this machinery while the emergency remains so serious.

No, Mr. Chairman, I think the committee has gone back a lot further than it should have gone back, in view of the emergency that we are all trying to deal with by this whole program. I think if this bill passes with the amendments which are being talked about, it will be the consumer who will be taking it on the chin.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. WIDNALL].

(Mr. WIDNALL asked and was given permission to revise and extend his remarks.)

Mr. WIDNALL. Mr. Chairman, I am delighted to follow the gentleman from New York [Mr. JAVITS] to tell the Mem-

bers of the House that the witnesses who appeared before our committee at the recent hearings testified as to the plentitude of supplies of all items within the United States economy today. The bins of production are overflowing, and there is ample evidence to support decontrol all the way through. I think the recent potato fiasco is the most perfect example of what happens when you place price controls and discourage production. The prophets of doom said that if we removed controls the price of potatoes would skyrocket; supplies would not come into the market. After ceilings were removed the price went up for a couple of days and today it is back to normal with a full supply in the stores. It has been proven they were completely false in their predictions.

I would like to call attention to testimony in connection with rent control that was produced before our committee. Mr. DuLaurance, of Cleveland, Ohio, testified that 80 percent of all rental property is owned by people who have five units or less and have a gross annual income of under \$5,000. That is a far cry from the picture of the landlord, as built up over a period of years in the cartoons in the papers, and by those who are always crying out that the tenant is being imposed upon.

His testimony showed also that what happens in rent control can be seen in the case of 25 large American cities which lost population between 1940 and 1950. Each of those cities had a vacancy ratio in 1940. Each of those cities had a net increase in dwelling units. Each of those cities lost population between 1940 and 1950. Yet 23 of those 25 cities are still under rent control.

In 231 of our larger cities, 90 are now decontrolled. The decontrolled cities had an increase in population between 1940 and 1950 of 31 percent. One hundred and twenty-eight cities still under rent control increased in population an average of only 9½ percent, again showing the stifling effects of Government control.

When rent control went into effect, 3,000,000 dwelling units were withdrawn. This shortage was furthered and the housing problem heightened. This administration was reluctant in 1950 to impose controls when power had been provided by Congress, and when it saw inflation taking its toll. They are now reluctant to remove controls when all the evidence is there supporting such action.

After extensive hearings by our committee we have made numerous recommendations which seek to eliminate the objectionable features in the operation of the act. If the amendments by the committee are finally written into the bill, at least some consideration will be given to the problems unjustly imposed on and besetting millions of our people.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. GAMBLE. Mr. Chairman, I am glad to announce that we yield back the balance of our time.

Mr. SPENCE. Mr. Chairman, I ask that the Clerk read the first section.

The Clerk read down to and including line 4 on page 1.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, had come to no resolution thereon.

DR. EDWARD U. CONDON

(Mr. VAIL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. VAIL. Mr. Speaker, under date of February 13, 1952, I received a communication from Dr. Edward U. Condon, former Director of the National Bureau of Standards, requesting me to furnish him with a complete record of all references made to him by me on the floor of the House in support of a finding of the Committee on Un-American Activities during the Eightieth Congress to the effect that he was "the weakest link in our atomic-security chain." The requested record was promptly supplied.

Subsequently, on March 24, 1952, the gentleman from New York [Mr. COLE], inserted in the CONGRESSIONAL RECORD a statement by Dr. Condon which set forth a general denial of my carefully documented references. The gentleman from New York graciously asked my consent to insertion, which was promptly given. However, the gentleman did not offer to permit me to read the Condon statement before insertion and I made no request for the privilege, hence his sponsorship in the RECORD of a communication containing a passage extolling the virtues of the notorious espionage agent, Nathan Gregory Silvermaster, came to my notice as a distinct shock.

Further, he indicated in his own remarks prefacing the Condon statement that Condon had never been given an opportunity to appear before the committee to defend himself against its findings. To that misstatement of fact I must take exception, the record being clear that the gentleman from Georgia [Mr. WOOD], chairman of the Committee on Un-American Activities, announced on February 15, 1949, through the press that the committee would hear Condon, if he so desired. That Condon was aware of the invitation and his unwilling attitude with regard thereto was established by indisputable evidence that will be introduced at the proper time and the described attitude is more recently further established beyond the shadow of doubt by his refusal of an invitation directed to him through the mail under date of June 10, 1952 by Chairman WOOD, to appear before the Committee on Un-American Activities on June 19.

I shall not attempt at this time to deal with the detail of the lengthy Con-

don statement. My references to him are a matter of record, and his fantastic and utterly senseless denials are now also contained in the RECORD. The full truth shall be made known in the course of contemplated early hearings on the Condon matter before the Committee on Un-American Activities.

However, in the interim, to shed some light on the erratic functioning of the Condon mind, let me again refer to his amazing expression of confidence, in the course of his statement, in the loyalty of the well-known espionage agent, Nathan Gregory Silvermaster, as follows:

When I came to Washington I met Mr. N. G. Silvermaster, who was employed by the War Assets Administration. He sought technical help from the staff of the Bureau in evaluating technical surplus materials which he had to sell for the Government. Growing out of this contact I met him socially several times. Nothing whatever in my association with him gave me the slightest reason to believe and, therefore, I do not believe that he is other than a loyal American who was trying to do a conscientious job for the Government.

The accuracy of the committee finding of security risk is attested by the naïveté of Condon in his reference to Silvermaster, whose activities have been widely publicized and of whom the report in the files of the Committee on Un-American Activities had this to say:

Testimony under oath of Elizabeth T. Bentley in hearing before the House Committee on Un-American Activities July 31, 1948, Representative THOMAS presiding:

Mr. STRIPLING. Miss Bentley, were you ever a member of the Communist Party of the United States?

Miss BENTLEY. Yes, I was.

Mr. STRIPLING. Would you tell the committee how this espionage organization operated and your participation in it?

Miss BENTLEY. It started with actual Government employees in about July 1941, when Jacob Golos told me he had received from Earl Browder the name of a man working for the United States Government who was interested in helping in getting information to Russia and who could organize a group of other Government employees to help in this work.

Mr. STRIPLING. Did he tell you the name of the individual?

Miss BENTLEY. Yes.

Mr. STRIPLING. Who was the individual?

Miss BENTLEY. N. Gregory Silvermaster. His first name was Nathan.

Mr. RANKIN. As I understand from your testimony, this man was on the Federal payroll, was employed by the War Assets Administration, and was a member of the Communist Party and an agent of the Communist International; is that correct?

Miss BENTLEY. He was during the time I knew him; yes.

Mr. STRIPLING. Miss Bentley, did you collect Communist Party dues for Mr. Adler and turn them over to Mr. Silvermaster? Do you recall doing that?

Miss BENTLEY. Mr. Silvermaster gave me the dues for his complete group, and I take it for granted those included Mr. Adler.

Mr. STRIPLING. What type of information did Mr. Silvermaster turn over to you and which you transferred to Mr. Golos?

Miss BENTLEY. Military information, particularly from the Air Corps, on production of airplanes, their destinations to various theaters of war and to various countries, new types of planes put out, information as to

when D-day would be, all sorts of military information.

Mr. STRIPLING. How would you transmit this information—yourself acting as courier for the group?

Miss BENTLEY. That depended. In the very early days they either typed it out or brought me documents. Later on they began photographing it.

Mr. STRIPLING. Where was this photographing carried out?

Miss BENTLEY. In the basement of the Silvermaster House.

Testimony under oath of Nathan Gregory Silvermaster in hearing before the Subcommittee on National Security of the Committee on Un-American Activities, May 25, 1944, Representative RICHARD B. VAIL presiding:

Mr. RUSSELL. Mr. Silvermaster, will you state your full name?

Mr. SILVERMASTER. My name is Nathan Gregory Silvermaster.

Mr. RUSSELL. When and where were you born?

Mr. SILVERMASTER. Odessa, Russia, November 27, 1898.

Mr. STRIPLING. Are you acquainted with Sam Dorsey, also known as Sam Dardek?

Mr. SILVERMASTER. I refuse to answer on the grounds that it might tend to be self-incriminating.

Mr. STRIPLING. Are you a member of the Communist Party?

Mr. SILVERMASTER. I refuse to answer this question on the same grounds.

Testimony of Nathan Gregory Silvermaster in hearing before Committee on Un-American Activities August 4, 1948:

Mr. STRIPLING. Do you know Elizabeth T. Bentley, who is standing?

Mr. SILVERMASTER. I refuse to answer the question on the grounds that any answer I may give may be self-incriminating.

Mr. STRIPLING. Did you ever furnish any documents from Government files to Elizabeth T. Bentley?

Mr. SILVERMASTER. I refuse to answer this question on the ground that any answer I may give to the question may be self-incriminating.

Mr. STRIPLING. Did you have photographic equipment in the basement of your home in Washington, D. C., for the purpose of photographing Government documents?

Mr. SILVERMASTER. I refuse to answer the question on the ground that any answer I may give may be self-incriminating.

A report dated July 9, 1942, submitted by Charles N. Keating, assistant investigator, Civil Service Commission, states, in part:

It is possible that some of the testimony in this case is unreliable, but granting such, the overwhelming amount of testimony from the many and varied witnesses and sources, indicated beyond a reasonable doubt that Nathan Gregory Silvermaster is now and has for years, been a member and leader in the Communist Party and very probably a secret agent of the OGPU.

A report by Mr. R. E. Greenfield, rating and reviewing analyst, Civil Service Commission, dated July 16, 1942, states:

He—

Silvermaster—

is listed in the files of the Seattle Police Department as follows: Gregory N. Silvermaster, alias Gregory Masters, alias Nathan Masters, is a national committeeman-at-large of the Communist Party, United States of America. Silvermaster was former Agitation-Propagandist of the Fill-

more Sub-Section in the San Francisco, California, Thirteenth District Communist Party.

The above references to testimony and reports by no means represent the full information in the files of the Committee on Un-American Activities but should be sufficient to establish verification of my own assertions and the sheer idiocy of the defense offered by Dr. Edward U. Condon of the loyalty of Nathan Gregory Silvermaster.

Further, Condon points out in his presentation that the Rockefeller Foundation granted \$25,000 for two successive years to the American Soviet Science Society, an affiliate of the Council of American-Soviet Friendship, a Communists-front organization, for which he was a solicitor of memberships among scientists in the Bureau of Standards, in denying my statement that requested gifts from the Institute had been refused. He states:

The American-Soviet Science Society was established with a view to making it easier for Americans to learn more about science in Russia, especially in view of language difficulties, and only in regard to the freely and openly published areas of scientific research. The Society was given a grant of \$25,000 for two successive years by the Rockefeller Foundation, even after it came under the unscrupulous attack of people like Witness J. It undertook to do a job by open and above-board methods on which the Government now spends a great deal more to try to do by covert methods.

Prior to making my address to the House on April 23, 1951, citing the record of Dr. Condon, I wrote both the Rockefeller Institute and the Treasury Department to ascertain the truth of the contention that the American-Soviet Science Society had received a contribution of \$25,000 from the institute. Their answers follow:

UNITED STATES
TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER
OF INTERNAL REVENUE,
Washington, D. C., March 23, 1951.

MY DEAR MR. VAIL: Reference is made to your letter of March 7, 1951, requesting information regarding the claim to exemption from Federal income tax filed by the American Soviet Science Society and the American Soviet Friendship Society and the rulings of this Bureau issued with respect to the income tax status of such organizations.

The records of this office do not disclose that a claim to exemption has been filed under the name of American Soviet Friendship Society. A claim to exemption from the National Council of American-Soviet Friendship, Inc., 232 Madison Avenue, New York 16, New York, dated June 17, 1943, was received in this Bureau. The organization was held in Bureau ruling of July 13, 1943, on the basis of the information presented, to be exempt from Federal income tax under section 101 (6) of the Internal Revenue Code as an organization organized and operated for exclusively educational purposes. The organization appeared to be the outgrowth of the Congress of American-Soviet Friendship. On August 21, 1943, the organization was advised that the ruling of July 13, 1943, was not applicable to its affiliates or branches.

The National Council of American-Soviet Friendship, Inc., was held not to be exempt from Federal income tax in Bureau letter of February 3, 1948, inasmuch as information then available showed its activities had not

been confined to educational purposes within the meaning and intent of that term as used in sections 101 (6) and 23 (o) and (q) of the Internal Revenue Code. The ruling of July 13, 1943, was revoked. In a letter of February 18, 1948, the organization was further advised that the ruling of February 3, 1948, was applicable to all its local or subordinate branches, committees, councils, or organizations.

The claim to exemption from the American-Soviet Science Society, Inc., was dated January 27, 1947. This organization claimed to have severed its connections with the National Council of American-Soviet Friendship, Inc., but never furnished proof of substantial operations actually conducted after the severance of such relationship. It appeared that the organization was inactive and had been inactive for 3 years and it was advised in a letter of September 28, 1950, that it was not exempt from Federal income tax under section 101 (6) of the Internal Revenue Code inasmuch as it had not established that it was both organized and operated exclusively for any one or more of the purposes specified therein.

If further correspondence relative to this matter is necessary, please refer to IT: P: ER-FV.

Very truly yours,

GEO. J. SCHOENEMAN,
Commissioner.

THE ROCKEFELLER FOUNDATION,
New York, March 2, 1951.

DEAR REPRESENTATIVE VAIL: In response to your inquiry of February 28 addressed to President Barnard, I am glad to give you the following information:

In June 1946 the Rockefeller Foundation appropriated \$25,000 in support of the general scientific activities of the American Soviet Science Society. The pledge is reported in the Foundation's annual report for 1946, on page 169. A copy of this report is being sent to you under separate cover.

When this grant was made, the assumption was that the society would secure its tax-exemption certificate, since the group had had one when it was associated with the American-Soviet Friendship Society. It had recently become a new and completely independent nonpolitical, scientific organization, and it was on this basis that it was considered for a grant. The society did not, however, secure its tax-exemption certificate, and no payment was ever made by the Rockefeller Foundation on the grant to which you refer. The term for which the grant was available expired in June 1948.

I trust that this provides the information you need.

Sincerely yours,

FLORA M. RHIND,
Secretary.

After reading the Condon statement inserted in the CONGRESSIONAL RECORD on March 24, 1952, by the gentleman from New York [Mr. COLE], I again contacted the Treasury Department and the Rockefeller Institute and received the following responses:

UNITED STATES
TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER
OF INTERNAL REVENUE,
Washington, D. C., May 5, 1952.

MY DEAR MR. VAIL: Reference is made to your letter dated April 23, 1952, relative to the status for Federal income tax purposes of American-Soviet Science Society.

As you were advised in a letter dated March 23, 1951, in reply to your letter of March 7, 1951, the American-Soviet Science Society filed a claim dated January 27, 1947, for exemption under the provisions of section 101 (6) of the Internal Revenue Code.

It had formerly been the Science Committee of the National Council of American-Soviet Friendship and claimed to have severed its connection with the parent society on May 28, 1946 and was incorporated December 16, 1946.

On April 28, 1947 this bureau advised the society that a ruling as to its status would be deferred since it appeared from newspaper articles that the Congressional Committee on Un-American Activities proposed to investigate its activities and those of its leaders. A field examination was made in the fall of 1947 which showed that the organization was inactive due to lack of funds. In 1950, after an inquiry from the collector in New York, the bureau requested the society to furnish a detailed statement of its activities in support of the earlier claim to exemption. In reply, its final acting chairman, in a letter dated September 15, 1950, stated that it had been inactive for 3 years.

In order to be exempt under the provisions of section 101 (6) of the code an organization must show that it is both organized and operating for the purposes specified in such section. Since the American-Soviet Science Society never furnished proof of substantial operations actually conducted after the severance of its relationship with the National Council of American-Soviet Friendship, necessary for a determination under the statute, the society was, in a letter dated September 28, 1950, held not to be exempt under the provisions of section 101 (6) of the code on the ground that it had not been established that it was both organized and operated exclusively for any one or more of the purposes specified therein.

The file in this case contains no information subsequent to the date of the letter to you dated March 23, 1951.

Very truly yours,

JOHN B. DUNLAP,
Commissioner.

THE ROCKEFELLER FOUNDATION,
New York, April 4, 1952.

DEAR REPRESENTATIVE VAIL: Mr. Barnard has asked me to send you the following information in response to your letter of March 27.

In June 1946 the Rockefeller Foundation appropriated \$25,000 in support of the general scientific activities of the American Soviet Science Society. The pledge is reported in the foundation's annual report for 1946, on page 169, and I understand that you have a copy of this.

When the grant was made, the assumption was that the society would secure its tax exemption certificate, since the group had had one when it was associated with the American Soviet Friendship Society. The request for assistance came to us as a proposal from a new, independent and wholly scientific organization, and it was on this basis that it was considered for a grant. The society did not, however, secure its tax exemption certificate, and no payment was ever made by the Rockefeller Foundation on the grant to which you refer. The term for which the grant was available expired in June 1948.

The grant reported above, on which no payments were ever made, is the only grant made by the Rockefeller Foundation to the American Soviet Science Society.

I trust that this gives you the required information.

Sincerely yours,

FLORA M. RHIND,
Secretary.

This correspondence effectively establishes the falsity of Condon's assertion implying that two grants were actually consummated. It will be noted that, according to the communication from the Treasury Department dated May 5 that the American Soviet Science Society

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 20, 1952

For actions of June 19, 1952

82nd-2nd, No. 107

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House sent agricultural appropriation bill to conference. House committee reported Poage soil-conservation aid bill. House debated defense production bill. House discussed price-support levels bill. Senate passed Army civil-functions appropriation bill.

HOUSE

1. **AGRICULTURAL APPROPRIATION BILL, 1953.** Reps. Whitten, Hedrick, Marshall, Cannon, Andersen, Horan, and Taber were appointed conferees on this bill, H. R. 7314 (p. 7749). Senate conferees were appointed June 6.
2. **SOIL CONSERVATION; WATER UTILIZATION.** The Agriculture Committee reported without amendment H. R. 8243, to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation (H. Rept. 2222) (p. 7790).
3. **DEFENSE PRODUCTION.** Continued debate on H. R. 8210, to amend and extend the Defense Production Act (pp. 7754-88).
Agreed to a Sadlak amendment which denies any authority to limit the domestic consumption of any material in order to restrict total U. S. consumption to an amount fixed by the International Materials Conference after meeting requirements of national defense; by a 169-102 vote (pp. 7755-70).
Rejected, 25-105, a Boggs amendment to repeal Sec. 104, the import-control provision (pp. 7776-81). Also rejected, 30-86, a Multer amendment to exempt premium-priced commodities from Sec. 104 (pp. 7781-2).
4. **PRICE SUPPORTS.** Rep. Cooley asked for consideration of H. R. 8122, to continue availability of the old parity formula and to postpone authority for the sliding scale on basic commodities, but after discussion Rep. Javits objected (pp. 7752-3).

SENATE

5. **APPROPRIATIONS.** Passed with amendments H. R. 7268, Army-civil-functions appropriation bill. Sens. McKellar, Hayden, Russell, Ellender, Holland, Knowland,

Young, Cordon, and Thye were appointed conferees. Agreed to all committee amendments plus two additional amendments increasing flood control funds by \$700,000, and providing \$900,000 for investigation of the Niagara Redevelopment works. Rejected a Bridges motion to recommit the bill to committee with instructions for a 10% reduction, a Ferguson amendment to reduce funds for flood control by \$11,976,700 and, on points of order, a Monroney amendment providing for transfer of 2% of flood control funds to this Department for use in accordance with the Flood Control Act (pp. 7735, 7738-40), and Douglas amendment barring flood-control projects directly benefiting the lands involved unless the owner agrees to pay one-half of the cost (pp. 7710-9, 7721-43.)

Passed as reported H. R. 7216, D. C. appropriation bill for 1953. Conferees were appointed. (pp. 7743-4.)

6. **PURCHASING.** The Armed Services Committee reported with amendments H. R. 7405, providing for a single defense supply cataloging system (S.Rept. 1796)(p. 7706).
7. **PERSONNEL.** Began consideration of S. 7061, to permit and assist Federal personnel including members of the Armed Forces, and their families to exercise their voting franchise, agreeing to all committee amendments, and making the bill Friday unfinished business (pp. 7744-6).
8. **VETERANS' BENEFITS.** A Labor and Public Welfare Subcommittee completed the mark-up of H. R. 7656, the Korean GI bill (p. D611).
9. **FOREIGN TRADE.** Received a Philippine Chamber of Commerce letter relating to the elimination of the 3 cents processing tax on coconut oil (p. 7704).
Received a Ponce (Puerto Rico) Chamber of Commerce petition urging repeal of the Andresen amendment to the Defense Production Act on the importation of oil, cheese and butter from other countries (p. 7704).
10. **DEFENSE PRODUCTION.** Sen. Malone praised the House for eliminating the authority of the International Materials Conference from the Defense Production Act (pp. 7729-30).

BILLS INTRODUCED

11. **ELECTRIFICATION.** S. J. Res. 163, by Sen. Magnuson, authorizing an inquiry by the Federal Trade Commission into certain practices and activities of private companies engaged in the production, distribution, or sale of electrical energy in interstate commerce; to Interstate and Foreign Commerce Committee (p. 7706).
Remarks of author (pp. 7706-7.)
12. **PERSONNEL.** H. Res. 701, by Rep. McMillan, to authorize the Committee on Ways and Means to conduct a comparative study of the different kinds of employees' benefits available to persons in public and private employment; to Rules Committee (p. 7790). Remarks of author (pp. A4010-1.)

ITEMS IN APPENDIX

13. **DEFENSE PRODUCTION.** Rep. McCormack inserted an AFL letter favoring price ceilings on fresh fruits and vegetables, and repeal of the so-called Harlong and Copehart amendments (pp. A4009-10).
14. **TAXATION; EXPENDITURES.** Rep. Gamble inserted a newspaper editorial favoring S. J. Res. 155, which would limit nonmilitary spending by the Federal Government to 5% of the estimated national income (p. A4015).

of controlling the river. Based upon that program, this bridge was built.

Mr. CASE. Have the engineers submitted this item to the Congress in the form of an engineering report?

Mr. HICKENLOOPER. Yes.

Mr. CASE. Has the project been authorized?

Mr. HICKENLOOPER. Yes, it has been authorized. I believe I am correct in that.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

The question is on agreeing to the amendment of the junior Senator from Iowa [Mr. GILLETTE] to the committee amendment on page 7, in line 9. (Putting the question.)

The "ayes" seem to have it.

Mr. ROBERTSON. Mr. President, I ask for a division.

The Senate proceeded to divide.

Mr. FERGUSON and Mr. KNOWLAND asked for the yeas and nays.

The PRESIDING OFFICER. Evidently there is a sufficient number to second the request for the yeas and nays.

Mr. CASE. Mr. President, a parliamentary inquiry—

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE. Has any understanding been had as to whether adoption of this amendment to the committee amendment will preclude the consideration of a further amendment to the committee amendment at this point? A while ago the Senator from Michigan asked that question. I understand that if the amount carried at this point in the committee amendment is now amended, it will be impossible to amend it further.

The PRESIDING OFFICER. Adoption of this amendment to the committee amendment would preclude the offering of a further amendment to the committee amendment at this point.

Mr. FERGUSON. In other words, a further amendment to the original item?

The PRESIDING OFFICER. Yes.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state it.

Mr. FERGUSON. Instead of being able to reduce this figure in the amount of \$12,829,100, as proposed by an amendment which now is at the desk, the pending amendment to the committee amendment, if adopted, would increase this item by approximately \$8,000,000; is that correct?

The PRESIDING OFFICER. If the pending amendment to the committee amendment is adopted, that will be correct.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. Has the Chair stated that the yeas and nays have been ordered?

The PRESIDING OFFICER. The Chair stated that apparently there was a sufficient second of the request for the yeas and nays.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment of the Senator from Iowa [Mr. GILLETTE]. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. JOHNSON of Texas. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. CONNALLY], the Senator from Arizona [Mr. MCFARLAND], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. MCMAHON] is absent because of illness.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER] is absent because of the death of his brother.

The Senator from Washington [Mr. CAIN] and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from Massachusetts [Mr. LODGE], and the Senators from Ohio [Mr. TAFT and Mr. BRICKER] are necessarily absent.

The Senator from Pennsylvania [Mr. DUFF] and the Senator from North Dakota [Mr. LANGER] are absent on official business.

The Senator from Pennsylvania [Mr. MARTIN] and the Senator from Kansas [Mr. SCHOEPEL] are detained on official business.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Massachusetts [Mr. LODGE], and the Senator from Ohio [Mr. TAFT] would each vote "nay."

The result was announced—yeas 24, nays 48, as follows:

YEAS—24

Aiken	Hickenlooper	Long
Capehart	Hill	Malone
Clements	Humphrey	McCarran
Eastland	Hunt	Mundt
Ecton	Johnson, Colo.	Murray
Ellender	Johnston, S. C.	Neely
George	Kerr	Seaton
Gillette	Lehman	Smith, N. C.

NAYS—48

Anderson	Dworshak	Hennings
Bennett	Ferguson	Hoey
Brewster	Flanders	Holland
Bridges	Frear	Ives
Butler, Md.	Fulbright	Jenner
Case	Green	Johnson, Tex.
Cordon	Hayden	Kem
Douglas	Hendrickson	Kilgore

Knowland	Nixon	Stennis
Magnuson	O'Connor	Thye
McCarthy	Pastore	Tobey
McClellan	Robertson	Underwood
Millikin	Saltonstall	Watkins
Monroney	Smathers	Welker
Moody	Smith, Maine	Wiley
Morse	Smith, N. J.	Williams

NOT VOTING—24

Benton	Dirksen	McKellar
Bricker	Duff	McMahon
Butler, Nebr.	Kefauver	O'Mahoney
Byrd	Langer	Russell
Cain	Lodge	Schoeppel
Carlson	Martin	Sparkman
Chavez	Maybank	Taft
Connally	McFarland	Young

So Mr. GILLETTE's amendment to the committee amendment was rejected.

ELIMINATION OF AUTHORITY OF INTERNATIONAL MATERIALS CONFERENCE FROM DEFENSE PRODUCTION ACT—AMENDMENT TO H. R. 8210

Mr. MALONE. Mr. President, I have just been informed that the House, through the Sadlak—Republican, Connecticut—amendment has eliminated the authority of the International Materials Conference from the Defense Production Act by a vote of 162 to 102, and I want to congratulate the House on its common-sense action.

RECOGNIZING INTERNATIONAL MATERIALS CONFERENCE

The Fulbright—Democrat, Arkansas—amendment to the Senate Defense Production Act recognized the International Materials Conference—a creature of the State Department—as the official body to divide the available markets and production between the nations of the world on the basis of need.

DIVIDE OUR MARKETS AND PRODUCTION

The objective of distributing the production and employment of this Nation among the countries of the world on the basis of need is accomplished through the simple expedient of allocating or withholding the necessary materials for manufacturing and processing to the individuals, companies, or corporations in this Nation.

HOUSE AMENDMENT

The amendment offered by Mr. SADLAK and adopted by the House to section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following:

When all requirements for the national defense, for the stockpiling of critical and strategic materials, and for military assistance to any foreign nation authorized by any act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No authority granted under this act may be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference.

ESSENCE OF AMENDMENT

Sadlak, of Connecticut, amendment—adopted by a teller vote of 162 to 102—denies authority to limit the domestic consumption of any material in order to restrict total United States consumption

to an amount fixed by the International Materials Conference after meeting requirements of national defense, stockpiling, and military assistance to foreign nations.

A SADISTIC BRAINSTORM OF THE STATE
DEPARTMENT

Mr. President, the International Materials Conference—a sadistic brainstorm of the State Department—designed to take the place of the ill-fated International Trade Organization to distribute the markets and production of this Nation with the low living standard countries of the world.

THREE-PART, 19-YEAR-OLD PROGRAM

The administration's 3-part, 19-year-old program to destroy the workingman and investors through the division of the markets and production of this Nation moved a step nearer realization through Senate approval of the International Materials Conference, the third part of the program.

HOUSE TO BE COMMENDED

The House is to be commended for their refusal to put into the hands of the low wage living standard nations of Europe and Asia the power to arbitrarily control the production and to divide the markets of this Nation.

The first two parts of the 19-year program to destroy the American workingman and investors is the 1934 Reciprocal Trades Act—free trade—and the continued foreign aid starting with lend-lease and UNRRA to the Marshall plan, ECA, point 4, and mutual security, to make up the trade balance deficits until such time as our markets can be divided with the nations of the world.

CIVIL FUNCTIONS, DEPARTMENT
OF THE ARMY APPROPRIATIONS,
1953

The Senate resumed the consideration of the bill (H. R. 7268) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1953, and for other purposes.

Mr. FERGUSON. Mr. President, I call up an amendment which I offer on behalf of the Senator from New Hampshire [Mr. BRIDGES] and myself, on page 7, line 9, of the bill.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Michigan and the Senator from New Hampshire.

The CHIEF CLERK. On page 7, line 9, it is proposed to strike out "\$277,135,600" and insert in lieu thereof "\$264,307,500."

Mr. FERGUSON. Mr. President, the reason why I am offering this particular amendment is that we understand the reduction could be imposed by the Corps of Engineers. While the figure involved is a small one, the total figure for rivers and harbors in the budget estimate is \$293,675,000. If we reduce the item 10 percent, \$29,367,500, it leaves an item of \$264,307,500.

The committee has recommended for this particular item \$277,135,600. If we take away 10 percent of the budget estimate, there would be a reduction of \$12,828,100.

Mr. CASE. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. CASE. As I understand, there is a companion amendment which will be offered later to the section of the bill dealing with flood control.

Mr. FERGUSON. That is correct.

Mr. CASE. What the two amendments would do would be to accomplish a 10-percent reduction in this item of the bill—

Mr. FERGUSON. The next amendment will cover flood control.

Mr. CASE. The reduction proposed at this time, plus the reduction to be proposed with reference to flood control, will accomplish approximately a 10-percent reduction in the total bill?

Mr. FERGUSON. Yes. It is 10 percent below the budget estimate.

Mr. CASE. There are two essential differences between this amendment and the amendment heretofore offered by the Senator from Michigan and the Senator from New Hampshire. The other amendment which has already been voted down would not have taken into account the \$45,000,000 by which the bill is already below the budget estimate.

Mr. FERGUSON. That is correct.

Mr. CASE. But it would have added an additional 10-percent cut?

Mr. FERGUSON. That is correct.

Mr. CASE. Instead of recommitting the bill to the committee and asking the committee to wrestle with making reductions, we leave it in the hands of the engineers to apply the amount provided for the project program by the committee, making the application of the reduction as they see fit.

Mr. FERGUSON. That is correct. In effect, it amounts to a 5-percent reduction below the committee's figures, and it would be the duty of the engineers to reduce the items they believe can be reduced. In other words, they would be the experts to apply the reductions.

Mr. CASE. In that case, they would take into consideration the unobligated balance on any particular project, or the state of its progress, or the necessity of applying the funds where a contractor had his equipment in place, or whatever the consideration might be.

Mr. FERGUSON. That is correct. If a certain amount of money would complete the project, they could complete the project. They would be the judge. The amount involved is so small that it can be done without harming the projects, but in the total it amounts to a considerable sum.

Mr. CASE. It seems to me that if a further reduction is desired above the approximately 5-percent reduction already accomplished, this is a better way to do it than it would be to throw the bill back into the hands of the committee, particularly in view of the crowded schedule the committee has.

Mr. FERGUSON. If we sent the bill back to the committee we could not get away from Washington in the early part of July.

Mr. HAYDEN. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. HAYDEN. I desire to make it perfectly clear, in line with the questions asked by the Senator from South Dakota [Mr. CASE], that what it is now proposed to do is to transfer the responsibility from the Senate Committee on Appropriations to the Corps of Engineers.

Mr. McKELLAR. That is precisely what is being done.

Mr. FERGUSON. That is correct.

Mr. HAYDEN. On the committee we exercised our best judgment and passed upon the items, after careful consideration and careful hearings. Now we are asked to brush all that aside and say that the Corps of Engineers shall exercise its judgment regardless of what the committee has done.

Mr. McKELLAR. Mr. President, I have very little to say except that I think the amendment should be rejected. There has been two efforts to cut the appropriation.

This is the same amendment which was before the committee, and the committee, after taking testimony of several hundred witnesses, passed upon it. Now, as the Senator from Arizona [Mr. HAYDEN] so well stated a moment ago, to turn over authority to the Engineers to apply the proposed reduction, is something that is inconceivable, to me. Why should we give to the Corps of Engineers—a very splendid body of men, by the way—the right to legislate? That is what we shall be doing if the Senate agrees to this amendment.

Mr. CORDON. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. CORDON. It is a fact, however, is it not, that in the full committee, the motion of the Senator from California [Mr. KNOWLAND] to reduce the appropriation was lost by a tie vote?

Mr. McKELLAR. That is my recollection. It was a close vote. But that does not reach the real question. The real question is: Shall the Senate turn down its own committee and turn over the power which has been exercised by the committee to the Corps of Engineers, giving them the right to legislate? I do not think there is any reason for that. We voted down amendments to cut the appropriation, and I think we should stick by our action.

Mr. CORDON. Mr. President, will the Senator yield for one more question?

Mr. McKELLAR. Certainly.

Mr. CORDON. It is true, is it not, that while the committee does exercise its independent judgment—and I am happy to say it does—the net result is that more than 93 percent of the items set forth in the report are furnished to the committee by the Corps of Engineers?

Mr. McKELLAR. It is a very large percentage, of course. We take the testimony of the Corps of Engineers, and, after taking it, the committee exercises its own judgment, just as I am asking the Senate now to exercise its own judgment and vote down this pending amendment. I think it should be voted down.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. H. CARL ANDERSEN. Mr. Speaker, I sincerely hope that the gentleman from New York [Mr. JAVITS] will not object.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. Speaker, I want to direct a question, if I may, to the chairman of the committee. Personally, I do not think the measure now before us goes far enough. As the distinguished chairman of the House Committee on Agriculture knows, I have introduced a bill calling for 100 percent parity. The chairman will recall that he has promised me he will hold hearings on my measure as soon as feasible. As I understand the present bill, it will continue for a 2-year period—90 percent of parity on certain selected agricultural products whereas if the gentleman from New York objects, it means there is a good possibility we will go back to the sliding scale which will reduce parity payments on these products below the present 90 percent.

Mr. COOLEY. That bill, of course, will be considered at the proper time, but it will not be affected in any way by this bill because this is a continuation of the 90-percent program which is in effect.

Mr. MANSFIELD. I hope the gentleman from New York will withdraw his objection.

Mr. JAVITS. Mr. Speaker, may I ask a question of the chairman of the committee? Is it not a fact that if this bill is not passed, then the law will be in effect as to a sliding parity from 75 to 90 percent, and if this bill is passed, for the next 2 years, it is fixed at 90 percent? Is that not a fact?

Mr. COOLEY. The situation is that unless we pass this bill, the Secretary of Agriculture could put into operation the sliding scale. I can say to the gentleman from New York that frankly I have no fear that the Secretary of Agriculture would use the sliding scale at this particular time, when the Nation is making such unprecedented demands on the farmers of this Nation to step up production.

Mr. JAVITS. This does change the law in that regard?

Mr. COOLEY. It only extends the 90-percent program two additional years.

Mr. JAVITS. I understand. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

EXTENDING VOTING RIGHTS TO MEMBERS OF THE ARMED FORCES—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 513)

The SPEAKER laid before the House the following communication from the President of the United States, which was read and referred to the Committee on House Administration and ordered to be printed:

THE WHITE HOUSE,
WASHINGTON, June 19, 1952.

Hon. SAM RAYBURN,
*Speaker of the House of Representatives,
Washington, D. C.*

DEAR MR. SPEAKER: I urge that the Congress give early and favorable attention to the measures now pending before it to enable the men and women in our armed services to exercise their right to vote. Close to a million members of our armed services may be unable to cast their votes this year unless the Congress acts on these matters before adjournment.

On March 28, in a message to the Congress, I recommended that certain steps be taken to facilitate the exercise of the franchise by our service men and service women, and by certain Federal personnel serving overseas. These recommendations were based on a careful study made by an expert committee of the American Political Science Association. A bill to effect improvements in existing law, in accordance with these recommendations, was introduced as H. R. 7571 by Representative McCORMACK in the House and as S. 3061 by Senator GREEN in the Senate.

The study made by the committee of the American Political Science Association pointed out the obstacles to soldier voting that are presented by the laws of many of our States. The committee recommended prompt remedial action by these States, and special Federal action, for this year only, to aid service men and women from States that fail to take action to improve their laws before November.

In a letter to me on April 30, 1952, which I transmitted to the House Committee on Administration, the Secretary of Defense described the efforts he was making to encourage the States with inadequate legislation to improve their laws, but concluded that since the majority of the States in this category would not convene their legislatures in 1952, the prospects for further State action this year were not bright.

There is another important reason why Congress should take early action. The basic legislative affirmation in our Federal laws of the right of service people to vote is contained in two provisions of the servicemen's voting law of 1946, which are effective only in time of war. Since the Japanese Peace Treaty came into effect on April 28, 1952, thereby terminating the state of war, these provisions, together with other war and emergency powers, have been temporarily extended from time to time by the Congress, on the last occasion to June 30. However, the pending measure for the permanent continuation of some of these war and emergency powers—House Joint Resolution 477—does not include these provisions affirming the right of members of our armed services to vote. Therefore, unless action is taken on H. R. 7571 and S. 3061, the very declaration of the right of our soldiers to vote will disappear from the Federal statutes. When we have

soldiers overseas defending the cause of freedom it is unthinkable that we should go backward instead of forward in enabling them to exercise the rights which all citizens possess.

In addition to enunciating the basic rights of our service people to vote, H. R. 7571 makes a series of recommendations for State action; prescribes certain steps for Federal agencies to follow, particularly with respect to postcard applications for State ballots; provides for a temporary Federal ballot for use in those States which do not give service people an adequate opportunity to vote; and contains a number of important miscellaneous provisions, such as those making voting matter postage free, and protecting against fraud and undue influence in voting in the Armed Forces.

All these provisions are important if we want our service people to exercise the rights they are defending for us. I hope the Congress will take prompt action to pass this vital legislation.

Sincerely yours,

HARRY S. TRUMAN.

EXPLANATION OF VOTE ON SOCIAL SECURITY

(Mr. THOMPSON of Texas asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. THOMPSON of Texas. Mr. Speaker, I take this opportunity to clear up, for the benefit of my colleagues and anyone else interested, any questions as to why I did not vote for the bill H. R. 7800. In the first place, Members of the House must realize that by the time my name was called on the record vote, the bill had carried with an overwhelming majority; therefore my vote, which was merely a protest, could not keep the beneficiaries of the social-security system from reaping the meager benefits which the bill provided.

I have no desire to criticize the members of the Ways and Means Committee, who undoubtedly did their best under the circumstances. However, from my own constituents who are directly affected I have received many complaints, and in responding to them I have promised the quickest possible remedial action.

I was very much disappointed that in programing H. R. 7800 there was only 40 minutes allowed for debate and no opportunity was given for amendments. I wanted to make clear the feelings of my people in regard to some of the features of the law. The increase provided is very meager indeed. It might provide a bare existence if the beneficiary could hold some kind of a job in order to draw the amount necessary to keep body and soul together. In some cases the \$70 limit provided by the bill might do it. In many others it cannot. Since the beneficiaries have contributed to their own social-security fund, I see no reason why they should not be permitted to employ themselves gainfully either without any limit or at least to the extent of \$100. I believe the House should

consider under certain circumstances lowering the retirement age to 60 for men and 55 for women, with suitable adjustments in benefits.

I have many complaints from women as to the inequities and the differences in payments to a widow and to a widower.

I have found in my district, which is largely agricultural, that there is a great deal of confusion as to just who is and who is not covered. It would be much the best for the farm workers if language in connection with the agriculture coverage could be clarified and any doubt eliminated as to whether there would be benefits eventually returned to the employee.

The objection of housewives to collection of taxes covering domestics may, to some, seem a trivial matter. However, I believe that it is by no means trivial, and the constant nagging of this thorn in the flesh could be eliminated to the advantage of the entire social-security program.

I voted with regret not to suspend the rules to pass the bill as it now stands. If it could be liberalized, or if we could at least air our opinions and state the cases for our constituents, I would feel very differently about it. Under the present circumstances, I cannot give them their day in court.

CORRECTION OF THE RECORD

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to correct the RECORD of yesterday on page 7699 in line 5 of my remarks under the heading "Tribute to BOB DOUGHTON." The figure "36" should read "361."

The SPEAKER. Without objection, the permanent RECORD will be corrected accordingly.

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 5 minutes, following the legislative business of the day and any other special orders heretofore entered.

ST. LAWRENCE RIVER POWER

(Mr. KILBURN asked and was given permission to include at this point in the RECORD a short letter to the President.)

(The letter is as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 19, 1952.

The President,
The White House.

MY DEAR MR. PRESIDENT: I was greatly disappointed, as I know you were, with the vote in the Senate recommitting the St. Lawrence seaway bill. This means that this great project is dead for this year.

As you know, in 1948 New York State applied to the Federal Power Commission for a license to develop the power jointly with the Province of Ontario.

Now, it seems to me that the logical thing to do is to allow New York State and the Province of Ontario to jointly develop this power. This would not cost the Federal taxpayer a penny. It would give New York

State and New England much needed power which is now going to waste. As I understand the situation, it needs the approval of the Federal Power Commission and the International Joint Commission. It would not need action by the Congress. The Province of Ontario and the State of New York can then construct the dam jointly and develop the power. New York State is ready to go ahead and the Province of Ontario has already given its approval.

I respectfully urge, sir, that you use your Executive power and influence with these two commissions to have this project approved immediately so that New York State and the Province of Ontario can proceed. I might add that New York State will charge enough for the power so that the project will be self-liquidating.

Respectfully yours,

CLARENCE E. KILBURN,
Member of Congress.

GENERAL EISENHOWER'S HAND IN OUR AIR POWER REDUCTION

(Mr. REECE of Tennessee asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. REECE of Tennessee addressed the House. His remarks appear in the Appendix of today's RECORD.]

SPECIAL ORDER GRANTED

Mr. O'KONSKI asked and was given permission to address the House today for 1 hour, following the legislative business of the day and any other special orders heretofore entered.

CORRECTION OF RECORD

Mr. McCORMACK. Mr. Speaker, on May 23, I secured permission for my colleague the gentleman from Rhode Island [Mr. FOGARTY] to extend his remarks in the Appendix of the RECORD. As the extension was written up on page A3347 of the RECORD it appears as though it were my extension. I merely secured permission for the gentleman from Rhode Island to extend his remarks.

I therefore ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 108]

Aandahl	Buckley	Dawson
Abernethy	Burdick	Dingell
Albert	Butler	Evins
Allen, La.	Carlyle	Fenton
Anfuso	Carnahan	Frazier
Bates, Ky.	Celler	Gore
Beall	Chatham	Hébert
Beckworth	Clemente	Heffernan
Bender	Cole, N. Y.	Herter

Hope
Kilday
McVey
Mack, Ill.
Morris
Murdock
Murphy
Norblad
Patman
Patten
Phillips

Pickett
Poulson
Powell
Prouty
Reed, Ill.
Richards
Sabath
Sasseer
Scott,
Hugh D., Jr.
Shafer

Stanley
Steed
Stigler
Sutton
Tackett
Thomas
Welch
Wickersham
Wigglesworth
Wilson, Ind.

The SPEAKER. On this roll call, 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8210, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read the first section of the bill. If there are no amendments to this section, the Clerk will read.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have requested this time so that I might ask the chairman of the Banking and Currency Committee a question. On page 28 of the committee report on House bill H. R. 8210, there is a paragraph under the caption "Certain technical violations," which reads as follows:

Your committee has received several complaints concerning the general ceiling price regulation affecting lumber distributors in southern areas with respect to which your committee believes relief must be afforded. The general ceiling price regulation was issued in January 1951 shortly after the general price freeze. The provisions of the regulation as it affected such distributors was ambiguous in many respects, and attempts were immediately made to bring this to the attention of the agency. However, a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of. During this period it is the understanding of your committee there were some technical violations of the general ceiling price regulation of a nonwillful character. Such technical violations would not be violations of the order now in effect and but for the long period of time it took to issue the current order would probably never have occurred. It is not the intention of your committee to condone willful violations of any price regulation or order in this instance or any other. But in view of the circumstances of these cases it is the opinion of your committee that there should be no prosecution of technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

This paragraph points out that the provision of the regulation as it affected

such distributors—and the paragraph mentions lumber distributors—was ambiguous in many respects, and that attempts were immediately made to bring this to the attention of the agency. It further points out that a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of, and that during that period the committee understands that there was some technical violations of the general ceiling price regulation, which were not violations of a willful character. Such technical violations would not now be violations of the order subsequently issued, and the committee points out that except for the long period of time it took to issue the current order, such technical violations probably never would have occurred. The committee recommends under the circumstances that there should be no prosecution of such technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

While this paragraph does not mention the wood treating and preserving industry, it seems to me that the wood treating and preserving industry should be included in this paragraph of the committee report, along with lumber distributors. The wood treating and preserving industry is in the same situation in practically every respect with reference to this question as the lumber distributors or wood forest products distributors. The lumber distributors buy wood forest products, that is, timber, and the wood treating and preserving industry buys timber, which they convert to finished products such as poles, cross ties, cross arms, and so forth. That industry buys all of its raw materials. It does not produce any of it. With reference to the prices they were charging during their base period, the wood treating and preserving industry accumulated that inventory anywhere from 5 months to a year prior to that time, from the raw materials. It therefore does not reflect at all the cost of raw materials now being used. That industry is in the same position substantially as the wood forest products distributors or wholesalers, in that they had to replace inventory during the base period for deliveries a few months thereafter at much higher prices.

The agency has not as yet, I understand, promulgated the regulation yet for the wood treating and preserving industry. They have been working on it, trying to get it pushed through. It has been prepared, but not yet promulgated. In view of the similarity in the situation of these two industries, the lumber distributors and wood treating and preserving industry, I would like to ask the chairman if he does not think that this industry, namely wood preservers selling pressure and nonpressure treated forest products, should also be included in this paragraph along with lumber distributors?

Mr. SPENCE. I believe the wood treating and preserving industry is within the spirit of that direction and that they will not be subject to the

penalties imposed. If, because of the obscurity or indefiniteness of the act, they were not able to know their rights and they were violated without any intention, I think they are exempt. I think they come within the spirit of that law, and would be exempt.

Mr. DAVIS of Georgia. I thank the gentleman. I simply wanted to ask that question for the purpose of getting it into the RECORD.

I thank you.

The CHAIRMAN. The time of the gentleman of Georgia has expired.

The Clerk read as follows:

TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: "Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: *Provided*, That nothing in this act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products."

Mr. SADLAK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SADLAK: Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "When all requirements for the national defense, for the stockpiling of critical and strategic materials and for military assistance to any foreign nation authorized by any act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No authority granted under this act may be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference."

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. SADLAK. Mr. Chairman, the Sadlak amendment revised from its original presentation incorporated in H. R. 7517 and just read by the Clerk is presented for consideration at this time in order to resolve a parliamentary situation which has arisen due to the conflict in the so-called Ferguson-Fulbright amendments presently integral parts of the Senate Defense Production Act passed last Thursday.

The purport of the Ferguson amendment introduced as S. 2873 was completely misunderstood even though debated within the limits of the procedure of the other body and passed by a vote of 43 to 40. And because, apparently, it

was not made clear that the provisions in no way affect the CMP, or Controlled Materials Plan, the inevitable conclusion was that the Senate believed that the CMP was placed in jeopardy. Consequently to avert what appeared to be a threat to the CMP, Senator FULBRIGHT presented his amendment calling for the appointment of a representative to the International Materials Conference appointed by the President with the consent of the Senate; and in the second part of his amendment, which I will read from the RECORD of June 11, at page 7180—the second part of the Fulbright amendment read as follows, and I point that out because it had been put in here specifically to protect the Controlled Materials Plan which I say again was not in any way affected by the Ferguson amendment. The Fulbright amendment to which I alluded continues as follows:

(b) Subject to the provisions of subsection (a) of this section, nothing contained in this act shall impair the authority of the President under this act to exercise allocation and priorities control over materials both domestically produced and imported, and facilities to the Controlled Materials Plan or other methods of allocation.

After the usual debate this proposal was adopted by a vote of 46 to 31.

Mr. Chairman, Senator FERGUSON wished to bring to the attention of the Senate the effects of the IMC, or the International Materials Conference, indicates its origin, its illegal existence and operation, showing that it had no United States constitutional or statutory authority, its entitlements for consumption, which become the limits of our allocations, and put a stop to this super cartel. During general debate on yesterday I tried to explain the same organization and acquaint the members with its activities; I also referred to the parliamentary situation that has arisen in the Senate version of the new DPA. The Senate, I mentioned, had passed the Ferguson amendment on June 4; and the debate, as far as I am concerned, clearly shows that its purpose was to prevent the use of the Defense Production Act to implement the decisions of the International Materials Conference.

In the debate on June 11 in the other body many arguments were advanced that the Ferguson amendment could be construed in such manner as to limit the authority of the Defense Production Administration to operate the Controlled Materials Plan. This was debated by the Senate on June 4, and I am sure Senator FERGUSON believed that it could not have this effect.

The Ferguson-Fulbright amendments have grown to very controversial stature and I have, therefore, during long hours of the past few days endeavored to produce an amendment that would not only reconcile and resolve the difficulty but could be accepted in lieu thereof. My amendment is recommended and I shall gratefully appreciate your attention to my remarks.

Mr. Chairman, referring to the dilemma in which the Senate found itself with respect to these amendments, I want to read what Senator FULBRIGHT

consider under certain circumstances lowering the retirement age to 60 for men and 55 for women, with suitable adjustments in benefits.

I have many complaints from women as to the inequities and the differences in payments to a widow and to a widower.

I have found in my district, which is largely agricultural, that there is a great deal of confusion as to just who is and who is not covered. It would be much the best for the farm workers if language in connection with the agriculture coverage could be clarified and any doubt eliminated as to whether there would be benefits eventually returned to the employee.

The objection of housewives to collection of taxes covering domestics may, to some, seem a trivial matter. However, I believe that it is by no means trivial, and the constant nagging of this thorn in the flesh could be eliminated to the advantage of the entire social-security program.

I voted with regret not to suspend the rules to pass the bill as it now stands. If it could be liberalized, or if we could at least air our opinions and state the cases for our constituents, I would feel very differently about it. Under the present circumstances, I cannot give them their day in court.

CORRECTION OF THE RECORD

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to correct the RECORD of yesterday on page 7699 in line 5 of my remarks under the heading "Tribute to Bob Doughton." The figure "36" should read "361."

The SPEAKER. Without objection, the permanent RECORD will be corrected accordingly.

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 5 minutes, following the legislative business of the day and any other special orders heretofore entered.

ST. LAWRENCE RIVER POWER

(Mr. KILBURN asked and was given permission to include at this point in the RECORD a short letter to the President.)

(The letter is as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 19, 1952.

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: I was greatly disappointed, as I know you were, with the vote in the Senate recommitting the St. Lawrence seaway bill. This means that this great project is dead for this year.

As you know, in 1948 New York State applied to the Federal Power Commission for a license to develop the power jointly with the Province of Ontario.

Now, it seems to me that the logical thing to do is to allow New York State and the Province of Ontario to jointly develop this power. This would not cost the Federal taxpayer a penny. It would give New York

State and New England much needed power which is now going to waste. As I understand the situation, it needs the approval of the Federal Power Commission and the International Joint Commission. It would not need action by the Congress. The Province of Ontario and the State of New York can then construct the dam jointly and develop the power. New York State is ready to go ahead and the Province of Ontario has already given its approval.

I respectfully urge, sir, that you use your Executive power and influence with these two commissions to have this project approved immediately so that New York State and the Province of Ontario can proceed. I might add that New York State will charge enough for the power so that the project will be self-liquidating.

Respectfully yours,

CLARENCE E. KILBURN,
Member of Congress.

GENERAL EISENHOWER'S HAND IN OUR AIR POWER REDUCTION

(Mr. REECE of Tennessee asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. REECE of Tennessee addressed the House. His remarks appear in the Appendix of today's RECORD.]

SPECIAL ORDER GRANTED

Mr. O'KONSKI asked and was given permission to address the House today for 1 hour, following the legislative business of the day and any other special orders heretofore entered.

CORRECTION OF RECORD

Mr. McCORMACK. Mr. Speaker, on May 23, I secured permission for my colleague the gentleman from Rhode Island [Mr. FOGARTY] to extend his remarks in the Appendix of the RECORD. As the extension was written up on page A3347 of the RECORD it appears as though it were my extension. I merely secured permission for the gentleman from Rhode Island to extend his remarks.

I therefore ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 108]

Aandahl	Buckley	Dawson
Abernethy	Burdick	Dingell
Albert	Butler	Evins
Allen, La.	Carlyle	Fenton
Anfuso	Carnahan	Frazier
Bates, Ky.	Celler	Gore
Beall	Chatham	Hébert
Beckworth	Clemente	Heffernan
Bender	Cole, N. Y.	Herter

Hope	Pickett	Stanley
Kilday	Poulson	Steed
McVey	Powell	Stigler
Mack, Ill.	Prouty	Sutton
Morris	Reed, Ill.	Tackett
Murdock	Richards	Thomas
Murphy	Sabath	Welch
Norblad	Sasseer	Wickersham
Patman	Scott,	Wigglesworth
Patten	Hugh D. Jr.	Wilson, Ind.
Phillips	Shafer	

The SPEAKER. On this roll call, 367 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8210, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read the first section of the bill. If there are no amendments to this section, the Clerk will read.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have requested this time so that I might ask the chairman of the Banking and Currency Committee a question. On page 28 of the committee report on House bill H. R. 8210, there is a paragraph under the caption "Certain technical violations," which reads as follows:

Your committee has received several complaints concerning the general ceiling price regulation affecting lumber distributors in southern areas with respect to which your committee believes relief must be afforded. The general ceiling price regulation was issued in January 1951 shortly after the general price freeze. The provisions of the regulation as it affected such distributors was ambiguous in many respects, and attempts were immediately made to bring this to the attention of the agency. However, a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of. During this period it is the understanding of your committee there were some technical violations of the general ceiling price regulation of a nonwillful character. Such technical violations would not be violations of the order now in effect and but for the long period of time it took to issue the current order would probably never have occurred. It is not the intention of your committee to condone willful violations of any price regulation or order in this instance or any other. But in view of the circumstances of these cases it is the opinion of your committee that there should be no prosecution of technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

This paragraph points out that the provision of the regulation as it affected

such distributors—and the paragraph mentions lumber distributors—was ambiguous in many respects, and that attempts were immediately made to bring this to the attention of the agency. It further points out that a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of, and that during that period the committee understands that there was some technical violations of the general ceiling price regulation, which were not violations of a willful character. Such technical violations would not now be violations of the order subsequently issued, and the committee points out that except for the long period of time it took to issue the current order, such technical violations probably never would have occurred. The committee recommends under the circumstances that there should be no prosecution of such technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

While this paragraph does not mention the wood treating and preserving industry, it seems to me that the wood treating and preserving industry should be included in this paragraph of the committee report, along with lumber distributors. The wood treating and preserving industry is in the same situation in practically every respect with reference to this question as the lumber distributors or wood forest products distributors. The lumber distributors buy wood forest products, that is, timber, and the wood treating and preserving industry buys timber, which they convert to finished products such as poles, cross ties, cross arms, and so forth. That industry buys all of its raw materials. It does not produce any of it. With reference to the prices they were charging during their base period, the wood treating and preserving industry accumulated that inventory anywhere from 5 months to a year prior to that time, from the raw materials. It therefore does not reflect at all the cost of raw materials now being used. That industry is in the same position substantially as the wood forest products distributors or wholesalers, in that they had to replace inventory during the base period for deliveries a few months thereafter at much higher prices.

The agency has not as yet, I understand, promulgated the regulation yet for the wood treating and preserving industry. They have been working on it, trying to get it pushed through. It has been prepared, but not yet promulgated. In view of the similarity in the situation of these two industries, the lumber distributors and wood treating and preserving industry, I would like to ask the chairman if he does not think that this industry, namely wood preservers selling pressure and nonpressure treated forest products, should also be included in this paragraph along with lumber distributors?

Mr. SPENCE. I believe the wood treating and preserving industry is within the spirit of that direction and that they will not be subject to the

penalties imposed. If, because of the obscurity or indefiniteness of the act, they were not able to know their rights and they were violated without any intention, I think they are exempt. I think they come within the spirit of that law, and would be exempt.

Mr. DAVIS of Georgia. I thank the gentleman. I simply wanted to ask that question for the purpose of getting it into the RECORD.

I thank you.

The CHAIRMAN. The time of the gentleman of Georgia has expired.

The Clerk read as follows:

TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: "Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: *Provided*, That nothing in this act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products."

Mr. SADLAK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SADLAK: Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "When all requirements for the national defense, for the stockpiling of critical and strategic materials and for military assistance to any foreign nation authorized by any act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No authority granted under this act may be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference."

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. SADLAK. Mr. Chairman, the Sadlak amendment revised from its original presentation incorporated in H. R. 7517 and just read by the Clerk is presented for consideration at this time in order to resolve a parliamentary situation which has arisen due to the conflict in the so-called Ferguson-Fulbright amendments presently integral parts of the Senate Defense Production Act passed last Thursday.

The purport of the Ferguson amendment introduced as S. 2873 was completely misunderstood even though debated within the limits of the procedure of the other body and passed by a vote of 43 to 40. And because, apparently, it

was not made clear that the provisions in no way affect the CMP, or Controlled Materials Plan, the inevitable conclusion was that the Senate believed that the CMP was placed in jeopardy. Consequently to avert what appeared to be a threat to the CMP, Senator FULBRIGHT presented his amendment calling for the appointment of a representative to the International Materials Conference appointed by the President with the consent of the Senate; and in the second part of his amendment, which I will read from the RECORD of June 11, at page 7180—the second part of the Fulbright amendment read as follows, and I point that out because it had been put in here specifically to protect the Controlled Materials Plan which I say again was not in any way affected by the Ferguson amendment. The Fulbright amendment to which I alluded continues as follows:

(b) Subject to the provisions of subsection (a) of this section, nothing contained in this act shall impair the authority of the President under this act to exercise allocation and priorities control over materials both domestically produced and imported, and facilities to the Controlled Materials Plan or other methods of allocation.

After the usual debate this proposal was adopted by a vote of 46 to 31.

Mr. Chairman, Senator FERGUSON wished to bring to the attention of the Senate the effects of the IMC, or the International Materials Conference, indicates its origin, its illegal existence and operation, showing that it had no United States constitutional or statutory authority, its entitlements for consumption, which become the limits of our allocations, and put a stop to this super cartel. During general debate on yesterday I tried to explain the same organization and acquaint the members with its activities; I also referred to the parliamentary situation that has arisen in the Senate version of the new DPA. The Senate, I mentioned, had passed the Ferguson amendment on June 4; and the debate, as far as I am concerned, clearly shows that its purpose was to prevent the use of the Defense Production Act to implement the decisions of the International Materials Conference.

In the debate on June 11 in the other body many arguments were advanced that the Ferguson amendment could be construed in such manner as to limit the authority of the Defense Production Administration to operate the Controlled Materials Plan. This was debated by the Senate on June 4, and I am sure Senator FERGUSON believed that it could not have this effect.

The Ferguson-Fulbright amendments have grown to very controversial stature and I have, therefore, during long hours of the past few days endeavored to produce an amendment that would not only reconcile and resolve the difficulty but could be accepted in lieu thereof. My amendment is recommended and I shall gratefully appreciate your attention to my remarks.

Mr. Chairman, referring to the dilemma in which the Senate found itself with respect to these amendments, I want to read what Senator FULBRIGHT

said about his amendment, and this is taken from page 7171 of the CONGRESSIONAL RECORD:

Our attention was focused upon the International Materials Conference, and it was thought that the principal effect of the amendment offered by the Senator from Michigan would be in regard to the International Materials Conference. I did not realize in the course of that debate that it would have the effect of destroying the controlled materials plan. I do not believe the Senate and the Congress really desire to destroy the controlled materials plan. I leave only this thought, that if the Senate should adopt my amendment, it would not automatically nullify the Ferguson amendment. The only effect would be that there would be in the bill two inconsistent amendments which would have to be reconciled, and an acceptable result obtained.

The CHAIRMAN. The time of the gentleman from Connecticut has expired (By unanimous consent Mr. SADLAK was allowed to proceed for five additional minutes.)

Mr. SADLAK. Mr. Chairman, reading further from the statement by Senator FULBRIGHT:

That will have to be done. It could be done by the House, or, more likely, in conference.

Reading further from the statement of the distinguished Senator from Arkansas:

If, after such a process of deliberation I should be proved to be wrong, and the matter could not otherwise be straightened out, my amendment could be eliminated, because it would be in conflict with the amendment of the Senator from Michigan. But I think we at least owe that much difference to the leading and responsible members of this administration, who are trying to administer the defense production program. So I submit that even for those who think that I may not be entirely correct, they still are justified in voting for my amendment, in order that the question involved may be given further study.

What I have just read, Mr. Chairman, clearly indicates that the Senate did not nullify the Ferguson amendment on June 11. It wanted to protect the controlled materials plan.

As I said on yesterday, my amendment in no ways affects the CMP. The controlled materials plan is not affected, and I specifically say so in this amendment. As concerns small business, the Sadlak amendment in no way affects the operations of the CMP or distribution within the United States of any material as between big business and little business. All of the powers of allocation within the act at present are left unchanged.

My amendment merely states that these powers cannot be used for the sole purpose of restricting the total United States consumption of any material to a figure fixed by the IMC. You cannot help little business by keeping the materials out of the country.

As concerns oil, the Sadlak amendment in no way interferes with CMP. It also in no way interferes with the domestic allocation of imported fuel oil by the PAD within the United States. I in no way intend to interfere with PAD. Our problem is to bring the oil into the country, oil which otherwise would be lost. Disposition, or dividing the prod-

uct, rests solely with DPA. The purpose of this amendment is to bring the oil into the country.

Will the elimination of the International Materials Conference ruin our mobilization effort? The answer is "No," and this answer I give you from page 7169 of the RECORD of June 11, at which point Senator FULBRIGHT read a letter written by the former Administrator of Defense Production, Mr. Fleischmann.

This is what Senator FULBRIGHT quoted from the letter of Mr. Fleischmann written on June 10:

I reiterate what I said as to the International Materials Conference—that its elimination, insofar as this country is concerned, although in my opinion most unfortunate, would not result in a collapse of our mobilization effort. At the same time I concur fully with Mr. Fowler's statement that the effect of this amendment would be to make the operation of the Controlled Materials Plan impossible, and that, I believe, would have disastrous effects on our mobilization program.

I think I have already touched on the CMP matter therein referred to.

One other thing, Mr. Chairman. The IMC has seriously affected our stockpile. On yesterday I read from the release of June 17 by Mr. Fowler, of the Defense Production Administration. On page 4 of that release it reads as follows:

To help maintain even this low level it became necessary in the third quarter of 1951 to suspend the stockpiling.

I am anxious, Mr. Chairman, to have the maximum freedom of enterprise to obtain materials which might not otherwise be available so as to keep the United States economically strong. In my opinion, we can do away with the International Materials Conference because, as I have stated, not once but many times, as has been brought out in statements and in testimony given by Mr. FERGUSON, myself, and many others, it is an organization which has no statutory authority; and if they say that it is vital and necessary to our defense production, then I say they should come in here before the proper committees of the Congress, lay their cards on the table, instead of doing things under the table.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I yield to the gentleman from New York.

Mr. CELLER. Did I hear the gentleman correctly when he said that there is not use for the IMC? Did the gentleman say that?

Mr. SADLAK. I say to the gentleman, as I have said repeatedly, that the International Materials Conference has no statutory authority.

Mr. CELLER. Well, does the gentleman think we need the IMC to control disposition of these strategic materials throughout the world?

Mr. SADLAK. I say emphatically "No," but I will add to that.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(By unanimous consent, Mr. SADLAK was allowed to proceed for two additional minutes.)

Mr. SADLAK. I say in addition that if the authorities who are administering our defense production will come before the Congress of the United States, which I feel sure has the authority, and will lay their cards on the table, whether it be the House Committee on Foreign Affairs or the House Committee on Armed Services, because stockpiling of strategic materials is affected, if they will come before the proper committees with full and open hearings and conferences that this has to be done and there is no alternative and our proper committee or committees of the Congress agree, then I shall be for it.

Mr. CELLER. The gentleman will realize that unless these strategic materials, like lead and cobalt, and so forth, are controlled in some way by international agreement, then the Soviet authorities, by secret agents, will be enabled, if there is no control, to grab up all these strategic materials to our own serious disadvantage and to the disadvantage of our own stockpiling plans. An adequate stockpile of these highly important metals is manifestly essential for our security and defense. Thus, IMC is essential for our security and defense.

Mr. SADLAK. In reply I will say to the gentleman, from my study of the International Materials Conference, that there are only seven committees dealing with materials. There are some 38 strategic materials which we need, and I would leave that to the gentleman from North Carolina [Mr. DURHAM], who is well qualified, to answer that. But there are only seven or eight materials which come within the purview of the International Materials Conference.

Mr. CELLER. But it is essential to do something now and not wait until we can get authority in the way that the gentleman speaks of. There is, however, plenty of authorization for IMC imbedded in basic statute, and the defense authorities have gone ahead and made these arrangements with various countries primarily to enable us to get a stockpile and, secondly, to prevent Russia from getting these materials which we desperately need.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

Mr. BURTON. Mr. Chairman, I rise in opposition to the amendment.

(On request of Mr. SPENCE, and by unanimous consent, Mr. BURTON was allowed to proceed for five additional minutes.)

Mr. BURTON. Mr. Chairman, I rise in opposition to this amendment as I believe it would confuse and damage, if not destroy, the operation of the controlled materials plan under the Defense Production Act we now have under consideration.

As a member of the House Small Business Committee I have had opportunity to examine the operations of CMP and have seen it bring order out of chaos and secure a fair distribution of scarce materials for civilian needs after caring for defense requirements.

If this amendment should be adopted I do not see how CMP could be administered effectively.

Take copper for instance, in which I believe our good friend from Connecticut is particularly interested. Two-thirds of our requirements come from domestic production—one-third imported. How could an equitable distribution be attained unless we have effective control of the imported one-third? It is my guess small, nonintegrated business would again suffer as they did before the establishment of CMP.

While I entered this debate in defense of equitable distribution of scarce materials to small as well as large firms we find ourselves involved in the deep water of international agreement.

We have subscribed to the North Atlantic Pact and the Mutual Security Act. How can we properly support these projects unless we undertake some plan, such as IMC, for orderly distribution of strategic materials in short supply and basic to the common effort.

If we decline to share with the free nations the materials of which we are the principal producer we cannot expect them to share such vital items as nickel and cobalt used throughout our defense production program and particularly vital for use in jet engines.

The most serious effect of this amendment would be the repudiation of an agreement with our teammates, whereas we must promote cordial cooperation with the free nations.

It would put us in open competition with our associates which would result in inflated world prices with no increase in supply, not to mention the complete disorganization of an orderly supply system, and we must bear in mind that most of these materials are being dealt in dollars.

If we disrupt defense plans of the free nations we imperil our own defense.

As to authority, and that question was raised yesterday, the Defense Production Act, title I, gives the President authority to make priorities and allocations in the interest of national defense.

This is the same authority as given by the Second Powers Act, title I, under which the President entered into agreement with Great Britain and Canada for the operation of the combined boards allocating raw materials, finished products, shipping space, and food supplies in World War II.

If authority be lacking we had better provide the necessary authority, as apparently is the thought of the other body when it passed the Fulbright amendment June 11.

As a practical matter we should not go into unorganized competition with the free nations for these materials needed for defense and we do not want to disrupt world markets in a manner that may enable unfriendly governments to obtain these materials.

Copper is in short supply. We have not been getting our full allotment through no fault of IMC but because OPS ceiling has been below world market. I suspect this is probably the most important reason for this amendment being presented. This has been belatedly corrected and I believe we will get our full quota without endangering friendly relations and upsetting inter-

national markets as I believe this amendment would do.

Mr. Chairman, I trust that this amendment will be defeated in our own self-interest as well as that of the free nations of the world, as we have a common interest.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield.

Mr. CELLER. Am I correct in stating that if this amendment prevails, it will militate against our acquisition of appropriate strategic materials for the purposes of stockpiling, and, secondly, would it not enable Russia through its secret agents who roam throughout the world, if there are no controls through this central authority, to get as much of these strategic materials as she wishes; and she can reach out her long arm with vast sums of money and bid against everybody else and successfully corral most of this material?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I have yielded to the gentleman from New York, and I will yield to the gentleman from Indiana next.

Mr. HALLECK. Has the gentleman from New York concluded?

Mr. CELLER. I have concluded.

Mr. HALLECK. Will the gentleman yield?

Mr. CELLER. I would like to get an answer to my question.

Mr. HALLECK. May I interpose my answer to that statement? In the first place, my opinion is that if this amendment passes, this bill will get more of the materials that we need and should have. Secondly, in respect of whether or not it will make it permissible or possible for Russia to reach out and get these materials, let me say only in reference to that that the nations involved in this arrangement are supposed to be free, democratic, friendly nations. Certainly there is some responsibility upon them to see to it that Russia and our enemies do not get the materials that we should have; and certainly if they want to do this by way of this arrangement, it is not going to make any difference. Now, will the gentleman answer my question.

Mr. BURTON. I will say to both gentlemen that it is a matter of opinion as to just what will result, but in my opinion it will disrupt the orderly and planned arrangement under which we get a liberal share of these much-needed materials, for which in turn we agree to supply these necessary materials to those who are cooperating with us. To what extent that will open these materials to the Russians or allied countries, I would not know. But if you disrupt a plan to which you have agreed, I should say that would certainly not make a favorable impression upon our friends and would tend to open markets to the iron-curtain countries.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I will gladly do so.

Mr. HALLECK. The gentleman speaks of agreeing to a plan and he used the word "you." Maybe he meant that for all of us, but so far as I am con-

cerned, I never agreed to this plan and I do not think the Congress of the United States ever agreed to it. As a matter of fact, the committees of the Congress held hearings on the whole matter and consistently refused to report any legislation sanctioning it. I think the record discloses instead of approving it, the Congress constantly disapproved it.

Mr. BURTON. Pardon me if I misinterpreted the gentleman's position.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield.

Mr. NICHOLSON. Did we not have plenty of evidence before the committee that some of these foreign countries were sending in these articles composed of copper and brass and other things much to the harm of our local, small business, particularly let me say in the State of Connecticut?

Mr. BURTON. I am afraid I did not quite get the gentleman's question.

Mr. NICHOLSON. I asked if there were not plenty of people who appeared before our committee who testified that they were getting brass and copper in foreign countries and sending them here, competing against us; and that they were able to get these materials which are in short supply.

Mr. BURTON. I would say in answer that as regarding copper, it is not a matter of competition because our domestic supply amounts to only approximately two-thirds of our needs and we must import the additional one-third. We have not been getting our full allotment under the IMC agreements. This is not due to IMC restriction but to the fact that we have had a domestic ceiling price which has made importation unprofitable. We do not have the domestic production, and we must import copper. We have not been importing copper because it has been unprofitable to the importers.

I am not defending this situation. I think it is most unfortunate. It is being corrected, and I think being corrected in the proper manner. I do not believe this amendment is the proper solution.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield to the gentleman from Connecticut.

Mr. SADLAK. I have two brief questions. Does the gentleman say that the International Metals Conference has been legally established?

Mr. BURTON. I say it is established under the same authority that prevailed in World War II when, under the Second War Powers Act, title I, the President entered into agreements with Great Britain and Canada for the operation of the Combined Boards, which allocated raw materials, finished products, shipping space, and food supplies.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield to the gentleman from New York.

Mr. MULTER. In further answer as to the legislative authority for IMC, I think the gentleman has already covered it, but to emphasize the point, in the

declaration of policy it says in so many words, and this is broader language than was used in the second War Powers Act in World War II. There has been no attempt to change this.

It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, to meet properly the requirements of the military program in support of our national security and the foreign policy objectives.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(On request of Mr. SADLAK, and by unanimous consent, Mr. BURTON was allowed to proceed for five additional minutes.)

Mr. BURTON. I will answer further to that question that satisfies me as to the authority. But if it does not already exist we should provide the necessary authority for an orderly agreement among friendly and free nations, that we may have equitable distribution.

Mr. SADLAK. I am in entire accord with the remarks the gentleman has made, that we should have orderly procedure. Therefore, I say they should come before the Congress and show us that they have to have IMC.

Let me ask one further question: Does the gentleman agree that the Defense Production Act, with which we are now working, is the vehicle by which IMC is being implemented?

Mr. BURTON. The legal question you have asked I am going to refer to the chairman.

Mr. SADLAK. The gentleman said he was so interested in this he ought to know whether the answer should be yes or no.

Mr. BURTON. My approach to this was through CMP. As chairman of committee No. 3 of the Small Business Committee, I had an opportunity to examine the operations of CMP and find that they have brought order out of chaos, and that enables your small businesses throughout the Connecticut Valley to work when they were unable to work before the operation of CMP. I believe your amendment would destroy that operation.

Mr. SADLAK. I in no way disagree with CMP.

Mr. BURTON. In your original amendment as placed before the Committee on Banking and Currency, this would have seriously embarrassed New England in the importation of these materials.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield to the gentleman from Kentucky.

Mr. SPENCE. The Fulbright amendment in the Senate provided for the appointment of members to the IMC, and provided that appointment should be confirmed by the Senate. Will the gentleman from Connecticut [Mr. SADLAK] be in favor of that bill?

Mr. SADLAK. Indeed not. I stand on my amendment. That is bringing in IMC.

Mr. SPENCE. Then the gentleman is not interested in legalizing it, and that seems to be the argument.

Mr. SADLAK. Not in this manner, I will say to the affable gentleman.

Mr. BURTON. Does that answer the gentleman's question? I will say this in further answer, that had the committee passed the original amendment as submitted by you to the Banking and Currency Committee it would have greatly embarrassed New England in the importation of oil and gasoline, it would have disrupted distribution to small business, it would have served largely to nullify anything that might be done for butter and cheese under the Andresen amendment.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(On request of Mr. McCORMACK, and by unanimous consent, Mr. BURTON was allowed to proceed for three additional minutes.)

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield.

Mr. HALLECK. Of course, the gentleman knows of my high regard for him; he and I served on the Small Business Committee together. The gentleman recognizes, of course, that the gentleman's amendment as here presented is not what he talked about before the committee; it is not the Ferguson amendment.

The reason it has been changed is to make it completely positive so that the operations of the controlled-materials plan, which is a part of our domestic policy, be not interfered with. His present amendment was drafted to avoid that very criticism, and I think it completely avoids it and is the sole question that now remains having regard to our international situation, of course, the inherent part which is supposed to be contained in that just might be subject to question as to its implementation, but the primary purpose is to bring more materials to this country that we need in order that the small businesses primarily in which the gentleman and I are interested may have more of the materials they need. The controlled-materials plan would still operate to see to it here on the domestic front that once we get the materials they are allocated in such manner as to protect the interests of small business.

Mr. BURTON. While I generally see things with my friend, I may say that, although I am fully aware of the change in this amendment—which, by the way, was only presented to us this morning—I do not see it as the gentleman does. I believe it will disrupt the operation of CMP, which I think is exceedingly important; and if it is important that we have orderly distribution of these important defense materials domestically, is it not the more important that we have an orderly plan for their distribution among the free nations?

While I entered this from the CMP angle, yet we have the IMC involved, and although I am no authority on international matters, I am convinced that we will make a very serious mistake if we adopt this amendment.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I am going to quote from Defense Production Administrator Manly Fleischmann, whom I believe to be one of the most outstanding men in America in his line. Here is what he says:

The fact of the matter is that this amendment dealing with priorities and allocations will not prevent American participation in the International Materials Conference, but it will effectively destroy the operation of the Controlled Materials Plan, without which the successful conduct of the mobilization effort in the current supply situation becomes impossible.

In addition, the second sentence of the amendment will effectively tie the Nation's hands in the international competition for strategic materials without which no nation can survive in the modern armaments race.

I am quoting from a man who is an expert.

This is a bad amendment. I ask you to vote against this amendment.

Mr. BURTON. I also have a report from a rather distinguished citizen, General Eisenhower, which I think supports my viewpoint.

(Mr. FORAND asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FORAND. Mr. Chairman, the Sadlak amendment, under pretext of striking at the International Materials Conference, would kill the controls under which the mobilization program is operating and would strike a crippling blow at American industry, particularly small business. As a Rhode Island Representative in Congress, I am conscious of the staggering effect the amendment would have in my State. Inasmuch as only two-thirds of our copper supply is produced domestically the amendment would free the one-third which we import from allocation controls. Thus the small firms in the jewelry industry which is centered in my State would have their supply of copper cut off while such an industrial colossus as General Motors would be able to corner the foreign copper supply. Rhode Island is already suffering from unemployment to the point where it has been declared a distress area. Let us not legislate to make this situation worse.

Likewise the hundreds of other small fabricators in New England would face disaster in this time of scarcity, while selfish giants bought up the foreign supply.

Great emphasis has been laid on the copper situation. Let us be mindful that it probably applies likewise to petroleum products. Aviation gas production controls might have to be abandoned. Residential and industrial users of residual fuel, now receiving substantial quantities of residual fuel oil from the Venezuela area might well go without supplies.

I am mindful that in times of scarcities and inconveniences it is popular to strike at anything which has the word "international" in its title. This amendment, capitalizing on this device, would in one stroke make it impossible for us to get the cadmium, columbium, nickel, tungsten, and cobalt which we must import if

we are to make jet engines, and simultaneously would cripple small businesses and all industries except the most gigantic combinations.

Mr. RAINS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not have as much information about this particular amendment as my colleague from Virginia, because he served on the committee that studied the matter. However, I am a member of the Committee on Banking and Currency and we heard several witnesses with reference to it.

I have here a letter I want to read which is addressed to the chairman of the Committee on Banking and Currency, Mr. SPENCE. The letter is dated June 19 and is from the Munitions Board, signed by J. D. Small, Chairman. It reads as follows:

MUNITIONS BOARD,
Washington, D. C., June 19, 1952.

Hon. BRENT SPENCE,
Chairman, Banking and Currency
Committee, House of Representatives.

DEAR MR. SPENCE: I have been informed that there will be proposed an amendment to section 101 of H. R. 8210, as amended, containing the following sentence: "No authority granted under this Act may be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by an international materials conference."

The current military program is consuming large quantities of such materials as nickel and cobalt particularly for the jet engine, ammunition and tank programs. Supplies of these materials are almost exclusively from foreign sources and are allocated by the International Materials Conference. In addition, it is of the utmost importance to increase the strategic stockpile of these materials as rapidly as possible in order to support the tremendous demands which would be faced under full mobilization.

The operations of the International Materials Conference have been effective in assuring the availability of these materials for the military programs. Should the effectiveness of the Conference be destroyed, the reliability of our sources of supply would be seriously jeopardized. The amount of these materials which might disappear into undesirable channels with the breakdown of the presently operating system could very easily result in serious deficits which would have to be absorbed by the Department of Defense current production and stockpiling programs since the civilian economy is presently under maximum restrictions.

Sincerely yours,

J. D. SMALL,
Chairman.

Mr. Chairman, I do not profess to be an expert on this but it seems to me that to completely strike out and remove the International Materials Conference would result in two things. I believe I know the reason for this amendment. It would take away from small-business men the copper they need and give it to big business. That is the object in plain English. Small business throughout the country, would have to compete with the buying power of the great corporations. This amendment has in it the great danger of crippling the military program.

Mr. Chairman, it would seem to me to be very unwise at this particular time to adopt this amendment in light of all the facts and in view of the statement made by the gentleman from Virginia.

Mr. DURHAM. Mr. Chairman, I move to strike out the requisite number of words.

Mr. MARTIN of Iowa. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina [Mr. DURHAM] be permitted to speak for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, here is extension after extension after extension of time and I do not know how the time will ultimately be allocated. I shall not object at this time but unless they shift it a little bit I am going to object to the next request.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. DURHAM. Mr. Chairman, I thank the gentleman from Iowa for asking for an extra 10 minutes for me to try to explain this problem we face. I cannot go fully into the matter in that length of time, but I think we should examine the question closely. The Defense Production Act we set up in 1950 gives allocation and priority, also price control. Under the act, also, of course, we gave authority to Defense Production people to initiate programs to secure more of these materials here in America. To date they have not done a very good job. We have made some effort and taken some steps to up the production of quite a number of programs for securing different types of materials. This part of the act is highly important to the American people.

I doubt whether any Member of the House has read one of their reports fully. If not, you should read it and see what we are getting into. It is set up with 28 countries participating in it throughout the world, and it just does not apply only to strategic and critical materials but could be applied under present procedure to any material. The Congress should not, in my opinion, write out a policy if we are to have one of this kind. I find myself in agreement with the objective but not on the basis on which they are proceeding today.

Congress laid down a policy in this country from a national-defense standpoint. We adopted the Stockpiling Act. We appropriated \$5,000,000,000 or more since 1946 for this program. Now what has happened to it? We have unobligated \$648,000,000 and we have unexpended in that fund \$2,654,000,000, over \$3,000,000,000 that we have been unable to put into the stockpile materials which the national security of our Nation depends upon. We get letters every day, and I have got one here in my pocket that I received yesterday from a boy in Korea because of the fact that they do not have mortar shells. We all know

why that is. We are the ones that have to manufacture all this material. You cannot do it in Africa; you cannot do it in other countries under this agreement. They do not have the manufacturing capacity. Now we should go out and set this thing up with a sensible plan, not the plan that it is operating under today, with full authority to do anything they desire to do. According to the report, they make no report to anybody, either the Congress or anybody else. I would like to have more time to go into this matter because it is so far-reaching, but let me show you how this thing is set up.

Mr. Chairman, it is probable that few Members of this House have ever heard of the International Materials Conference. There is good reason for this. It is an organization which was not set up by Congress, has no basis in law, and has only rarely come to the attention of Members of this body. We should not, however, allow ourselves to believe, because of the little attention the IMC has received, that its importance is small. Indeed, exactly the opposite is true. It may be that the shortages of critical and strategic materials in the United States arises for the most part out of the operations of this nebulously constituted body. It is time, indeed it is well past the time, that Congress should take cognizance of the existence of the IMC in order that the military effort of this country, together with the maintenance of a reasonable level of civilian production, be no longer impaired by its operations.

They have taken over the Defense Production Act; they have taken over all authority over our stockpile program and said: "We are going to allocate these materials; we are going to set up priorities, we are going to fix prices, we have import and export authority, and we will control it."

This is how the International Materials Conference came into being.

In 1944, the State Department issued its proposals to the United Nations for an International Trade Organization. These proposals contained provisions for intergovernmental commodity agreements. Various drafts of the proposals were made from 1944 through 1947.

In 1947, the Senate Finance Committee held hearings on the proposed International Trade Organization. Senator MILLIKIN, the Chairman, specifically asked whether any such agreements, if consummated, would be submitted to Congress for approval. The present Secretary of State, who was then Acting Secretary, in a letter to the committee said:

Insofar as such commodity agreements impose any obligations on the United States requiring legislative implementation in any way, it is the intention of the Department that they should be submitted to the Congress.

In 1948, the nations met at Habana and a charter for the International Trade Organization was the result of their deliberation. Chapter 6 of this charter dealt with intergovernmental commodity agreements. The charter was submitted for approval and hearings were held before the Committee on Foreign Affairs,

House of Representatives, during the Eighty-first Congress, to approve the charter. The hearings closed on May 12 and the committee never reported any action to the House. In December, the Department announced that no further efforts would be made to secure approval for the ITO. Between May and December Congress passed the Defense Production Act of 1950 which granted allocation and price-control powers. In January of 1951, following Prime Minister Attlee's visit to the United States, the governments of United Kingdom, France and the United States announced that an International Materials Conference would be formed to deal with the allocation of scarce commodities, with the allocation of scarce commodities, not just critical materials.

This was the birth of the International Materials Conference. There was never any legislative sanctities for its activities, and none exist today.

The Assistant Secretary of State, Mr. McFall, in a letter to Representative BUDGE on January 24 of this year said:

There is no specific statutory authority for the participation of the United States in this Conference as it is one of the many activities carried out in furtherance of the foreign policy of the United States.

I want to say that I am one of the Members of this House that has supported the foreign policy down the line almost completely until this present operation.

I know what we face on many of the strategic and critical materials. Most of them are basic elements and are becoming scarcer all the time. I took the floor in support of the wheat to India bill in order that we might secure some of these materials and have supported all mutual aid to these countries.

This conference consists of governmental representatives from 28 nations who are determining the distribution of the world's materials not only for defense but for civilian usage as well. It is obvious that any group having this power has the power to determine the living standards in each of the countries of the world, their military potential, their national income, and the level of employment in their respective countries. Up to this time, the International Materials Conference has dealt with only seven groups of commodities. However, it is free at any time in accordance with its own statements to establish new groups to deal with such additional commodities as in its judgment require consideration. While the Congress of the United States has never sanctioned our participation in the International Materials Conference, this organization describes its powers in the following words in its report on operations for 1951 and 1952:

The committees were created as autonomous bodies in the interest of expediting action and allowing the countries which were primarily concerned with the commodities in question to deal with the problems involved without being subject to review by any other body.

This is rather sweeping language and it implies that these commodity groups are not subject to review by the Congress. The only possible excuse for the exist-

ence of such groups in a period such as we are going through would be that they furthered our defense effort.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Kentucky.

Mr. SPENCE. Does the gentleman mean to imply that the International Materials Conference sets the price on materials?

Mr. DURHAM. It can do it. It has done it.

Mr. SPENCE. It could only do it by agreement.

Mr. DURHAM. It can do it because you give them price-control authority in this bill, and that is what we are acting on today.

Mr. SPENCE. They cannot even allocate without the consent of this Government. It is purely a voluntary agreement.

Mr. DURHAM. They have been doing it.

Mr. SPENCE. They cannot fix any price or even allocate materials.

Mr. DURHAM. They have already done it on materials, as shown in their report.

Mr. SPENCE. They cannot do it unless the Government of the United States agrees to it.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Michigan.

Mr. SHAFER. I want to read just a paragraph of their report. The gentleman says we have not read this. I have read it. Here is the plan of organization and operation of this committee:

The committees were created as autonomous bodies in the interest of expediting action and allowing the countries which were principally concerned with the commodities in question to deal with the problems involved without being subject to review by any other body.

Mr. DURHAM. That is correct. That is what they say in the report. If you will refer to page 24 of their report you will find that they have suggested none of this material go into the stockpile. Where is the \$3,000,000,000 that we have got down here going to be used for national security of our country if such a policy is continued and they have done very little in trying to up production here at home and the record for past 2 years now under the Defense Production Act proves very little has been accomplished.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. COX. I have asked that the gentleman yield in order that I might emphasize the importance of the members following the discussion which the gentleman is now engaged in because he is making a very important argument on a very important subject, which is now before the House.

Mr. DURHAM. I thank the gentleman.

However, an examination of their reports shows that these groups have actually suspended the stockpile program authorized by Public Law 520 without

any authority whatsoever to do so. Their report on operations contains the following amazing statements with reference to the United States stockpile program.

Your stockpile today in the last 30 days' report shows that it is not 35 percent completed under the authorization of this Congress, and there are billions of dollars down there today unexpended. The gentleman who just spoke, who preceded me, ought to read the report on manganese here. You do not have enough manganese in the stockpile of this country today to run the steel mills to produce steel for the next 12 months, and the gentleman knows it.

In developing plans of distribution for the metals it was necessary for the committees to consider what policy should be followed in allowing materials for stockpiling purposes during a period of scarcity. The problem was discussed in several of the commodity committees and many differences of opinion were expressed as to whether stockpiling should continue to be pursued under existing circumstances. The Copper-Zinc-Lead Committee and the Manganese-Nickel-Cobalt Committee decided, in connection with their fourth quarter allocations, to recognize, in principle, the requirements for strategic stockpile purposes; but, in view of the tight supply, they recommended a special allowance for such requirements in the plans for copper, zinc, and cobalt only to the extent of a small percentage of consumption during a given base period.

That is their recommendation in their report.

In the case of commodities where the shortage was more acute (nickel, tungsten, and molybdenum), the committees were unable to recommend any special allowance for stockpiling.

That only only affects stockpiling, but it affects every manufacturing plant in this country, and every laboring man in the United States.

In the allocation plans for the first quarter of 1952, the copper-zinc-lead and the manganese-nickel-cobalt committees found it inadvisable to provide any special allowance for stockpile purposes—

This is an English magazine. It is in this report. It contained the following statement—

but maintained the principle of making such provisions in connection with further allocations when the supplies were sufficient to permit it.

An article in the magazine Freedom and Union last April referred to the stockpile program and contained the following statement:

When the IMC came into being and it began planning allocations on the basis of data made available on the needs and supplies of both producers and consumers, the committee members were confronted with the fact that there just did not exist sufficient quantity of the commodities under consideration to satisfy all needs, however justified. Further stockpiling, whether by the United States or by any other country, threatened to bring about an economic crisis. By common agreement, certain commodities were taken off the stockpile list, to be followed by others whenever the situation required such a measure. The last to be thus temporarily taken off the list is copper, and no provisions for the stockpiling of this commodity were made on the allocations for 1952's first quarter.

The President of the United States has already issued, I believe, three orders taking copper out of the stockpile of this country, which today is far short of the objective for today and if not increased, in case of all out war, it would be a calamity.

The effect of these decisions has been to force the diversion of material under contract of the stockpile to domestic interest as the allocations given to this country by the IMC were insufficient to permit stockpiling or military production and acceptable levels of civilian employment.

Only this week, the office of Defense Production Authority announced new policies for the pricing and allocation of copper which would make possible foreign purchases up to the limit of IMC entitlements.

I have said that many, many times on the floor of this House over the last 4 or 5 or 6 years.

Mr. Fowler, however, closes his six-page release with the statement that—

I wish to emphasize that, unfortunately, even with the anticipated increase in imports, both stockpiling and civilian use will be at a low level.

If there were no IMC entitlement limits, this would not necessarily be the case.

The IMC have allocated about the same proportion of copper to the United States today as we received prior to Korea.

It is obvious that this country is doing the greatest part of the world's military production. If the United States receives the same amount of copper as it did prior to Korea and the other nations of the world receive what they were getting prior to Korea, the result must be to reduce our civilian economy more drastically than the civilian economy of the other nations of the world. If we are not willing to take the consequences of such a drastic reduction, then we obviously are going to stop stockpiling.

This is precisely what is happening. Unless the United States is freed from the unauthorized restrictions of the International Materials Conference, it will have to stop its stockpiling program or reduce its production of civilian goods more drastically than any other country in the world. If such decisions are to be made, they should be made by the Congress and not by a group who are described by Mr. Standley, its press officer and an employee of our State Department, as a rather loose set-up; IMC can hardly be called an organization in the usual sense of the word, since it has no charter, no bind treaties, and no machinery for the enforcement of its recommendations—just a "gentlemen's agreement."

The proponents of IMC maintain that international allocations are necessary so that this country may receive the many critical and strategic materials which we do not produce and which must be imported from overseas. Mr. Fleischmann, in his testimony before the Senate Banking Committee, said we needed 38 materials which were strategic and critical from other countries. Only eight of these materials are under IMC jurisdic-

tion. The IMC does nothing to insure our receiving any of the remaining 38 materials. It merely sets limits on our consumption of the materials with which it is interested. It is significant that the London Economist, in a very friendly article last December discussing the work of the IMC, said that the IMC member countries are, in fact, "on their own."

As I stated above, it is time, and well past the proper time, for Congress to take appropriate action for the elimination of the authority of this organization or, in the alternative, to investigate its functions and if they are found to be necessary to pass legislation giving the IMC a legislative basis and confer on it such authorities or impose such limitations as Congress feels are proper.

Mr. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. BURTON. May I say we have not taken our allocation of copper. We have allocated 133,000 tons a month, and we have only been taking 106,000 tons for the last 3 months. I am with you, I want to see the stockpiling. The question is: How will we help our stockpiling, by a disorderly operation or an orderly operation?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. DURHAM] has expired.

Mr. DURHAM. There could not be any way more disorderly for building and preparing for an emergency stockpile than the present procedure under IMC. I ask that we adopt this amendment.

(Mr. DURHAM asked and was given permission to revise and extend his remarks.)

Mr. MARTIN of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor to call attention to the fact that you have just heard a discussion here by a Member of this House who really knows this subject and who has known it from the beginning of our program of stockpiling strategic and critical materials. I know that personally, and I know that he knows what he is talking about when it comes to strategic and critical material stockpiling for national defense. If we keep national defense as our No. 1 objective, we will not ride roughshod over his recommendations in this legislation.

I have not had an opportunity in recent years to keep up as carefully and as much in detail on stockpiling as I could during the years I spent on the Committee on Military Affairs with the gentleman from North Carolina [Mr. DURHAM], but I do have tremendous respect for his continuing that work and his bringing to us his analysis of the situation confronting us. His warning to the House today that we are on thin ice, in dangerous territory, when we have as a nation discontinued all stockpiling, that we have only 35 percent of the stockpile objective that was set up in Public Law 520 in 1946, when we contemplated then getting 100 percent of that stockpile in 5 years' time is a dire warning indeed. If you are still willing to dally along with inadequate protection through stoppage of stockpiling to meet

our needs, I say you should stop and think. This International Metals Conference has ridden over some of the policies of the Stockpiling Act. They have subordinated American needs to the international picture, and I cannot go along with that at all. We wrote and enacted Public Law 520 in the Seventy-ninth Congress and we really meant to set up an adequate American defense. The gentleman from North Carolina [Mr. DURHAM] has been the main guardian of that program and is guarding it today. Anyone who advocates running roughshod over that program, should bear in mind that we have only 35 percent of that stockpile objective; that we have over \$3,000,000 down here, unable to spend it for further acquisition of strategic and critical materials. It is unused, although it is there waiting to be used. I think Mr. Small, head of the Munitions Board, had better sit up and take notice and reexamine the law under which he is functioning. I do not appreciate for 1 minute his sending letters to Congress saying what he said in the letter read by the gentleman from Alabama. Mr. Small had better reexamine his own responsibility. He knows I do not think he has accomplished the mission that he was given to do by the Congress. He had better get the stockpile together and preserve it, instead of gutting it. Who authorized him to go in there and take out copper from the meager supply we have? He will tell you that President Truman told him. But they bypassed Congress and all of our objective of an adequate stockpile. They cannot lawfully distribute to foreign countries these materials that should be added to our stockpile, as long as men like CARL DURHAM stand guard. If you are inclined to go along easily and knock down American self-sufficiency, then you had better reexamine your own appraisal of things that are first in the matter of national defense.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I seek recognition on the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, this amendment brings before this body one of the most important subjects which can confront us in connection with the bill now before the committee. I wonder how many of us realize that our Department of State is the agency of Government which has created this International Materials Control, and that in creating it they did so to accomplish a foreign-policy objective of our country. To say the least, this objective is uncertain and I believe is unknown to any of us. In creating the International Materials Conference they have given our country one vote, one vote only out of 28, thereby making certain that any 14 or 15 out of those 28 countries can be sure that if there is to be unemployment in the world it will not be in another country; it will be in the United States.

This very day materials are being taken from our country, shipped abroad

for use over and beyond quantities they have had in the past to the detriment of the workingmen in Michigan, Pennsylvania, Connecticut, Massachusetts, and a number of other States. It is not right to say that it is being done to help in the war effort, for that is not true. It is being done to carry out what was attempted in the foreign-policy commitments or objectives of our State Department. What those are, I repeat, are uncertain. It is an example parallel to the International Trade Organization in connection with which our Government spent many hundreds of thousands of dollars. Setting up an organization which it was planned to have the Congress of the United States approve at the behest of the State Department, and creating an International Trade Organization to handle in detail the question of imports and exports for our country and other countries of the world.

Well, Mr. Chairman, you know how the Congress rose up and emphatically defeated that proposal in advance of its submission here, for to date the International Trade Organization has not been brought before us. The Department of State knows that we would defeat it, that this body believes in the preservation of jobs for American workingmen that we put that over and above these international foreign-policy commitments which have been made by Mr. Acheson and others who seem to be more interested in helping people abroad than they are in protecting what we have here.

All this amendment does is to say—and it is the last sentence which is the most important—that no authority granted under this act may be used to limit the domestic consumption of any material or restrict total United States consumption to an amount fixed by the International Materials Conference.

Mr. BURTON. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMPSON of Pennsylvania. In just a moment.

What I say is that we should never put our country in the noose of an International Materials Conference where the vote is 28 to 1, and which would permit a group of majority votes to take from us any strategic material we have, and to send it somewhere else in the world.

Mr. BURTON. Mr. Chairman, if the gentleman will yield, without some plan, some arrangement with these other countries what would you do for cobalt, nickel, and other materials that they produce and we do not?

Mr. SIMPSON of Pennsylvania. I will answer the gentleman by saying that we have always got them in the past before we got into the International Materials Conference, and we will get them in the future. What I am afraid of is that we may not get it through this International Materials Conference, for 14 out of 28 could impose limitations, restriction, and demands to the detriment of our own people.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. VORYS. The International Trade Organization has never been approved by this House for one reason, because legislation submitted to the Foreign Affairs Committee seeking approval of it never was submitted to a vote of the Foreign Affairs Committee, for a preliminary poll showed that the legislation could not get out of that committee. But I understand the principles involved there not connected merely with strategic materials are inserted in this International Materials Conference.

Mr. SIMPSON of Pennsylvania. Certainly that great committee of the House would not have approved it, nor would any other committee if we had a vote on the issue itself.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 2:30 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. SHAFER. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 2:30 o'clock.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER].

(By unanimous consent, the time allotted Mr. Gross was given to Mr. SHAFER.)

Mr. SHAFER. Mr. Chairman, I am very much in favor of the Sadlak amendment. In my opinion, it must be adopted if we are going to defend our stockpiling program under the public laws which we have placed on the statute books.

The International Materials Conference has been justified by its proponents as a device to further our defense program. It is supposed to make it easier for this country to secure materials for our defense which of necessity must include our stockpiling.

Other Members have examined the workings of IMC so far as it affects our civilian economy and employment opportunities within the United States. I have examined the IMC from the standpoint of our military security. I am speaking today as a member of the Armed Services Committee, and I intend to give the House the facts which my research has uncovered and which I find most disturbing.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. I want to add for the information of the Members that the gentleman from Michigan [Mr. SHAFER] rendered a very distinguished service as chairman of the subcommittee in the Eightieth Congress when the Republicans had that responsibility.

Mr. SHAFER. I thank the gentleman. Mr. MARTIN of Iowa. The gentleman performed an outstanding service.

Mr. SHAFER. Mr. Chairman, the Munitions Board, under authority of Public Law 520, Seventy-ninth Congress,

is charged with the determination of the materials which are to be classified as strategic and critical under this law. In its most recent report to the Congress, dated January 23, 1952, the Board shows that cobalt, copper, lead, manganese, molybdenum, nickel, tungsten, wool, and zinc are on the strategic list and are to be acquired for the stockpile pursuant to section 3A of Public Law 520. These materials are also among the commodities under consideration by the International Materials Conference. The Board showed that while obligations totaled \$3,900,000,000, as of last December expenditures totaled only \$1,800,000,000 and unliquidated obligations totaled \$2,000,000,000. In other words, Mr. Chairman, although Congress has appropriated the money, and contracts were made for delivery of materials to the stockpile, more than \$2,000,000,000 worth of ordered material remained undelivered. The Board advised the Congress in its report of last January that it was directed by the Defense Production Administration to divert to industry scheduled deliveries of a number of materials covered by stockpile contracts.

On page 9 of its report, it said:

Materials affected by such directives include 45,000 short tons of aluminum, 100,000 pounds of columbite, 163,500 short tons of copper, 8,000 short tons of acid grade fluor spar, 6,000 short tons of lead, 9,900 long tons of metallurgical manganese ore, 2,200,000 pounds of nickel, 1,778,000 pounds of tungsten, and 26,900 short tons of zinc. This represents a loss of more than \$120,000,000 worth of materials to the stockpile. The shortage of some materials became so acute that quantities already in the stockpile were released for allocation to industry pursuant to Presidential orders recommended by DPA and the Office of Defense Mobilization (ODM). Such releases included 10,000 short tons of aluminum, 55,000 short tons of copper and 30,000 short tons of lead, having a total value in excess of \$40,000,000.

While the Munitions Board is charged with the basic responsibility of our stockpiling program, they cannot be blamed for failure of the program to reach its objectives. The Board in its report to Congress stated:

The actions necessary to accomplish the stockpile objectives extend far beyond the basic Munitions Board authority. International and domestic allocation of available supplies, as well as supply expansion programs, are not the immediate responsibility of the Munitions Board but have a direct bearing on the accomplishment of the objectives of the Stockpiling Act. These programs of other agencies are reported here only insofar as they directly affect the stockpiling activity.

I was curious as to who was responsible for the international allocation of available supplies and I found that the IMC was the group which placed a ceiling upon this country's share of the world's materials in spite of our defense program. I need not remind the Congress that the details of our stockpile program are supposed to be a closely guarded secret. Apparently our program has been discussed with the other countries in the International Materials Conference. Some of them are declared neutrals in the present struggle against communism.

The April issue of Freedom and Union, a magazine published by the "one-worlders," contained an article on the IMC, and I want to read what it said about the stockpile:

When the IMC came into being and it began planning allocations on the basis of data made available on the needs and supplies of both producers and consumers, the committee members were confronted with the fact that there just did not exist a sufficient quantity of the commodities under consideration to satisfy all the needs, however justified. Further stockpiling, whether by the United States or by any other country, threatened to bring about an economic crisis. By common agreement certain commodities were taken off the stockpile list, to be followed by others whenever the situation required such a measure. The last to be thus temporarily taken off the list is copper, and no provisions for the stockpiling of this commodity were made in the allocations for 1952's first quarter.

When the IMC published its own official report last month, it confirmed these statements in their entirety.

Last March Mr. Ticoulat, then our principal representative on IMC, filed a statement with the Senate Committee on Banking and Currency with reference to our allocations from the IMC. The statement in reference to copper contained the following:

The method back of the IMC distribution plan was a priority for direct defense requirements, provision for minimum strategic stockpiles, and the distribution of the remaining supply for civilian requirements on the basis of consumption in 1950. In the first quarter of 1952, owing to the acute shortage, no specific provision was made for stockpiling (p. 1504).

Mr. Chairman, imagine the IMC deciding that no provisions shall be made for stockpiling copper in the United States. I want to close with just one specific example as to how the IMC has actually operated to keep material away from the United States and out of the stockpile.

On September 28, 1951, the IMC announced its allocations for the fourth quarter for zinc. Its release stated:

The allocations for each participating country are in the form of a total "entitlement for consumption"—the amount of primary metal which may be processed or consumed by the country concerned, either from domestic production or imports."

The release continued:

In accepting the plan governments assume the responsibility for seeing that their allocations are not exceeded.

How did the United States go about doing this? Mr. Chairman, I want to tell you we deliberately set ceiling prices on zinc below the world price. On Sunday, September 30, just 2 days after the IMC acted, the Office of Defense Mobilization announced price ceilings on zinc imports. The release contained the following statements:

The establishment of a ceiling which is somewhat below current world prices involves the calculated risk of some decrease in imports. This action will thus tend to reduce the pressure of United States demand on free world supplies, ease the problems of friendly consuming countries, and make any international allocation arrangements more effective.

Mr. Chairman, on February 1, just 4 months to the day from the time we announced we were going to take a calculated risk of some decrease in imports, the New York Times carried a news story on zinc. Let me read from this story:

Some 29,000 tons of zinc will be withdrawn from the stockpile to be diverted to defense production in the next 6 months, the Office of Defense Mobilization disclosed today. Failure of zinc imports to reach normal volume was given by C. E. Wilson, Director of the Office of Defense Mobilization, as the reason for the diversion of the metal. Withdrawals from the stockpile require Presidential approval which was obtained by Mr. Wilson before he made today's announcement.

There was no doubt how the calculated risk would turn out.

Mr. Chairman, the International Materials Conference has not aided the United States in preparing itself to meet communistic aggression. On the contrary, it has drained away vital materials for the civilian economies of other nations. To carry out the real purpose of the Defense Production Act, we should adopt the Sadlak amendment so that no unauthorized international group of bureaucrats may usurp the powers which the Congress has specifically conferred by law on our own Military Establishment.

(Mr. SHAFER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. Bow].

(Mr. BOW asked and was given permission to revise and extend his remarks.)

(Mr. GWINN asked and was given permission to yield the time allotted to him to Mr. Bow.)

Mr. BOW. Mr. Chairman, the International Materials Conference evolved from a meeting in December 1950 between President Truman and Clement Attlee, then Socialist Prime Minister of Great Britain. It is now a formal worldwide body with 28 non-Communist nations as members. The IMC functions through a headquarters organization called the central group and seven standing committees. The committees are: copper, zinc, and lead; sulfur; tungsten and molybdenum; manganese, nickel, and cobalt; cotton and cotton linters; wool; pulp and paper.

The committees have placed the following basic materials under allocation—sulfur, tungsten, molybdenum, copper, zinc, nickel, and cobalt. Zinc allocations were dropped on May 29, 1952, but the others are still in effect. In addition, so-called emergency allocations of newsprint have been made to a number of individual nations.

The effect of establishing allocation systems is to tell the United States and other nations—member and nonmember—the amount of each material it may consume. Thus, IMC is in control of a considerable portion of the resources and activities of the non-Communist world.

THE LEGAL ISSUE

From the standpoint of IMC's legality, there are two main issues:

First. Is there any legal standing, under American law, for United States participation in IMC?

Second. Are the powers conferred on the President by the Defense Production Act being misused by him in implementing domestically the global decisions being made by IMC?

NO AUTHORITY FOR IMC

The first question about IMC from a legal viewpoint is simply this: Was it ever authorized by the Congress?

The answer was stated in a letter dated January 24, 1952, from Assistant Secretary of State Jack K. McFall, to Representative HAMER H. BUDGE, of Idaho:

There is no specific statutory authority for the participation of the United States in this conference (IMC), as it is one of the many activities carried out in furtherance of the foreign policy of the United States.

What Mr. McFall is saying in effect is that the President has unlimited authority to do as he pleases so long as he is dealing with foreign nations.

President Truman has indeed stretched the concept of his powers to extreme lengths. It was only a few weeks ago that the Supreme Court of the United States rejected the theory that the President possesses inherent powers beyond the Constitution and declared that the President has only the powers that are granted to him by the Constitution and the Congress. Yet, in the case of the International Materials Conference, the President has taken a leading part in organizing a body that was never authorized by the Congress, and his administration has participated in all of the activities of that body.

When Manly Fleischmann, then Defense Production Administrator, appeared before the Senate Banking Committee on May 15, 1952, he was asked:

Under what authority does the IMC, so far as American participation is concerned, operate?

Mr. Fleischmann replied:

It operates first under the authority of the Defense Production Act, and secondly under the authority of the President to conduct foreign affairs.

Then Mr. Fleischmann was asked:

The second one has nothing to do with the Defense Production Act. If you had no Defense Production Act, could you have operated the IMC as you did?

Mr. Fleischmann replied:

No, sir; it could not be made effective.

First, it is seen that Mr. Fleischmann's answer was considerably different from Mr. McFall's.

Second, the Congress never intended that the powers conferred on the President by the Defense Production Act should be used to carry out the orders of IMC. Such a use of the Defense Production Act was not mentioned in the debate regarding the bill and was never foreseen by the Congress. The powers conferred on the President were intended to serve an entirely different purpose, and those powers have been misappropriated by the President.

Legally, then, IMC boils down to this:

First. IMC is, from the standpoint of the United States, an extra-legal organization.

Second. United States participation, through the device of the Defense Production Act, is a shocking misappropriation of Presidential powers.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. HALLECK. May I cite in corroboration of that point that the report of the operation of the IMC states:

The committees were created as autonomous bodies in the interest of expediting action and allowing the countries which were principally concerned with the commodities in question to deal with the problems involved without being subject to review by any other body.

In other words, not even the Congress of the United States could review the determinations made.

Mr. BOW. The gentleman is correct.
IS IMC VOLUNTARY?

A frequent answer to criticism of United States participation in the International Materials Conference is that IMC actions are purely voluntary. This, I submit, is just the opposite of the truth.

As far as the Truman administration is concerned, IMC pronouncements have the force of law. In fact, they are obeyed much more literally than many of the statutes that have been enacted by the United States Congress.

We need only look at the IMC release of December 20, 1951, announcing copper allocations. This release speaks of "entitlements for consumption" and defines an "entitlement" as follows:

The amount of metal which may be processed or consumed by the country concerned, either from domestic production or imports.

That language is crystal-clear. If additional proof is needed, it is another sentence in the same release, which reads:

In accepting the distribution plans, governments assume the responsibility for seeing that their allocations are not exceeded.

There is nothing voluntary about that—especially to the many thousands of American men and women who have been thrown out of jobs because of IMC. This was made plain in testimony before the House Newsprint Subcommittee on February 8, 1951, by Theodore L. Sweet. Mr. Sweet bore the titles of Chief of the Combined Materials Branch of ECA and United States representative on the sulphur committee of IMC. He was asked by Representative JAMES I. DOLLIVER of Iowa:

Your particular group—

The IMC's sulphur committee—

does not undertake to say what shall be done; you merely suggest what should be done?

Mr. Sweet replied:

They make recommendations to the governments. Naturally, since the governments have representatives on the committees, the representatives are not supposed to make recommendations which they do not think the governments will accept.

The IMC, too, has inadvertently exploded the argument that its allocations are voluntary. Its report on operations, covering the period February 26, 1951–March 1, 1952, says:

Each country is entitled to 1 vote, a majority of the members of a committee constituting a quorum.

If all these doings are voluntary, why the necessity for voting, except to determine whether there is unanimity?

The IMC report goes on:

Formal recommendations are made to member governments in writing by unanimous consent of the members of the committees. If unanimity cannot be reached on a point, a majority recommendation or report may be made, accompanied, if so requested, by an adequate presentation of minority views.

Again, if all this is voluntary, how can there be a majority and a minority?

An article in the London Economist, December 29, 1951, that was highly friendly to IMC, cites two instances of IMC actions that were anything but voluntary to some of the countries concerned. One of the examples:

The significant point about the tungsten allocation was that a recommendation was passed by a majority vote instead of being unanimous. For the allocations in the last 3 months of this year, the [IMC allocation] committee recommended that the price formula should be retained. Bolivia, a tungsten producer, objected, but the objection was defeated on a vote.

The assertion that IMC decisions are voluntary is a false and unscrupulous piece of propaganda that will fool no one who looks into its operations.

A SUPERCARTEL WITH UNLIMITED POWER

The powers which the IMC has bestowed upon itself are staggering. For example, the article in the London Economist states:

Both in membership and in territorial extent, the IMC is larger than such organs of cooperation as the Organization for European Economic Cooperation and the North Atlantic Treaty Organization. Its organization is as loose and flexible as that of the British Commonwealth and its constitution almost as unwritten. It relied, not on legal formulas but on the will to cooperate.

The IMC's report on operations puts it even more explicitly with the statement that the IMC's seven commodity committees "were created as autonomous bodies, without being subject to review by any other body."

Thus, it is seen that the IMC is literally a power unto itself and that any legal formulas that might place some restraint on its actions are regarded as quaint relics of the past.

The IMC report on operations continues:

The seven commodity committees are responsible for considering methods of establishing a better balance between supply and demand of certain strategic materials and recommending to the governments concerned the specific action which should be taken in the case of each commodity, in order to expand production, increase availability, conserve supplies, and assure the most effective distribution and utilization of supplies of materials among the consuming countries. Within this framework they may

consider any aspect of existing shortage problems for the commodities under their review.

What this means, in so many words, is that IMC may do as it pleases regarding the essential materials under its control. With this power the IMC is in a position to be the absolute czar over the economies, the national income, and the living standards of the non-Communist countries.

Does this make IMC a cartel of far greater magnitude than any in previous history? Of course it does. When Mr. Fleischmann appeared before the Senate Banking Committee on March 21, 1952, he denied the IMC is a cartel. But then he went on to give the following definition of a cartel:

As I understand cartels in the legal sense, they refer to agreements among both producers and consumers as to what they will do.

The above quotations from the IMC report prove this is precisely what IMC does. Some IMC agreements go far beyond questions of allocation. For instance, IMC has attempted to impose direct controls on the price of tungsten. The IMC report on operations states that in imposing an allocation plans for the third quarter of 1951, "an arrangement was introduced whereby the spot-purchase price of tungsten was to be not less than \$55 f. o. b. per short ton unit and not higher than \$65."

It is ironic that each time the question of price control comes before the United States Congress, there is prolonged, wide-open debate before a decision is reached. But IMC has imposed world-wide price control by holding secret meetings and telling the public nothing of its deliberations.

If a group of private individuals or companies in the United States ever had the temerity to engage, even on a small scale, in the kind of market-splitting, price-fixing, and other monopolistic practices of the IMC kind, they would promptly be subject to criminal prosecution for violation of the antitrust laws. But those practices, when conducted by IMC, are vociferously defended and ardently blessed by the Truman administration.

It is clear to me that the IMC is repugnant to American tradition and the spirit of American law, and that the countries who have prompted cartels in the past are the countries now mired in economic stagnation. Let us learn from their experience and recognize the IMC supercartel for the sure death it is to our system.

SIMILAR PROGRAM REJECTED TWICE BY CONGRESSIONAL COMMITTEES

The IMC is the brainchild of the United States State Department.

Back in 1947 the Senate Finance Committee was holding hearings on a charter for the proposed International Trade Organization. As Senator HOMER FERGUSON, of Michigan, has pointed out, this body was to have a program remarkably similar to the present program of the IMC, with so-called intergovernmental commodity arrangements filling the role

now played by the IMC's entitlements for consumption.

One of the witnesses before the Senate committee was William Taylor Phillips, Acting Chief of the International Resources Division of the State Department. Testifying on the origin of the intergovernmental commodity arrangements, Mr. Phillips was asked whether they were a definite part of the State Department policy. He replied:

Yes, sir. It is not only the Department's policy, but, as you know, it has been approved by the other Government agencies that were engaged in compiling it, getting it together, thinking it out. It has gradually merged over a period of years. This particular chapter first appeared in the proposals; then in the United States suggested charter; then in the London draft; and more recently in the New York draft—with, I think, the important provisions unchanged, or relatively unchanged.

Shortly after, Senator EUGENE MILLIKIN, of Colorado, committee chairman, requested reassurance from the State Department on the question of congressional approval of such international agreements. Dean Acheson, then Acting Secretary of State and now Secretary of State, replied as follows on April 15, 1947:

Insofar as such commodity agreements impose any obligations on the United States requiring legislative implementation in any way, it is the intention of the Department that they should be submitted to the Congress.

United States participation in IMC does require legislative implementation—by the Defense Production Act—yet the IMC's commodity agreements have never been submitted to Congress. Nor was any approving legislation reported following the Senate committee hearings.

In 1950, the House Foreign Affairs Committee took up the final draft of the ITO charter, which had been written in Habana. This committee too declined to recommend approval of the ITO charter.

Yet today, despite the refusal of two congressional committees to accept the ITO charter and despite Mr. Acheson's promise, the very intergovernmental cartels proposed by ITO have come into being through the IMC.

THE ROLE OF THE U. N.

The United Nations, like the State Department, has been busily promoting the idea of supercartels. As Senator FERGUSON has shown, the U. N. established in 1947 an Interim Coordinating Committee for International Commodity Arrangements to lay the groundwork for this pet project. To give an idea of the kind of thinking represented on this U. N. committee, Senator Ferguson quoted the following from its 1951 report in regard to tea:

The present tea agreement covers the four producing countries of Ceylon, India, Indonesia, and Pakistan. The agreement regulates the acreage to be devoted to tea and prohibits the export of tea-planting material to countries not party to the agreement.

This quotation shows that U. N.-sponsored cartels are the same as any other cartel—they are devoted to restricting production and freezing the status quo.

Various U. N. bodies have taken additional actions in behalf of international commodity deals, but it is sufficient here to quote from a booklet titled "Measures for International Economic Stability," published by the U. N. Department of Economic Affairs in 1951. The authors are stated to be a group of experts appointed by the Secretary-General.

The report recommends a series of commodity arrangements of various types as a means of keeping short-term movements of primary product prices, both upward and downward, within reasonable bounds, and of helping to stabilize the international flow of currencies.

Among the main types of possible arrangements mentioned in the report are agreements covering maximum production quotas, maximum export quotas, maximum import quotas, minimum and maximum prices, and buffer stock schemes.

How would such an all-embracing cartel be set up? Very simply; it is already in existence. The report says:

We do not believe that any new international agency to administer a comprehensive scheme for a range of different commodities is necessary or practicable. The arrangements needed differ from commodity to commodity, and must be worked out and put into effect by the countries mainly concerned in each case. Coordination of general structure and policy amongst the various schemes is important, but international bodies—such as the Interim Coordinating Committee for International Commodity Arrangement and the International Materials Conference—already exist and can be used for this purpose.

With such clear-cut evidence, who can doubt that the IMC is intended to fit into a much larger pattern for turning over gigantic powers to worldwide organizations who will be responsible only to themselves? Could this be the pattern for world socialism?

THE ROLE OF THE STATE DEPARTMENT

I have shown above that the State Department is primarily responsible for taking the United States into IMC. The State Department's avid interest in IMC continues down to this moment. IMC's offices in Washington were in a State Department building for a time. IMC's telephone number in Washington, Republic 5600, is the number of the State Department. The first important speech defending IMC was the one made by Edmund Getzin, Office of Materials Policy, of the State Department, in New York on February 19, 1952.

When Mr. Sweet appeared before the House Newsprint Subcommittee on February 8, 1951, he was asked whether the IMC allocation committees had been set up by ECA. He replied:

No. They were set up by the United States Government through the State Department. They report now to a central group—that is, the individual members report to DPA, which is the Defense Production Administration. DPA acts only in an advisory capacity.

All the evidence points to the fact that the State Department has been the driving force behind United States participation in IMC and that the State Department's activities in this regard are a natural result of the Department's deep-seated socialistic tendencies.

HAS IMC STABILIZED PRICES?

The best answer to this question is found in a recent publication by the International Monetary Fund comparing prices in different countries—as of January 1952. Copper varied from 24.5 cents in the United States to 60.8 cents in Italy. Lead varied from 19 cents in the United States to 26.8 cents in France. Zinc varied from 21.3 cents in the United States to 30.3 cents in the Netherlands.

At first glance, it might appear that the United States was benefitting from the lower prices prevailing here. However, it must be kept in mind that a large part of the funds used by foreign countries to bid for these metals came from the United States in the form of foreign aid. From July 3, 1948, to June 30, 1951, ECA supplied \$326,000,000 to European countries for the purpose of buying copper, \$78,000,000 for zinc, and \$57,000,000 for lead. In other words, United States dollars were used by European countries to obtain the materials we needed, and the United States taxpayers who furnished the dollars in the first place were paid off in unemployment.

IMC BLOCKS STOCKPILING

A key part of our defense effort is the program for stockpiling scarce materials. Congress, in enacting this program, placed responsibility for it in the Munitions Board.

One of the most appalling aspects of IMC is that it has in effect assumed control of a substantial portion of our stockpiling program and that it has decided in a number of instances that there will be no stockpiling. This is best told in IMC's own words, on pages 24 and 25 of the report on operations:

In developing plans of distribution for the metals it was necessary for the committees to consider what policy should be followed in allowing materials for stockpiling purposes during a period of scarcity. The problem was discussed in several of the commodity committees and many differences of opinion were expressed as to whether stockpiling should continue to be pursued under existing circumstances. The Copper-Zinc-Lead Committee and the Manganese-Nickel-Cobalt Committee decided, in connection with their fourth quarter allocations, to recognize, in principle, the requirements for strategic stockpile purposes; but, in view of the tight supply, they recommended a special allowance for such requirements in the plans for copper, zinc, and cobalt, only to the extent of a small percentage of consumption during a given base period. In the case of commodities where the shortage was more acute (nickel, tungsten, and molybdenum), the committees were unable to recommend any special allowance for stockpiling. In the allocation plans for the first quarter of 1952, the Copper-Zinc-Lead and the Manganese-Nickel-Cobalt Committees found it inadvisable to provide any special allowance for stockpile purposes, but maintained the principle of making such provisions in connection with future allocations when the supplies were sufficient to permit it.

It is almost beyond belief that control of our stockpiling would be turned over to 27 foreign countries and that these countries would include not only those who have expressed an anti-Communist policy, but a number of countries as well who have made a point of being neutral.

I wish to call to the attention of the House Armed Services Committee the

activities of the IMC in this regard. Our committee views the IMC's actions as a distinct and ominous threat to our military security.

UNITED STATES MAKES THE SACRIFICE

Previous reports by the three other committees of Republican Representatives have shown a number of specific instances of how the United States' share of IMC materials is less than the proportionate share we consumed before the Korean war. There should be no surprise about this inasmuch as there are a host of indications that our willingness to sacrifice is not matched by many other countries. The London Economist, which, we repeat, was highly friendly to the IMC, declared:

The United States set the example by making the first contribution. Britain's record in this body is unfortunately not untarnished because materials like tin and rubber, which the sterling area produces and the United States consumes, were not brought into the orbit of the conference.

It is no wonder, then, that conditions like those described in the following Associated Press story, dated November 13, 1951, have developed:

SAN FRANCISCO.—Critical materials are not as scarce in Europe as they are in this country, Stanley C. Allyn, president of National Cash Register Co. said here, and cash registers soon will be imported from England to the United States. * * * He told reporters his company's six European plants can obtain materials easier than its three North American plants. This is so, he said, because Europe is not as far advanced in its defense-production effort as is this Nation.

Another foreign publication, the Swiss Review of World Affairs, published in Zurich, Switzerland, issue of April 1951, had the following to say about France:

The general rearmament in which France participates has until now burdened her economy but lightly. After all, the new divisions now in the making will be equipped with arms supplied by the United States for the most part, and expenses like soldiers' pay and maintenance will up to a percentage also be covered by an American contribution. In other words, the French economy is not for the present required to undergo a drastic change from peace to all-out preparedness conditions. In fact, it can continue to devote itself largely to normal civilian production. It is not surprising therefore that some see France in the role of a beneficiary of the present world situation.

The article goes on to point out the one thing missing if France was to continue to be a beneficiary of the present world situation:

The obstacle which would have to be overcome is not so much a shortage of labor * * * as a shortage of raw materials. For in this last respect France is very dependent on foreign sources, and it is due to this fact that the French Government has early begun to urge an international regulation of the distribution of raw materials.

These quotations bring out one additional important point that has been overlooked frequently—namely, that the IMC is in the business of making allocations for civilian consumption as well as for military consumption. IMC is controlling not merely rearmament programs around the world, such as they are, but living standards as well.

The IMC makes no bones about the fact that in distributing materials for civilian consumption, some countries will be favored over others. Mr. Getzin, of the United States State Department, declared in his speech:

A fixed base does not allow for new industries or expanding economies and is, therefore, usually unacceptable to certain countries undergoing rapid economic development. Usually the solution has been to adjust the base in favor of such countries upon the submission of acceptable evidence and in recognition of a genuine need.

The IMC report on operations, in discussing the copper-zinc-lead committee, stated 1950 was selected as the most representative base year. The report added that for some countries 1950 was not regarded as a typical year and that these included countries with expanding production. For these countries, adjustments were made.

For each favor bestowed by IMC on these privileged countries, some other country had to suffer deprivation. The evidence is abundant that the country selected most often has been the United States. Americans are being denied civilian goods they need and want in order that similar civilian goods may be consumed by persons of foreign countries.

United States generosity extends even to IMC's operating expenses. IMC's staff is contributed by member governments, but, according to the Report On Operations, "during the first year of operation the major portion of personnel was supplied by the United States." Furthermore, the office equipment used by IMC was contributed by the United States.

Our committee cannot understand why United States representatives on bodies like IMC choose so often to forsake their own country. We recommend some enlightened self-interest, which will redound in the long run to the benefit of other countries as well as our own.

HOW TO LOSE FRIENDS

Countries that do not belong to IMC allocation committees are completely at the mercy of the committees because allocations are made for nonmember countries as well as member countries.

For example, when the copper allocations for the first quarter of 1952 were handed down on December 20, 1951, only 12 countries were members of the committee. But the allocations applied to no less than 39 countries. Twenty-seven countries, therefore, had no part in a decision that was of great consequence to their economies. The nonmembers included both large countries, such as Argentina, Brazil, Japan, Sweden, and Turkey, as well as smaller countries, such as Cuba, Ireland, Israel, Portugal, and others.

In our opinion, IMC's rules of procedure are a further violation of the rights of individual nations. These rules provide a country may be admitted to membership on an allocation committee only if it has a substantial interest in the production or consumption of the commodity and if two-thirds of the com-

mittee members vote for admitting the nation.

Another IMC rule is that nonmembers who wish to argue their allocations may appear in committee hearings. According to IMC's report on operations, representatives of 31 countries appeared before IMC committees of which they were not members. These rules of procedure, in our opinion, merely serve to emphasize the inferior and humiliating position to which nonmember countries are relegated by IMC.

Furthermore, the large number of countries who have felt it necessary to appear before a committee to plead their cases likewise indicates the general dissatisfaction that inevitably arises when sovereign nations are denied control over themselves.

This business of favoring one friendly nation and discriminating against another friendly nation is extremely risky for the United States. This is particularly true when there is a conflict of interest between producing countries and consuming countries.

If the United States through its actions in IMC aligns itself with consuming nations, we will be laying the groundwork for deterioration in our relations with the producing countries.

The IMC report on operations admits in a backhand way the serious consequences that follow from discrimination against one group of nations. The report says:

The fear has been expressed on the part of certain producing countries that an allocation system (for tungsten and molybdenum) might prejudice the free flow of trade and thereby weaken the bargaining positions of certain exporting countries. This is particularly feared in cases where the countries in question are themselves in urgent need of other raw materials, whether under IMC allocation or not.

The United States needs friends—many friends—among the producing nations, and it should not needlessly run the risk of losing those friends.

A PERMANENT IMC?

There is an abundance of evidence that the instigators of IMC wish to make it permanent and are bending every effort to make their wishes come true.

As we have shown on page 6, it has been the long-standing policy of the United States State Department to do everything within its power to establish such a body, not merely for a wartime period like the present but for peacetime as well. The speech by Mr. Getzin of the State Department charts clearly the course the administration intends to follow. Discussing IMC's future, Mr. Getzin said:

If the allocation work of the committees is judged successful by participating countries, there is no reason why more ambitious programs relating to conservation, development and prices should not be considered.

Mr. Getzin ended his speech with the statement that "member governments seem to be convinced that the IMC should be retained and strengthened." The word "strengthen," when used by a bureaucrat in discussing a Government agency, always means to expand.

The U. N. booklet to which we have referred on page 7, after praising IMC as a step in the right direction, continues:

The possibility should be considered of converting these emergency schemes into permanent stabilization agreements.

Mr. Fleischmann, appearing before the Senate Banking Committee on March 21, 1952, spoke freely of his hope of bringing still more commodities under IMC allocation. Mr. Fleischmann was asked:

Is it contemplated that additional standing committees covering additional materials will be created?

His reply:

Frankly I should hope so, with some of the most vital metals like the alloying metals that we are so woefully short in.

The IMC report on operations, in discussing its remaining tasks, declares:

It appears that the shortages of several commodities will continue for at least another year and that the remaining work to be done during that period will continue to require the best efforts of the members * * *. The nature and extent of future action by the committees will be dependent upon the need for action as reflected in the supply-demand position, and the desire of the participating governments for international consideration of and recommendations on supply problems.

Through this bureaucratic "bafflegab" shines IMC's determination to stay in business for many a year.

Probably the best tip-off to IMC's plans is that none of its allocation machinery has been dismantled. The Cotton-Cotton Linters Committee, the Wool Committee and the Pulp-Paper Committee never have imposed any over-all allocations, yet none of these committees has gone out of existence.

In fact, the Pulp-Paper Committee, in announcing on April 16, 1952, that no additional emergency allocations to individual countries would be made at that time, issued this warning:

All member countries have agreed to consider recommendations for the resumption of allocation plans should circumstances require.

Zinc was removed from allocation on May 29, 1952, but the New York Times, in reporting this action on the following day, carried the following:

Officials of the IMC were quick to insist that the supply problem for zinc was exceptional and that today's move implied no early termination of the restrictions which still apply to international dealings among anti-Communist nations in copper, sulfur, tungsten, molybdenum, nickel, and cobalt.

The last sentence of the London Economist article puts the matter most succinctly:

The lesson that offers itself is that if Britain, the United States, and France can set the lead in raw material allocation, they could do the same in the wider processes of economic policy.

This sentence summarizes very well the implications in IMC. The IMC is determined to stay alive and to expand, and its supporters in this country have placed on the record their intention to do everything within their power to achieve that goal.

If this is permitted to happen, the United States will find itself committed to a system of international controls that can only grow and grow until, as the Economist says, it will take in economic matters far beyond the distribution of commodities.

I submit the following conclusions:

First. United States participation in the International Materials Conference has never been authorized by the Congress, and IMC is, therefore from this country's standpoint an extra-legal organization.

Second. Use of the Defense Production Act to implement domestically the orders of IMC represents an appalling misuse of powers by the President.

Third. There is nothing voluntary about IMC decisions. As far as the Truman administration is concerned IMC pronouncements have the force of law and are obeyed.

Fourth. IMC is a super-cartel responsible only to itself. It has assumed staggering powers. United States participation in such a super-cartel violates American tradition and the spirit of American law.

Fifth. No one suffers more from a cartel than working people and this has been true of IMC. Cartels are restrictive organizations that lead inevitably to economic stagnation. IMC has brought unemployment and suffering to hundreds of thousands of American men and women.

Sixth. The IMC is the brainchild of the United States State Department which has been endeavoring to establish such a socialistic organization for many years. The State Department is at present the driving force in this country behind IMC, which is a long step toward world socialism.

Seventh. Congressional committees have twice refused to approve a similar program when it was proposed in the charter of the International Trade Organization. Now, under the guise of being a wartime emergency agency, the IMC has come into being in defiance of Congress.

Eighth. U. N. agencies have also been promoting the concept of super-cartels like IMC. They now view IMC as a ready-made agency for imposing all-embracing controls on the world's economy.

Ninth. IMC has failed to stabilize commodity prices. Stabilization was to have been one of its major goals.

Tenth. The IMC, in defiance of the United States Congress, has assumed control over a large part of our stockpiling program and has blocked that program.

Eleventh. The theory of IMC is a share-and-share-alike basis for distributing scarce commodities. But, as IMC has in fact operated, the United States has made most of the sacrifices.

Twelfth. IMC has violated the rights of small nations by denying them a voice in their own economic destiny. Furthermore, by helping the IMC to set consuming nations against producing nations, the United States is running the risk of alienating friendly producing na-

tions—the very nations whose friendship we need.

Thirteenth. There is an abundance of evidence that the IMC is intended to be a permanent organization that will outlive the present emergency.

IMC presents a blunt challenge to the United States Congress as well as to every segment of our society—working people, business of every kind, and farmers. Is the President the law-making agency or does that responsibility belong to the Congress? If Congress is the law-making agency, do we wish to attempt to preserve freedom in the world by suppressing it, as IMC has done?

The administration claims, in effect, there is now something wrong with Americans, some reason why Americans are unfit to control their own lives. This we deny.

The place where something is wrong is in the administration—an administration which would turn the clock back to the time before the Declaration of Independence when Americans were subject to a foreign power.

As long as IMC continues to exist, a large part of our lives—jobs, income and living standards—will be under the control of foreign countries.

There is only one course open to the Congress—to order the administration to end participation in the International Materials Conference, once and for all.

This should be done immediately because the threat to our freedom and security is too ominous to be tolerated longer.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. SMITH of Wisconsin. Can the gentleman tell us who is financing the work? Who pays for this IMC operation?

Mr. BOW. I understand it is being paid for out of the funds of the State Department to a great extent. There is another committee that made that examination. They have more information than I have on that. Ours is confined to the legality of the operation.

Mr. SMITH of Wisconsin. My understanding is that this organization is set up very lavishly in the new Cafritz Building downtown.

Mr. BOW. It was originally in the State Department, but they have moved to the beautiful quarters they now have in this new building.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Michigan.

Mr. DONDERO. Would not the gentleman say that the Wage Stabilization Board falls in the same category as the IMC?

Mr. BOW. In my opinion, it does.

Mr. DONDERO. Both are set up without force of law.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, I rise in support of the Sadlak amendment.

The time has come for Congress to take action to put the International Materials Conference out of business. It has no legal standing yet it functions under the direction of the State Department. It is doing indirectly what Congress has said it should not do directly. In 1950 the House Committee on Foreign Affairs conducted hearings on what is known as the ITO, or International Trade Organization. These hearings were conducted under House Joint Resolution 236 and, notwithstanding these hearings, the Foreign Affairs Committee refused to report favorably on the International Trade Organization.

Mr. Speaker, notwithstanding this adverse position we find now that chapter 6 of the so-called Habana Charter has been lifted from the Charter and is today being used as the basis for the International Materials Conference. This is an affront; this is an insult to every Member of Congress.

Mr. Chairman, this is not a new proposition. In 1947, the Senate Committee on Finance held open hearings on trade agreements system and the proposed International Trade Organization Charter. At this time, Senator MILLIKIN, who was the chairman of the committee suspected that the implications of the charter on intergovernmental commodities agreements should be submitted to Congress for approval. He insisted at that time on written evidence on that subject and on April 15, 1947, Dean Acheson, then Acting Secretary of State, sent him a letter and I quote in part:

Insofar as such commodity agreements impose any obligations on the United States requiring legislative implementation in any way, it is the intention of the Department that they should be submitted to the Congress.

Yet, Mr. Chairman, by a press release on January 12, 1951, the Department of State announced that the United States had agreed to the creation of a central group and a certain number of standing commodity groups subject to the increase in number as the needs of the free world would require. The collective name for all these groups was given and as it is used today, the International Materials Conference. All this, Mr. Chairman, has been done without consultation with or the approval of the Congress. With no authority, this organization has set itself up to judge the needs of the nonmember countries of the free world in the matter of allocations of strategic materials.

Mr. Chairman, I repeat again for emphasis that no legislation has passed this Congress or any action taken for our participation in the IMC, and no funds have been allocated for payment for our share of the expenses, that I can find. It would seem that there is no way of implementing the IMC decisions in the United States, but, notwithstanding, this organization is carrying on in a luxurious suite in the Cafritz Building in this city.

Mr. Chairman, it would seem that nothing is impossible for the dreamy-eyed planners who permeate the administrative agencies in our Government.

A brief investigation reveals that our share of the expenses, which includes the procurement of office equipment for all of the participants, is made out of contingency funds held in reserve by the Department of State. It is rumored, but I have not been able to confirm it, that our share of expenses is paid from a reserve set up to make emergency repairs should any of our embassies abroad be damaged by bombing.

Mr. Chairman, by somebody's order there has been decreed that our Defense Production Administration is responsible for our participation in the International Materials Conference and that the chief representative of the United States on the central group of that organization is the Deputy Administrator of the Defense Production Administration. The DPA domestic decisions on priority, allocations, price and wage controls are followed on International Materials Conference directives. The Defense Production Administration is a so-called temporary special agency set up by the executive branch of our Government to administer the rules and requirements of the Defense Production Act of 1950, as amended. From all that I can discover, Mr. Chairman, the International Materials Conference, on the contrary, does not appear to be a temporary group which will disappear when the emergency conditions which followed the outburst of fighting in Korea vanish. That emergency was only the excuse for helping to bring the International Materials Conference into being.

Mr. Chairman, while Congress passed Public Law 520 in the Seventy-ninth Congress, the Strategic and Critical Materials Stock Piling Act, charging the Munitions Board with the administration of the law, it is clear now that the International Materials Conference took over stockpiling activities and through the Defense Production Agency tells our Munitions Board what they can or cannot do. I am informed, Mr. Chairman, that the Munitions Board is unable to execute its mandate from Congress because of the interference from this international group in which participation by the United States has never been authorized.

Mr. Chairman, the International Materials Conference is not a temporary emergency organization. The global planners have their feet in the doorway and are determined that this is the time to impose an international cartel upon not only the United States but the world. Let me submit to you some evidence that IMC is not a temporary organization:

In 1951, five experts, with an American as chairman, appointed by the Economic and Social Council of the United Nations, were instructed to report and make recommendations on measures for international economic stability—U. N. document E/2156, ST/ECA/13, sales No. 1951.II.A.2. They reported on November 27, 1951, and among the recommendations for permanent international economic stability, was a strong plea in favor of international commodity arrangements. For the implementation of these world governmental cartels the report states—page 25:

We do not believe that any new international agency to administer a comprehensive scheme for a range of different commodities is necessary or practicable . . . international bodies, such as the Interim Coordinating Committee for International Commodity Arrangements and the International Materials Conference, already exist and can be used for this purpose.

On February 19, 1952, a representative of the Department of State said in a speech on the subject of IMC:

If the allocation work of the committees is judged successful by participating countries, there is no reason why more ambitious programs relating to conservation, development, and prices should not be considered.

The last sentence of the summary in the first annual report on IMC issued in March 1952 reads as follows—page 3:

The need for longer range plans will depend upon the committee's evaluation of the supply situation and on member governments' decisions regarding the nature of international action that may be required by future developments.

Mr. Chairman, in conclusion the Sadlak amendment should be adopted. Now is the time to deliver the lethal blow to the International Materials Conference, an unauthorized agency which controls the economic lifeblood of this country.

Mr. Chairman, it is my purpose to offer a resolution to investigate the whole structure of IMC. This is a job for the House Committee on Foreign Affairs.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I desire to call attention to one aspect of this matter which I have not heard mentioned in debate thus far. I refer to the enforceability of the allocations which are agreed upon by the International Materials Conference.

As we all know, under the Defense Production Act in the United States of America, we have watertight enforcement controls. Let me point out, when you control materials, you control the entire industry which is dependent upon those materials.

The other countries participating in this International Materials Conference have nothing approaching in effectiveness the controls we have in the United States of America. So what is the effect of it? It means that the allocations we are given in this country are rigidly controlled, but as to the other countries, some of them are as free as if there were no International Materials Conference, and others are partially controlled to a greater or lesser degree.

Mr. Chairman, I have been seeking information on this matter since last March. I was given the run around by the various departments. I asked them: Is it possible that we have entered into an International Materials Conference, and we do not know whether the other countries have the means of making their citizens observe the allocations agreed upon? They said a survey was being conducted. Just recently I received, and I hold in my hand, the survey of the control laws of other countries which are members of the International Materials Conference. I defy you

to find in this survey anything like the degree of rigid control that we have in the United States of America.

I do not know why this survey was sent to me as a restricted document. Because it is marked "Restricted," I am not going to quote from it directly. But I am going to tell you that we do not have any information on the control laws of many of these other member nations in the International Materials Conference. Many of them have no direct controls, but rely upon indirect controls.

I say it is not fair for us to be bound when the other parties to the agreement are not bound in any effective way. In general, anything of this nature which controls the very life of an industry should not be set up without statutory authority. Congress ought to adopt the Sadlak amendment. I do not think it goes far enough.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, I rise in support of this amendment, and I hope it is adopted. I think it is one of the most important matters that will come before us. Reference has been made to some effect this amendment would have on the controlled materials plan in its operation on the domestic front, which is believed by much of small business to be helpful. It should be understood that the amendment was re-drafted to meet that very objection. As it is now written and presented here, it can have no conceivable effect on the operations of the controlled materials plan here at home.

It does not affect the Government's present powers to operate the controlled materials plan, nor does it affect the distribution of materials between big business and little business within the United States.

I want to make this perfectly clear as a member of the Small Business Committee which recently, by subcommittee, made a report on the operations of the CMP and recommended its continuation until the supply position for copper and aluminum is eased.

What this amendment does is eliminate the International Materials Conference, and here is some background of the IMC.

It is known by all of us, and particularly by the people on the Committee on Foreign Affairs, that for years the State Department has sought these arrangements for intergovernmental commodity agreements. The committee has heard the arguments and then has refused to go along.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I have only 3 minutes.

Prime Minister Attlee came here. It was all right for him to come. I am glad he came. We want Britain to be strong. We want to help them. But shortly after he was here there was developed by the State Department, without any statutory authority at all, this IMC plan. I ask this, as far as the defense of the free world is concerned, do they not look to us as the bulwark of that

defense? Shall we grant this conference, which has no statutory authority from this country, the right to say to us what our share of these materials shall be? I happen to know that in many countries there is no control at all over the end use of these materials. But in this country there is such control.

Let me point this out again. It has been brought out before. Once we yield to any such international group the right to say to us what raw materials we shall have, both for our defense needs, as is here contemplated, and also for our domestic needs, as is covered in this operation, then we grant to this international organization the right to establish our military potential, the right to determine our standard of living, and the right to determine the degree of unemployment that may confront us. Yes, we then grant to an international organization the right to control the very life of our economy.

I supported a lot of these international agreements that have sought to protect the free world, and I make no apology for it, but here is one that I say should never have been created. But it has been created without legislative sanction and it has worked to the detriment of the strength of the free world, in my opinion, and is operating to the detriment of our people at home in many respects.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The gentleman from California [Mr. McKINNON] is recognized.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman from California.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McKINNON. Mr. Chairman, in our own self-interest, let us put first things first. The thing that concerns all of us is an adequate supply of critical materials. If adopting this amendment would increase production in the next year or two, I would be for it. But it will not. ICM is giving us now a division far in excess of what we are able to buy. The problem is one of production, and being able to get what we need. How are we going to solve that problem? If we kick out IMC we have not solved our problem, because then we will have to go into the market and bid higher prices than we have been willing to pay. If you want to pay higher prices for these materials you can do it with this material control plan in effect, but we do not increase the supply of these strategic materials. If we pay more money today it is not going to increase production in the next few years. We are simply going to add more cost to our defense effort, to our taxes, and to doing business generally, and we will not have any more materials available.

We only have to turn back to 1950, when the war broke out and our own individual buyers went out independently to try to get tin. At that time, with individual buyers from the United States going out into the world markets looking for tin, we succeeded, unhappily, in boosting the price of tin from \$1.03 to

\$1.92 in a matter of weeks, but we did not get any more tin. We still had the same supply of tin available but we nearly doubled the cost of tin for our own producers. If you want to do that to all these other critical materials, then adopt this amendment. You will increase the cost to the American consumer and you increase the cost of the Government, but you will not get any more critical materials. Even though you may not like the State Department, even though we may think there are many things wrong, let us put our own self-interests first. If you have told your people that you are for reducing the cost of government and for keeping taxes down, then you cannot, in good conscience, vote for this amendment, because it is going to increase the cost of our national defense effort. It is going to boost the price of a lot of critical materials in our war effort. If you have told your small-business men that you are for the continuation of small business, then you cannot vote for this amendment, because it is going to make it impossible for many small businesses to bid against big business for the procurement of these critical materials.

If you have told your American housewives that you are for a stabilized cost of living, then you cannot vote for this amendment because it is going to increase the cost of all of our durable goods that use these critical materials.

Let us face the facts and realize the problem we have before us today: That the war effort has created a larger need for critical materials than the mines are able to supply.

The only way we are going to get ourselves out of this situation is to work cooperatively and for orderly buying instead of individual competitive buying which can only have the result of boosting prices abnormally without increasing production.

When RFC took over the buying of tin we reduced the cost of tin considerably. Let us follow that example and through IMC continue on an orderly course of buying; let us defeat this amendment; let us keep down not only the cost of national defense, but also let us help our own small businesses.

If we adopt this amendment we are going to increase the cost of everything that enters into the war effort. Moreover, if we adopt this amendment we will have a chain reaction that will increase the cost of everything regardless of what the commodity is.

Let me refer to one other thing to keep the record straight, stockpiling. We discontinued stockpiling in the third quarter of 1951. We did not enter into this IMC until the fourth quarter of 1951. Therefore the IMC had nothing to do with our stockpiling program. How can you stockpile when you do not have enough materials to meet current needs? How are you going to put money into a savings account in the bank when you do not have enough money to meet your everyday needs? You cannot stockpile when you need the materials for the war in Korea and for our defense effort. This is a misleading amendment and should be defeated.

The CHAIRMAN. The gentleman from Kentucky [Mr. SPENCE] is recognized to close the debate on this amendment.

Mr. SPENCE. Mr. Chairman, whether or not there was adequate legal authority to create the International Materials Conference, certainly it was based upon the principles of sound common sense. There is no nation in the world that is self-sufficient and we entered into an agreement with 28 other free nations in order that we might in an orderly way acquire those materials which are necessary for our national defense and which we cannot produce.

What great principle did that violate, I wonder?

Not long ago our Government traded some steel to England for tin and aluminum. I do not know that there was any statutory authority for it, but the people directing our defense effort in order to procure materials needed by us at this time made the deal, and this agreement is based upon the same sound principle that caused the formation of the International Materials Conference. I think it not only furnishes some materials to us in an orderly manner but the constant contact with the other free nations of the world stimulates their friendship and helps us, and I think that if we were to withdraw from the International Materials Conference it would be looked upon as a not very cooperative act by those upon whom we are relying to preserve their own liberties and with them ours.

If we withdraw from the International Materials Conference, if we have a disorderly competitive market in America, who will get the things that are necessary for their businesses and for their prosperity? The financially strong and powerful will get most of these materials in the competitive market and the little man will get few of them.

I am sure from what I have heard in committee that it would be a most disastrous thing to do away with the International Materials Conference. May I say also that Mr. Charles Wilson, former Director of Defense Mobilization, is earnestly in favor of this; Mr. Manly Fleischmann, former Administrator of the National Production Authority, is in favor of it; and Mr. John Small, Chairman of the Munitions Board, who has direction of the stockpile, has written a letter that he wants it continued.

Mr. McDONOUGH. Mr. Chairman, I am very much in favor of the Sadlak amendment to curtail the functions of the International Materials Conference. Last September I urged the House to consider what the IMC was doing to our sulfur supply and to our newsprint supply.

The following is what I said in the House on September 18, 1951, about the International Materials Conference:

SPEECH OF HON. GORDON L. McDONOUGH, OF CALIFORNIA, IN THE HOUSE OF REPRESENTATIVES, TUESDAY, SEPTEMBER 18, 1951

Mr. McDONOUGH. Mr. Speaker, I rise to call the attention of the House to another example of the incredible bureaucratic confusion in our Government, and to the seri-

ous damage it is inflicting on both our economy and our liberty.

The administration has committed the United States to a "globaloney" sulfur export plan that will seriously curtail the already critical newsprint supply and may eventually cause one small newspaper after another to go out of business in this country. The State Department, through ECA, has set up what is known as the International Materials Conference. The conference has set up a sulfur committee with representatives from 13 countries to consider the problem of how to distribute sulfur, principally produced in the United States, to the rest of the world. This superannuated, superelite, superimposed international agency of a nebulous world government which presumably does not exist has, as the House might expect, decided that if anybody must suffer a lack of sulfur it must be America.

When our State Department through ECA agreed to let the International Materials Conference allocate approximately a million tons of American sulfur for export to foreign countries, we in effect guaranteed to the world a cheap and bountiful supply of sulfur at the expense of our own economy and industry. Ironically, we also loan or give outright to many of the countries the money to buy our sulfur.

As far as I am able to determine, there is no other country which rations or controls its sulfur once it has received the sulfur from us. There are no American controls as to the ultimate use of exported sulfur. A foreign purchaser could buy sulfur for \$26 a ton, American export price, and resell it in foreign markets for \$60 a ton, Italian export price. We could not stop him.

These allocations of sulfur to foreign countries at the low American prices will only perpetuate world shortages, for as long as the rest of the world is guaranteed a cheap supply of sulfur by IMC from the United States supply, they will not reopen their own sulfur plants.

We have no stockpile of sulfur in the United States, nor is there a program of stockpiling contemplated. We have only 10 to 20 years of present production left in our known American sulfur deposits.

When I first began my investigation into sulfur shortages in the newsprint industry and traced the shortages to the International Materials Conference, I found some rather interesting facts that affect many basic materials. The International Materials Conference now has seven committees whose recommendations control the following 13 important products and materials: Copper, zinc, lead, sulfur, cotton, tungsten, molybdenum, manganese, nickel, cobalt, wool, and paper and pulp. It is significant to note that the United States is the largest or second largest producer of these materials under international control, and in every case the United States is the largest consumer.

But it becomes even more interesting to note the vital commodities that are not controlled by this so-called international machinery to solve world shortages.

There is no international machinery set up to control the British monopoly of commercial diamonds, nor the South American monopoly of tin.

Nor is there any attempt by the International Materials Conference to touch the British-Malayan crude rubber monopoly which has been gouging United States tire manufacturers for years.

Nor has there been a committee set up for oil and petroleum. With the British and Dutch having a combined output greater than the United States, the British have felt that there was no need for such international machinery. But now that the Brit-

ish have lost their oil holdings in Iran, our State Department will shortly announce that the United States will soon place her petroleum production into the hands of another foreign committee.

We are in effect, through the International Materials Conference, placing the economy of the United States into the hands of a semi-world government, giving away control of basic materials vital to our American free-enterprise system.

I urge the adoption of the Sadlak amendment as a protection to our American labor and industry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. SADLAK].

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BURTON and Mr. SADLAK.

The Committee divided; and the tellers reported that there were—ayes 169, noes 102.

So the amendment was agreed to.

Mr. RAMSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSAY: Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(c) Whenever priorities are established or allocations made under section (a) with respect to any raw material, and such priorities or allocations operate to limit the production of articles or products produced in the United States, the President shall by proclamation limit the importation, during the period such priorities or allocations are in effect, of any article or product in the manufacture or production of which such raw material is used to 100 per centum of the average annual imports of such article or product during the calendar years 1947 through 1949: *Provided*, That the Tariff Commission has reported to the President that a substantial portion of the American producers of such article or product, or an article or product competitive therewith, has requested such limitation on imports: *Provided further*, That the Secretary of Defense has not certified to the President that the American production of such article or product is insufficient to supply the essential defense needs therefor. Upon the application of any substantial American producer, the Tariff Commission shall publish the fact of having received such application, shall hold public hearing thereon and shall report the facts to the President within sixty days of the receipt of such application. Such report to the President shall include the article or product on which the import limitation has been requested, whether it contains any raw material which is under priority or allocation control, whether a substantial portion of the American producers thereof have requested the above-specified import limitation, the maximum quantity of imports which would comply with said import limitation and such other facts as the Tariff Commission deems appropriate. A copy of said report to the President shall be submitted to the Secretary of Defense. If said report of the Tariff Commission indicates that the above-specified conditions have been met by the applicant and the Secretary of Defense has not certified to the President that the American production of such article or product is not sufficient to meet the essential defense needs, the President shall proclaim such import limitation within thirty days of his receipt of the report from the Tariff

Commission. If the Secretary of Defense has certified that the American production of such article or product is insufficient to meet the essential defense needs therefor, the President shall, by proclamation, limit the imports of such article or product to such quantity as the Secretary of Defense certifies as necessary, in excess of American production, to meet the essential defense needs. All reports of the Tariff Commission and all certifications of the Secretary of Defense made hereunder shall be made public at the time of their issuance."

Mr. RAMSAY. Mr. Chairman, this amendment was originally the bill H. R. 6843, which is pending before the Banking and Currency Committee, and has been changed from the bill in one particular. H. R. 6343 provides a quota of 50 percent of the base period; the amendment now offered provides a quota of 100 percent of the base period. Those of us who favor this amendment do not want to injure the former market of imports. Our aim is merely to protect the pre-Korean competitive position of domestic producers vis-à-vis importers.

There is involved in my amendment the principle of the escape clause of the reciprocal trade agreements, and I do not see how any Member who supported the escape clause can fail to support my amendment.

Because of the controlled-materials program, producers of many civilian consumption items have had their output severely curtailed because the Government has diverted critical materials to defense purposes. In theory—and I believe in actual practice—the National Production Authority, in allocating scarce materials, attempts to keep the pre-Korean competitive position of domestic producers intact. The Government properly feels that its restrictions should fall, with equal force, on all producers in any given field.

NPA, however, has no means to control the production and movement of foreign goods. That can only be done by the President. The Congress, by enacting the escape clause, has provided relief from hardship resulting from trade concessions, but in the problem presented by the controlled-materials program, the Tariff Commission has held that injury does not result, primarily, from trade concessions.

It has been argued that this is faulty reasoning on the part of the Tariff Commission, but I believe they are on firm ground. Further, withdrawal of trade concessions would not solve the problem, because the problem is not one of price competition. It is a problem of inadequate production. Our domestic producers of many items simply are not permitted by the Government to manufacture enough articles to supply the market. They are able to sell all they can make. The vacuum in the market is being filled by foreign producers.

The injury will come when we remove restrictions and our domestic producers attempt to recapture their normal markets. They will find new buying patterns and history has shown it will be very difficult to recapture that market.

The history of the domestic watch industry during World War II clearly shows this. At the order of the Govern-

ment our watch industry devoted its machinery, its management know-how, and its skilled labor to production of delicate war instruments. Their market was lost to imports, and to this day the pre-Pearl Harbor competitive position has not been recaptured.

This amendment, Mr. Chairman, merely attempts to keep the pre-Korean competitive position intact—as we do with domestic producers in the operation of the controlled-materials program. To do this it sets up the machinery of the escape clause. There is nothing automatic; domestic producers must prove, conclusively, that a substantial portion of any industry is losing markets because of its inability to produce.

If, prior to the Korean action, United States producers were splitting the market with foreign competition, my amendment will mean that as soon as the emergency is ended and domestic producers can obtain materials in the open market, their pre-Korean share of the market will be left intact.

This amendment is fair; it is needed. It upsets no traditions and it cannot interfere with the reciprocity program—which I have supported since 1933.

I hope Members will support my amendment.

Mr. SEELY-BROWN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from West Virginia [Mr. RAMSAY].

As a Member of Congress, I believe it to be my proper responsibility to protect not only the lives but also the livelihood of the people of my district. Many of the industrial workers in my district are facing a very critical situation. To help provide jobs in private industry for those who want to work is a responsibility of high priority with me.

My support of this amendment is based upon my desire to provide job opportunities for those so desperately seeking gainful employment. On May 7 of this year, Mr. Raymond Boulais, president of local union No. 947 in the plant of William Prym, Inc., CIO Textile Workers Union of America, appeared before the Banking and Currency Committee and urged the adoption of this legislation. In a very straight-forward manner he supported this amendment in order to preserve for the long-run pull the jobs of the members of his union.

Many American producers in my own district have seen their production cut back by materials allocations. They have watched imports rush in to take up the market. When this situation is allowed to develop the American worker is the first to suffer.

It is my conviction that unless the American producer is able to protect himself from foreign imports taking over his market while his own domestic production is artificially limited, he may find himself unable to get his market—or at least a portion of it—back when the emergency is over. In this type of situation, the American worker is once again the one who suffers most.

If our defense needs require a cut-back in the production of a nondefense item, certainly our allies and partners in defense should likewise cut back their

own production of this nondefense item. I am not suggesting that we force any other country to adopt similar production cut-backs even though they may be needed for mutual defense. By the same token, I believe we must provide fair treatment for our own producers who are contributing so much to the defense effort. Certainly no foreign country could have any valid reason for objecting to our proportionately limiting imports to the same extent that the American production of an article is cut back by the defense requirements.

There is nothing in this amendment which would in any way limit the imports of any raw materials or the imports of any product or article made therefrom which the Secretary of Defense certifies as essential to the security and defense needs of the United States.

There is nothing in the amendment—as I read it—which automatically limits imports. It provides for a limitation only when the American production of a product is limited by raw materials allocations by NPA and then only when and if a substantial portion of the American producers of such products applies to the Tariff Commission for such limitation.

Adoption of this legislation would help provide better job opportunity and thus greater security for the many workers in both the pin and wood-screw industry in my district.

Mr. BAILEY. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Chairman, the objectives sought in the amendment proposed by the gentleman from West Virginia [Mr. RAMSAY] are the same objectives that were sought by the Congress 1 year ago when they wrote into the Reciprocal Trade Agreements Act the so-called peril point and escape clauses. We thought that would solve the situation. The objective of Congress was to see to it that the interests of small manufacturers were properly safeguarded.

In an attempt to administer the Reciprocal Trade Agreements Act with this escape clause and the peril point in it, we have carried to the United States Tariff Commission a series of cases. I was much surprised some time ago to find the Commission in one of its first opinions handed down under the escape clause saying to the people—I am talking about the manufacturers of wood screws—"Your troubles are not chargeable to the Reciprocal Trade Agreements Act. They are chargeable to the practice of the National Production Authority in allocating certain critical materials to the defense effort and denying them to the domestic producer of civilian goods."

We are forced to take some steps at this point. Otherwise the effectiveness of your peril point and your escape clause, as written into the Reciprocal

Trade Agreements Act, is absolutely worthless.

All this amendment proposes to do is to say to any nation who is importing goods made from critical materials: "We will go back to the pre-Korea period of 1949, 1950, and 1951, and we will take the average amount of your imports, and we will say to you that you cannot increase that average import so long as our American domestic producers are living under these freeze orders in which they cannot get critical materials."

I want to show you just how the proposition would work. I am sure that the adoption of this amendment will greatly remove the hazard that now faces particularly our small manufacturers throughout the Nation.

This proposal merely sets up machinery whereby a domestic industry, when needed, can protect and maintain its relative competitive position with imports while the domestic production of the article is being limited by NPA allocations of materials.

There is nothing in the proposal to restrict imports in such a way as to change or improve the competitive position of domestic producers. Actually it favors imports.

There is nothing in the amendment that would in any way limit the imports of any raw material or the imports of any product or article made therefrom which the Secretary of Defense certifies as essential to the security and defense needs of the United States.

There is nothing in the bill which operates automatically to limit imports. It provides for a limitation only when the American production of a product is limited by raw-materials allocations by NPA and only when and if a substantial portion of the American producers of such article or product applies to the Tariff Commission for such limitation. It is assumed that the Tariff Commission would determine the substantial portion on the basis of unit volume or dollar volume of production rather than the number of producers. Presumably, where it could be shown to the Tariff Commission that a majority of the American producers, by volume, did not desire the import limitation, it would not be necessary to impose such a limitation.

The proposed amendment adopts the fair procedure and sets up machinery for operation thereof which the NPA carefully uses and administers in order to maintain the relative competitive position between different producers of a given product in a given American industry. It certainly would be unfair for NPA to prohibit one producer of X commodity from further production and at the same time permit his American competitor to continue production and take over the market. Obviously the first American producer would be unable to regain all or part of his market after the emergency is over. The same would be true if one American producer were limited more seriously in his production than another. The same fair principle should be applied to maintain the relative pre-Korea competitive relationship between an American industry and imports.

Many American producers have seen their production cut back by materials allocations and imports rush in to take up the market. Unless the American producer is able to protect himself from imports taking over his market while his production is artificially limited, he will be unable to regain all or a portion of such markets when the emergency is over. Imports should be limited to approximately the same level as is the American producers production so that they both have a fair chance at current competition and a fair chance of regaining their markets after the emergency is over.

One of the objections which will be made by the free trade opponents is that we should not deny the consumers of a product if it is available through imports. However, it is certainly fair and the American way to distribute the burden of national defense equally among all of the citizens. If our defense requirements call for a cutback in the production of a certain article, because the raw material therefor is required for defense purposes, certainly the consumers of that product should bear the burden along with, and equitably with, the producers thereof. It must be recalled that all Americans who are consumers are also producers. No person long consumes unless he also produces. It would be grossly unfair and un-American to ask any given American producer or consumer group to give up his product for the benefit of the defense effort and not ask other groups of producers and consumers to bear a proportionate burden.

If our defense needs require a cutback in the production of any given article or product, certainly our allies and partners in defense should likewise cut back their production. However this has not always been the case and frequently, even though they may cut back the production of such article, they will make an exception for its production and export to the United States in the hopes of gaining and retaining the United States market by unfair advantage. We cannot guarantee and certainly cannot force any other country to adopt similar production cutbacks even though they may be drastically needed for mutual defense. However, it is only fair to protect our own producers who are contributing the most to national defense and mutual defense.

Certainly no foreign country, even the most friendly, could have any valid objection to our proportionately limiting imports to the same extent that the American production of an article is cut back by the defense requirements. This proposed amendment proposes to limit imports of articles made of allocated materials to only 50 percent of the pre-Korean base period imports while most American producers of non-defense articles requiring allocated materials are limited to substantially less than 50 percent.

Articles using steel are limited to 50 percent and most articles using copper and aluminum are limited to 30 percent or less, those using nickel are limited to less than 20 percent or entirely prohibited. The limitation of 50 percent on imports gives more than an even break

to imports. In the case of defense items American producers usually get more than the above-mentioned percentages in order to encourage greater production and in such cases, upon the certification of the Secretary of Defense, this proposed amendment would place no limit upon imports of any article or product needed for the defense effort.

I am the sponsor of the escape clause which was written into the renewal of the Reciprocal Trade Agreements Act last year. The object of this escape clause was to provide that domestic producers be given an opportunity to prove to the United States Tariff Commission that their business was being injured by foreign imports. This escape clause is now section 7 of Public Law 50 of the Eighty-second Congress.

The intent of the Congress was that domestic producers suffering from too much foreign competition would be able to get relief. This was particularly true of domestic producers who were being denied the use of certain critical materials needed in the defense effort. These people were being driven out of business and their domestic market taken over by foreign-made goods because they were unable to compete due to their inability to buy these critical materials.

The domestic producers of wood screws carried their case before the United States Tariff Commission alleging injury under the Reciprocal Trade Agreements Act and asking for relief under section 7 of Public Law 50. They were denied this relief and told by the United States Tariff Commission that their troubles were due not to the trade agreements but to the action of the National Production Authority in allocating to the defense effort certain materials which the domestic producers needed in order to carry on their business.

If the United States Tariff Commission is correct in their interpretation it is vitally necessary that a large segment of American industry needs the production afforded by this amendment in order to prevent their being driven out of business.

The best illustration of how these freeze orders in critical materials are injuring domestic producers is the case of the Wallace Corp. now pending before the Tariff Commission. The Wallace Corp. manufactures spring clothespins. There is a freeze order on wire-tempered steel needed in the manufacture of these pins.

Last October this company was given an allocation by the National Production Authority of 76 tons of this highly tempered steel wire. They were also given an allocation for the first quarter of 1952, an additional allocation of 76 tons. To March 1, 1952, under both allocations they had received only 23 tons of steel. They have, in the meantime, in order to keep their plant operating and supply jobs for 400 workmen, been buying highly tempered steel wire from Belgium and paying \$13.05 per hundredweight. Had they been permitted to buy this steel wire at home, the domestic price would have been only \$7.40 per hundredweight. They are on the verge of closing down their plant because their profits are not

high enough to stand the losses in the price they must pay for steel.

This legislation is not a new idea. The producers of agricultural products in this country are protected by quotas which place a limitation on foreign imports of agricultural products when these imports interfere with the acreage allocation and the production procedures outlined by the Agriculture Department. This exemption for the farm people will be found in section 122 of the Agricultural Production Act.

I sincerely hope that it will be the wisdom and pleasure of this committee to accept this proposal in order that countless numbers of small producers will not be driven out of business.

Mr. DEANE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there appeared before our committee a representative group of individuals on this particular point. These items would be involved: Cigarette lighters, brass-band instruments, safety pins, zippers, and flashlights.

At no time during the consideration by our committee did members on either the majority or minority side feel that these men made a case sufficiently strong to indicate that they were being injured by virtue of the type of legislation that is involved, at least no amendment was offered.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. DEANE. In a moment.

Mr. TALLE. The gentleman made a statement that is not true, if I understood him correctly.

Mr. DEANE. The gentleman will have an opportunity to reply.

Mr. TALLE. I thought the witnesses referred to by the gentlemen did make a good case.

Mr. DEANE. I was informed by the Clerk that no such amendment was offered. So I will proceed, if I may.

For example, in the case of cigarette lighters, the total value of cigar and cigarette lighters, other than those made of gold or platinum, imported into the United States was only \$185,000. The number of lighters imported in 1951 rose slightly, but they came primarily from Japan.

In this letter before me from Secretary Sawyer, it is an indication to me that in passing this amendment we restrict the economic development of nations we are now paying millions of American dollars in economic aid. In other words we undercut the reciprocal trade agreements. Let me quote from Secretary of Commerce Sawyer's letter:

Speaking broadly, I am deeply concerned over the serious effects which this and other current proposals for restriction of imports into the United States would have upon our own welfare and that of our friendly trading countries. In the aggregate, these import restrictions would not only reduce the ability of foreign peoples to continue to buy our exportable products in large volume, but would also materially injure the economies of many important foreign countries, and render it difficult for them to make their respective contributions toward the common defense program.

Mr. Chairman, I call your special attention to what he says next:

Especially in view of our earnest efforts to persuade friendly countries to curtail exports to the Soviet bloc, it would be inconsistent for us to take measures that would at the same time curtail their markets in the United States, thereby forcing them to seek larger alternative outlets for their products.

Mr. Chairman, to pass this amendment would result in another weakening link in our effort to try to bring restoration to some of these countries and in view of the amount involved in dollars and cents, as shown by the evidence before us, there is no competitive disadvantage to the respective manufacturers in this country.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from Iowa.

Mr. TALLE. Perhaps I misunderstood the gentleman from North Carolina, and if so, I wish to be corrected.

Mr. DEANE. I advised with the Clerk and, as I understand, there was no amendment offered. If the gentleman submitted one, I offer an apology.

Mr. TALLE. It is true that no amendment was offered, but I thought the gentleman from North Carolina stated that no Member on the majority side or the minority side thought that a case was made. As far as I am concerned, I thought a good case was made.

Mr. DEANE. I will alter it to that effect, that no amendment was offered by either the minority or the majority when this matter was before the committee. Is that not right?

Mr. TALLE. That is correct.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman will have to acknowledge that there were appearances before the committee in behalf of this amendment.

Mr. DEANE. I admit that, but there was no action on the part of the committee but I feel in view of the evidence before our committee a case was not made and I ask that the amendment be rejected.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment because I think it is basically a fair proposition. What it boils down to is simply this: If an American manufacturer is prevented from manufacturing the normal amount of the output of his plant due to a restriction on materials, this then restricts the importer to 100-percent import for the 3 years prior to Korea. For instance, in the pottery industry I am informed that cobalt is restricted, which consequently restricts the pottery manufacturers in coloring their glassware. Cobalt is used in its manufacture. Now, it does not seem fair to me that an American industry and the American workingman should make all the sacrifices. We should be in this thing together, and if we are going to restrict certain vital materials as far as our manufacturers are concerned, it just simply does not make sense to me that we should allow their competitors in foreign countries to procure all of it they can in a free and open market, manu-

facture those products, and send them in here and take away the markets from the people we are restricting in our own country.

Mr. Chairman, I do not propose to take a lot of the time of this committee, but it seems to me that this is basically a fair proposition. It is only for the duration of this act, and it is to offset something that is happening to these people as a result of this act. I hope the Members will see their way clear to support this amendment.

Mr. SECREST. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in my opinion if ever there was an amendment before this House that deserved favorable consideration it is this amendment that is before us here today. I think everyone in our country and every industry, certainly in my district, is anxious to do that which is necessary for the national defense, but while we are spending billions abroad we do not feel that it is fair to have industries abroad take our markets away because of scarce materials. In the pottery and glass industry cobalt, and many other items essential to national defense, is necessary in its manufacture.

I want to show you just what is being done by giving you accurate statistics from the Tariff Commission received on the 10th of June this year. In 1950, 23,000,000 pieces of glassware were imported into this country. In 1951, 41,000,000 pieces of glassware were imported into this country; just double 1950. At the rate imports are coming in in 1952 more than 90,000,000 pieces of glassware will be imported into this country this year, which is four times as much as came in in 1950. That means that the glass workers in my district, in West Virginia and in Pennsylvania and all over this country are being thrown out of work because of the scarcity of materials, while the imports in 2 years have gone up four times.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Ohio.

Mr. JENKINS. I agree absolutely with what the gentleman says. He is making a good speech, and it is good old Republican doctrine.

Mr. SECREST. It is good old American doctrine, I think.

I want to give you some more statistics on pottery. I have in my district many excellent potteries. In 1949, 22,000,000 pieces of household pottery came into this country. In 1951, 33,000,000 pieces came in. In 1952, 40,000,000 pieces of household pottery will come into this country at the present level of imports.

In 1951, 65,000,000 pieces of household chinaware came into this country, and over 100,000,000 pieces of earthenware and chinaware art and decorative articles came into this country.

Mr. Chairman, imports of pottery have multiplied three times in 2 years and imports of glassware have multiplied four times in 2 years. Over 200,000,000 pieces of pottery came into this country last year, and this year over 90,000,000 pieces of glassware will come in. That

would furnish work for a long time to every pottery and glass factory in the United States.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Michigan.

Mr. DONDERO. I am in sympathy with what the gentleman is saying. Is this merchandise coming in under the reciprocal trade agreement or under some other provision of law?

Mr. SECREST. It is coming in because in the first place they can get scarce materials we cannot get, and that applies especially to the better kinds of glassware and pottery. In the second place, this country has much higher costs. In Japan, one of the large exporters of pottery, they pay about 4 cents an hour, and we pay \$1.50 an hour average in my district.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Does the gentleman have statistics as to how many men are being put out of work because of these imports?

Mr. SECREST. The glass factory in my district has been working about half time, or working half of the people full time. I would say that half of the work in the glass plant in my district, which employs 700 or 800 people, last year went abroad to people that export glass here in competition with us.

Mr. SEELY-BROWN. The same situation is true in my State.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield to the gentleman from New York.

Mr. KEARNEY. Does the gentleman have any information as to how much glassware comes from countries behind the iron curtain?

Mr. SECREST. Supposedly we shut out goods from countries behind the iron curtain, but I can tell you that the biggest exporter of glassware to this country in 1950 was Czechoslovakia, behind the iron curtain, with England second and Sweden third. In 1951 again Czechoslovakia was the largest exporter of glassware to this country, then England, and then Sweden. Do you realize that the money Sweden gets for glass sold in this country they use in manufacturing steel that is sold to the people behind the iron curtain?

This amendment should be adopted, Mr. Chairman.

(On request of Mr. H. CARL ANDERSEN, and by unanimous consent, Mr. SECREST was allowed to proceed for one additional minute.)

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. SECREST. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is my understanding correct that the purpose of the amendment now before the Committee of the Whole is to give to the glass and pottery workers the same consideration the dairy farmers receive under section 104?

Mr. SECREST. Yes.

Mr. H. CARL ANDERSEN. I am for it.

Mr. SPENCE. Mr. Chairman, may I say that while I regret to have to do it, I am going to object to any extension of Mr. MULTER. Mr. Chairman, I rise time from now on.

in support of the amendment.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, there is considerable difference between the actual effect of this amendment and section 104. But, I can easily understand how those who want section 104 will also want this amendment in the bill. None of us here is desirous of curtailing American industry or American agriculture. I addressed my remarks yesterday during general debate to this very amendment, which we expected would be offered. I am not going to take time now to elaborate upon the subject, as I did yesterday. I do want to call your attention to this. Mention was made by the gentleman from West Virginia [Mr. BAILEY] to the wood screw case. Nobody appeared before the committee to attempt to make out a case for them, but when the gentleman referred to the matter of the wood screw case before the Tariff Commission—

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Not at the moment.

Mr. BAILEY. Then do not mention my name unless you expect to yield to me.

Mr. MULTER. I will yield to the gentleman in due time, if the gentleman will give me a chance to complete my statement. Please let me finish the sentence.

When the case was referred to in committee, I asked the gentleman who did refer to the case the following question:

In the wood screw case, they did not deny relief because of the underselling of the market.

Mr. Breckinridge who was then testifying on the subject in favor of this amendment said:

You are correct on that, sir.

Let us understand this. Everybody who has spoken in favor of this amendment has made out a good case, a good case for permanent legislation, which should go to the Committee on Foreign Affairs and should be brought to the House by that committee as a foreign affairs bill. It has no place in this temporary legislation, or in this emergency legislation. Every person who testified in behalf of industry before our committee was testifying not as to an emergency and not as to any situation brought about by an emergency, but was testifying as to a condition which existed in his trade and in his particular enterprise for a long time. Some had been before the Tariff Commission seeking relief, where they should get their relief. You should not give the relief this way. By attempting to do it this way, by emergency legislation, you are destroying at one fell swoop everything we are trying to do in our Mutual Security Program, and in our NATO program. Let me give you this quotation, please. Let us very clearly

have in mind exactly what you are going to do, if you adopt this amendment. You will protect, maybe—I say, maybe—emphatically maybe—some American industry and some American enterprise, but you will destroy our joint effort with our allies to build up our defense against the Communists, and you will force them to trade with Russia. Let me read this to you, if you please, from the Deputy Director for Mutual Security, Mr. W. John Kenny, in a letter of May 17 to our distinguished chairman referring to this specific amendment, the Ramsay bill:

The bill could result in reducing these earnings of Western Europe by as much as \$561,000,000 for the same period, an amount equal to more than 30 percent of Western Europe's exports to the United States in 1951. This staggering reduction in projected dollar earnings would give the European NATO countries and the United States the choice of two undesirable alternative courses of action, to wit, a smaller NATO defense effort or increased defense support aid from the United States. Since the present NATO defense program is already at the minimum consistent with mutual security, a reduction in this program would raise serious questions with respect to the ability of the free world to defend itself against aggression. On the other hand, the granting of additional aid to fill the gap created by the proposed legislation would be in effect placing an unnecessary burden upon the taxpayers of the United States.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. KEARNEY. I appreciate the gentleman's comment, but I would like to refer back to the gentleman's thought that this should not come up at this time, but it should have gone back to the reciprocal trades agreement. I want to call the gentleman's attention to the reciprocal trades agreement being a one-way street, and that is why we in our small county have 3,000 American working men and women out of work today.

Mr. MULTER. I say to the gentleman, let us make it a two-way street. Let us correct the permanent legislation, if that is where the defect is.

Mr. HAYS of Ohio. Mr. Chairman, I rise in support of the amendment. I want to say in reply to the gentleman from New York [Mr. MULTER], who says a case has been made for permanent legislation, this bill is the thing that is putting these people behind the "eight ball." This is the particular legislation that is hurting them, and I say the place to give them relief is right on this bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. AUGUST H. ANDRESEN. I want to join with the gentleman in supporting this amendment, to protect the producers of this country, and I hope we will have an overwhelming majority for the amendment.

Mr. HAYS of Ohio. I thank the gentleman.

Mr. GROSS. Mr. Chairman, I move to strike out the required number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, this amendment produces a rather amusing situation. I am for the amendment, but I well recall when the foreign dole was before the House only a comparatively few days ago, there was a provision in that bill for a billion dollars of mandatory spending for products of foreign manufacture, industry, and agriculture. Offshore procurement, they called it; a perfumed title, for the buying of foreign products. I offered an amendment to strike that billion-dollar mandatory provision out of the bill and I was overridden just as though I were not in the House of Representatives. Yet you come in here today squawking to beat the band because the administration permits reckless importing of foreign products into this country. It does not make any difference whether you buy foreign products offshore or import them. It all adds up to importing foreign labor. That foreign contract provision in the foreigners' dole bill was stricken in conference, but the situation was made even worse because under the bill as it stands today, not a billion dollars but two or three billion dollars or more can be spent under the foreign-dole bill which you passed the other day.

Mr. Chairman, Congress long ago ought to have started legislating in terms of pro-American policies. I refuse to be a party to the sell-out of American industry, labor, or agriculture in this or any foreign-dole legislation. I repeat again that it is amusing to watch the parade into the well of the House today of those who voted for the foreign give-away schemes and yet who are now pleading for legislative protection against those whom only a few days ago they gave several additional billion dollars.

How inconsistent can you get?

Mr. STAGGERS. Mr. Chairman, I rise in support of the amendment.

Mr. BURNSIDE. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from West Virginia.

Mr. BURNSIDE. We need to keep our glass industry, our hand-blown glass industry, operating. They are now working less than half time. In case of war we will need this glass industry and need it badly. I hope this amendment will be agreed to.

Mr. STAGGERS. I thank the gentleman.

Mr. Chairman, I would like to take just a minute to say in regard to the remarks of the gentleman from Ohio [Mr. SECREST] that I know something about the hand-made glassware situation. We have been getting a lot of this glassware from behind the iron curtain. They are cutting down on it now, but we are still getting a small amount of it.

About 2 years ago evidence came to me from a British trade journal that Czechoslovakia was selling glassware to the United States for one-quarter of what it cost to produce it. I took that evidence down to the Secretary of the Treasury and asked him to invoke the Anti-Dumping Act, which he had a perfect right to do. He promised to give me

a reply after his investigators had made a report on this situation. That has been almost 2 years ago, and I have not had a report yet. We are still doing business with Czechoslovakia.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from South Carolina.

Mr. RIVERS. Does the gentleman not know that any decision the Secretary of the Treasury makes with respect to foreign governments is enunciated by the State Department? It makes no difference what the Secretary of the Treasury tells you, it is the responsibility of the State Department.

Mr. STAGGERS. Well, I do know—

Mr. RIVERS. I agree with you. I am for the amendment, but it is the State Department and not the Treasury Department.

Mr. STAGGERS. No. I do not like to disagree with the gentleman, but the Anti-Dumping Act comes under the Treasury Department.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. And the dollars they are getting in Czechoslovakia are the same as providing dollars for Russia?

Mr. STAGGERS. That is right.

Mr. AUGUST H. ANDRESEN. Because they go to Russia; and, of course, Stalin wants more dollars.

Mr. STAGGERS. He has to have more dollars.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. CRAWFORD. We might as well be practical about this whether we like it or not. If we propose to give assistance to Czechoslovakia in the hope that they will turn against Russia and follow our policy—and that is certainly the objective of the State Department—anybody who agrees with that objective would certainly not disagree on buying goods from Czechoslovakia, putting dollars in the hands of those people so they could buy goods from us. I say that if that is the objective, and I do not believe that anybody will deny that that is the objective of the State Department because we are continually passing bills here to aid people behind the iron curtain—

Mr. STAGGERS. Answering the gentleman from Michigan [Mr. CRAWFORD], I may say that I am not in the State Department and I am not in foreign diplomacy. My belief however about our foreign policy is this: I believe in the mutual aid compact and I believe in economic aid to those countries which will be a help to us in times when we may need friends. I am just saying that I do not believe in aiding any country that is behind the iron curtain so that they can get American dollars; and I think that is the question that is involved here and one that bothers me.

Mr. CRAWFORD. I agree with that, but I will not support the State Department as to using its judgment as to

when to give goods and labor away in the United States for the benefit of somebody the State Department selects.

Mr. STAGGERS. I do not agree with that philosophy; my philosophy is, that we are obligated to help our friends when they are in need. I want to congratulate the gentlemen from Ohio in their statements on this glassware business and to state that I will vote for the amendment when it comes up.

Mr. KEARNS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it certainly is very fine that today this great body has an opportunity to take action on a measure that we failed to take when the reciprocal-trade agreements extension was before us. Some 105 of us stood up here and voted against the reciprocal-trade agreements because we believed that the President should protect American industry. Now we have this committee coming in here and throwing mud further in the eyes of Congress by saying that we should ignore the American industry, deny Americans of their pay-days, in order that we may go ahead with this foolhardy program abroad. Let us take the business of glass, pottery, and cigarette lighters; and I want to mention zippers because I have one of the largest zipper producing firms in my district—

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. All right; I agree, almost as large.

Mr. KEARNEY. You can also include gloves.

Mr. KEARNS. All right. We have nearly 4,500 employees at Meadville, Pa., yet today 2,800 of them are idle. When employed they get \$1.86 an hour as machine operators. Today that company cannot get copper or aluminum, yet they can go down to Mexico and get both, and for 35 cents an hour get their machine operators. They pay the 30-percent duty, ship the goods across the border, and are able to compete here against Japanese zippers, which are so inferior that they are not to be mentioned in the same breath with American zippers.

I want to congratulate those who have sponsored this amendment. It is certainly a forward step in this country when we protect American paydays and American business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. RAMSAY].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 112, noes 43.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 102. Section 104 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese, and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and

imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under an Government price support program: *Provided, however,* That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 10 percent of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise the authority and powers conferred by this section."

Mr. BOGGS of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Boggs of Louisiana: On page 2, line 12, strike out everything beginning with line 12 on page 2 and ending with line 14 on page 3, and insert in lieu thereof: "Section 104 of the Defense Production Act of 1950, as amended, is hereby repealed."

Mr. BOGGS of Louisiana. Mr. Chairman, in the debate of a few moments ago on the amendment offered by the gentleman from West Virginia, the real intent of the sponsors of section 104 was pretty well revealed and set forth. The gentlemen who spoke on behalf of the Ramsay amendment made the same type of presentation when we adopted year before last and the year before that the Reciprocal Trade Treaty Act. The argument advanced by the gentleman from West Virginia was made at that time before we had shortages caused by the Korean war.

What you are really having here on a so-called control bill is a direct attack upon the established trade policy of the United States of America in the reciprocal trade treaty program. If carried on, this approach will wreck our foreign trade; it will have disastrous effect in New Orleans and every port in the country. I should like to address my remarks particularly to my colleagues who come from the great agricultural areas of the South and the West who are interested in cotton, wheat, tobacco, and countless other products which have become the subject of trade agreements mutually arrived at by the various countries which consume these products.

There comes to my mind an incident which happened with the chairman of the Committee on Agriculture some years ago, the gentleman from North Carolina [Mr. COOLEY]. We were traveling together in Europe. At that time there was a large surplus of tobacco in this country and the gentleman from North Carolina [Mr. COOLEY], the good and able Representative that he is, spent a good bit of time negotiating on his own to secure markets for his North Carolina tobacco. We have had a similar situation with cotton and with

wheat. As a matter of fact, one bale out of every four that is grown on southern farms is grown for export. You take that export market away and our cotton farmers will face the worst kind of a depression.

I say to this body, if you want to use this bill as a vehicle to repeal the reciprocal trade treaty program which has been built up over a period of years as a sound and a substantial policy, go ahead and do it, but know what you are doing when you do it. Do not do it under any fake pretense of protecting cheese, or glassware, or some other commodity. Go ahead and say that it is the intent of this body today to repeal the policy of this Government which has been in effect since that great Secretary, Mr. Hull, assumed that responsibility some years ago.

I might say this, too, as a member of the great Committee on Ways and Means: I think that this debate properly belongs before that committee. It has been the subject of study by that committee. I see my fine friend, the gentleman from New York [Mr. REED], who has traditionally taken a policy as opposed to these trade treaties, but it has been debated before men and women who have devoted a lifetime to these problems, and here we come today with a temporary piece of legislation, its very object of which is in doubt, and we propose to change a policy which is basic to this Government, as I see it.

If you fine colleagues of mine from the South want to remove our export market for cotton, if you want to cripple our export market for tobacco, if you want to throw a real gap into that \$18,000,000,000 of trade that we carry on with other countries in free enterprise, then I say go ahead and vote for these types of amendments that are being offered.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS of Louisiana. I did not interfere with the gentleman. I know the gentleman's position. His position is exactly the same as my good friends over here in the Republican Party. I am well aware of it because the gentleman appeared before the Committee on Ways and Means in opposition to the reciprocal trade treaty.

Mr. BAILEY. In 1945, and I did not get anywhere.

Mr. BOGGS of Louisiana. The gentleman sure did not, because we understood what he was trying to do. The Members did not understand that here a moment ago, but that is what is involved here, and I ask the Members of this body to consider this amendment, see what is involved, and then make your decision. This amendment is sponsored by the same people who for years kept an unfair tax on oleo. It is a short-sighted amendment.

In 1951 the United States exported over \$4,000,000,000 of agricultural products. This figure represents four times the cash farm income received by either New York, North Carolina, Indiana, or Ohio. Foreign markets provide an outlet for an amount of American agricultural production that is considerably greater than the total production of any State.

Unlike the manufacturer producing for export, the farmer usually does not deal directly with his ultimate customer and may never know that his product is exported. Many do not, therefore, realize their important stake in the pattern of foreign trade. Yet foreign countries provided an outlet in 1951 for well over one-third of the cotton, rice, wheat, dried whole milk, and about one-fourth of the tobacco, soybeans, and lard. Almost as large a proportion of the American production of peanuts and grain sorghums was exported. Exports of cotton were valued in 1951 at \$1,000,000,000; wheat at \$1,000,000,000; leaf tobacco at \$325,000,000; fruits at \$115,000,000; dairy products at \$150,000,000; and vegetables at \$84,000,000.

The major export commodities are of great importance to farmers in practically every part of the country. The American Farm Bureau Federation in a recent statistical analysis has classified 25 agricultural commodities as being greatly dependent upon exports. In 1950 more than half of the cash income from crops of farmers in 35 different States was from these products which were especially dependent upon exports. Such commodities included tobacco, apples, peanuts, and dairy products.

These large exports also tend to strengthen the price of these commodities in the American market. Farmers get higher prices for their products because of the additional demand created by foreign purchases. It is evident, for example, that if the \$325,000,000 worth of leaf tobacco and the \$115,000,000 worth of fruit exported in 1951 had instead been offered on the domestic market a drastic decline in prices would have followed.

If United States exports are to be maintained, foreign countries must have dollars with which to buy our products. Since the end of the war the amount of dollars foreign countries have earned from our imports of goods and services has been far short of the amount necessary to pay for the exports we have sent them. Farm exports have attained their high level in part because of the dollar aid we have been granting other countries. As our aid is reduced in the years ahead our agricultural exports will, therefore, be seriously affected if we do not permit other countries to expand their dollar earnings. Foreign countries which have a shortage of dollars will be obliged to reduce imports of those commodities which they need less or which they can get from other sources. In such circumstances a foreign country would turn to other trading areas where it can buy without using dollars or it would attempt to produce the various commodities even though they be inferior and higher priced. Exports of agricultural products are particularly vulnerable in this respect.

Legislation such as section 104 of the Defense Production Act is adversely affecting agricultural exports. Section 104 provides that there shall be no imports of butter or certain other fats and oils, cheese, other dairy products, if the Secretary of Agriculture determines such importation would have any of three

named effects. The quotas imposed under section 104 have meant a decrease of some 35 percent from 1950 level of imports of cheese. Some of the affected countries, particularly those which import American agricultural products, have already indicated that they must reduce purchases of our goods because of smaller earnings from cheese sales to us. They are also seriously considering withdrawing tariff concessions granted us as a result of our withdrawal of tariff commitments made to them.

Exports of fruit have already been affected. Tobacco, vegetables, cotton, and lard may also suffer. These risks are being incurred unnecessarily, since adequate safeguards were and are already available to protect domestic producers against serious injury from imports.

Exports of poultry and eggs, would probably also be affected by a reduction in United States exports of agricultural products. In 1951 exports of eggs and poultry from the United States amounted to over \$40,000,000.

Because of its long-term effect, section 104 offers no real protection even to the interests intended to be protected and is harmful generally to American agriculture. It is interesting to note that in 1951 the value of United States exports of dairy products was over \$120,000,000 while imports were valued at only \$25,000,000. This means that in 1951 there was an export balance in dairy products of over \$95,000,000.

The adverse impact of such restrictions as required by section 104 upon United States agriculture is understood by many farm leaders and their position was ably presented by Allen B. Kline, president of the American Farm Bureau Federation in his testimony before the Senate Committee on Banking and Currency during the hearings on bills to amend and extend the Defense Production Act of 1950 (S. 2594 and S. 2645). His testimony said in part:

We recommend that section 104 of the Defense Production Act of 1950, as amended, be eliminated. We firmly believe that the provisions of Public Law 50, Eighty-second Congress, together with section 22 of the Agricultural Adjustment Act, properly administered, give adequate protection to producers of agricultural commodities from excessive imports. A prosperous and expanding agriculture in America is dependent on a high volume of trade. Our exports exceed our imports. The current exports of dairy products exceed by about 2½ times the imports. We will insist that the provisions of Public Law 50 and section 22 of the Agricultural Adjustment Act be promptly carried out by the responsible administrative agencies.

Among organizations which have expressed their opposition to section 104 are: Tobacco Associates, Inc.; American Cotton Shippers Association; the United States Chamber of Commerce; National Cotton Council of America; General Federation of Women's Clubs; New Orleans International House.

In the present serious circumstances, our foreign trade is especially vital to the security of the United States and the rest of the free world. Our imports include many commodities necessary to

enable us to meet critical national defense requirements. Our exports provide goods desperately needed by free nations to prevent economic instability. Smaller dollar earnings by these countries weaken the capacity of our allies to carry forward the program of rearmament. As has been indicated, a number of foreign governments have protested the trade restrictions imposed under section 104. We stand to lose greatly in prestige and leadership as well as in trade if section 104 is not repealed.

It cannot be too often emphasized that foreign trade is a two-way street. It is essential that the United States import if it is to continue to sell its products abroad and not give them away through the mechanism of foreign aid.

Mr. JENKINS. Mr. Chairman, I move to strike out the last word.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman undoubtedly misunderstood the amendment. The amendment was to strike out a section of the pending bill, and the gentleman, I am sure, is not in favor of striking out that section.

Mr. JENKINS. Mr. Chairman, I am in favor of the section to which the gentleman from Minnesota [Mr. ANDRESEN] refers. My principal reason for arising is to reply to my distinguished friend from Louisiana [Mr. BOGGS] who has just left the floor. He orates here eloquently about reciprocal trade agreements. You know, if the gentleman down here in Washington that we call the Tariff Commission and the President, Mr. Truman, would do their duty we would not have to be here today trying to do what we have done with reference to glass and pottery and what we are intending to do with reference to cheese and butter and these other commodities. These gentlemen who are supposed to administer the law have not performed their duty. For instance, I know a very prominent lawyer who has practiced before the Tariff Commission for years. He has been trying to get a decision upon which he can base a case that he can appeal to the courts. They get around him without giving any reasons. He cannot get into the courts. He can get no relief of any kind. What is left for the people to do? They have to come here to Congress as the Democratic Members have done today, to get protection for glassware and other commodities in which they are interested. I voted with them and I shall vote with other Democrats if necessary in order to get justice. That is exactly what we have to do. If we want justice, we have to come to Congress. We cannot get it out of the governmental organizations that have the duty to do justice because they refuse to do what the law requires them to do. I mean the White House and all the rest of those responsible, including the Tariff Commission.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Is it not true that the agricultural interests have a far greater protection under the provisions of the Agricultural Adjustment Act, and is it not also true that the gentleman from Louisiana, who just addressed the House, is familiar with the fact that his State has an import limitation on the amount of Cuban sugar that can come in to protect his sugar farmers? I think his speech was entirely out of order.

Mr. JENKINS. I did not rise for the purpose of raising any personal issue, but I think the gentleman is absolutely right.

Mr. Chairman, I want to impress this on the Members of this House. There is a great line of demarcation between the Republican policy and the Democratic policy with reference to the reciprocal trade agreements. This has been debated for years. The House passed the reciprocal-trade-agreement law several years ago. If we had an honest administration of the law today, it would not be necessary for us to be here asking for these amendments. The law is not fairly or honestly administered, and I have told you the reason why we are here before Congress trying to get a little bit of fair play.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment, and ask unanimous consent to proceed for five additional minutes.

Mr. SPENCE. Mr. Chairman, I said sometime ago I was going to object to any requests for additional time, so I object.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I am amazed at the attitude of the gentleman from Louisiana in offering this amendment. He has called it the cheese amendment. I can say to him that it involves much more than cheese. If his amendment succeeds, it means unlimited imports of rice, fats, and oils, peanuts, and many other products produced in his area. When I say "unlimited imports" it means exactly that, for imports will be brought into this country under a policy that will surely destroy production of essential foods in the United States.

I am very much interested in this section of the bill, which I sponsored a year ago, known as section 104. It was approved by an overwhelming majority. The amendment—section 104—contained in the committee bill is a modification of section 104 approved in 1951, to more nearly meet the situation at home and also makes possible the correction of certain inequalities that have appeared during the past 9 months in the administration of existing law.

The Senate has considered the same amendment. It was defeated in the Senate on a tie vote, 38 to 38, because of the absence of a few Senators who would have voted for the amendment.

Your committee has made the revised section 104 as a part of the bill by a majority vote of the committee. It should be approved to protect not only the producers but the consumers in the United States.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. BROWN of Georgia. It is my understanding that this amendment was passed by a very good-sized majority in the committee.

Mr. AUGUST H. ANDRESEN. That is my understanding.

Mr. BROWN of Georgia. It passed, anyway. I am here to tell you that I am supporting it as it appears in the bill. I think we did right then, and I hope the members of the committee who voted for it then will vote for it now.

Mr. AUGUST H. ANDRESEN. I thank the gentleman very much. I am glad to hear that he is for this section of the bill. His support of section 104 as it appears in the bill will assure approval in the House and also by the conference committee. The farmers of this country owe the gentleman from Georgia [Mr. BROWN] a debt of gratitude for his timely help to secure favorable action on this section of the bill. The consumers also owe him a sincere vote of thanks for supporting policies which will assure abundant production of vital food for them. I can also assure the gentleman that I will not forget his support of section 104.

The gentleman from Louisiana has tried to divide the House Membership into sectional groups. He states that section 104 should be stricken from the bill so that the tobacco and the cotton farmers will have a market throughout the world. No one has fought harder for the tobacco and cotton farmers than I in the many years I have been in Congress. But apparently he is willing to liquidate the peanut industry, the rice industry, and the dairy industry in this country to gain an advantage for cotton and tobacco. Unfortunately, there are too many people in this country who are ready to liquidate or injure other Americans engaged in other lines of production if they can make some money out of it. Some day the gentleman may feel different about it.

Let me show you what we have done for cotton already. Since April 1948 the taxpayers of this country have put up \$1,200,000,000 to pay for cotton to give away to many countries in the world. Tobacco has not been taking a back seat, either. The American taxpayers have put up \$455,000,000 to pay for tobacco to give away throughout the world. Tobacco and cotton farmers are in excellent financial condition. It therefore appears to me that the gentleman from Louisiana and those who support his amendment are making a terrible mistake.

This is more than a cheese amendment, I will say to my friends, because it takes in all dairy products. The repeal of section 104 would permit unlimited imports of butter, cheese, peanuts, fats and oils, rice and linseed oil, flaxseed, and many other products.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CRAWFORD. So that we do not get confused here, I ask the gentleman from Georgia [Mr. BROWN] and the gentleman from Minnesota, now addressing us, do you propose that we leave in the bill the language on page 2, beginning

on line 14, and extending to page 3, including line 18? Is that what you are talking about?

Mr. AUGUST H. ANDRESEN. Beginning on line 12, at page 2, and ending on page 3, line 14.

Mr. CRAWFORD. Your proposal is that we leave that language in the bill?

Mr. AUGUST H. ANDRESEN. We should leave that language in the bill.

Mr. CRAWFORD. I wanted it to be clear as to what you were talking about.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. SPENCE. Mr. Chairman, I must object to any extension of time.

Mr. AUGUST H. ANDRESEN. Let me again urge the defeat of the amendment offered by the gentleman from Louisiana. His amendment proposes to strike section 104 from the committee bill. This section should be enacted into law. It is urgent and vital to our domestic economy to encourage maximum food production.

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, are we not operating under a delusion in thinking we are effectively legislating for the country? When I look at the afternoon paper, the headlines of which read, "Truman says Hill cannot make him use Taft-Hartley," I wonder if the representative of the Department of Justice in presenting the views of the Department in the Steel case did not actually reflect the views of the Chief Executive when he said that the President was not bound by acts of Congress and was his own interpreter of the meaning of the Constitution.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe this might well be called the "cheese" amendment beyond peradventure of doubt. Let us see what the wording of this particular section is. We have this unusual language, namely, that these quotas and controls on cheese and other products are necessary for the protection and the essential security interests and economy of the United States. That is a rather pretentious cover or facade of protection. Cheese is going to protect the internal security of the United States. Imagine cheese as one of our outer bastions. We now have a fortress of cheese to protect our security. I never heard of more nonsense than that. It is like Don Quixote tilting at windmills. Actually the proponents of section 102, which amends section 104 of the Defense Production Act are just as wrong as a 2-foot yardstick. Only some 20 blue cheese manufacturers would benefit from this provision; benefit at the expense of all other cheese manufacturers, benefit at the expense of a successful foreign policy, vis-à-vis countries like Italy, France, Denmark, and Holland. That section is the very negation of the foreign economic policy of the United States. Some six countries have already protested that this provision violates the letter and spirit of the General Agreement on Tariff and Trade called GATT. Apparently the

cheese lobby, or the dairy lobby, cares nothing for any kind or sort of international agreement.

This provision violates the plan of the Mutual Security Administration whereby we seek to build up European exports. The shipment of cheese to the United States has been strongly encouraged by ECA. So with one hand we seek to bring some imports of cheese into this country and with the other hand we say, "No. We shall keep cheese out."

Cheese is big business in little countries like Denmark, Holland, and Italy. It means much to them. Our exports of cheese are minuscular in comparison to our production of cheese and our consumption of cheese. Our imports are trifling. They are a drop in the bucket, particularly in comparison to our exports of cheese. Domestic producers are not endangered by imports. They have the protection of tariffs, as well as many other protective devices, and I shall insert in the RECORD the many provisions they can avail themselves of if they need protection; but they need no protection. There is protection under section 22 of the Agricultural Adjustment Act, section 7 of the Trade Agreements Extension Act, and so forth. I say we export far more cheese than we import. Cheese imports during the past war years were less than they were in 1939. Think of it. We import less than 5 percent of our production. Also less than 5 percent of our entire production of cheese. It is like great giants being frightened by pygmies. All these protective acts, which I place in the RECORD, guard the domestic manufacturer against any kind of unfair competition from abroad. Apparently what these 20 blue cheese manufacturers want is no competition whatsoever. They want the Government to put all manner and kind of crutches under them to protect them in their inefficiency; to protect them in their imagined fear that there is going to be a tremendous amount of cheese coming in from these little countries whom we are trying to help, which now with this kind of legislation we effectively dam. We deprive the American consumer from buying what he wants. He has a taste for Gorgonzola, for Povero or Parmesan. He does not want imitations.

It is hardly necessary to recall that the current mutual-defense effort is based, so far as Western Europe is concerned, on the foundations built by the ECA program. In turn, the ECA programs were deeply concerned with the establishment of the freest possible flow of trade among the participating nations and throughout the free world. One of their major purposes was to make a frontal attack on the so-called international dollar gap, or dollar shortage problem on the assumption that only an expanding and well-balanced pattern of foreign trade could give stability to Europe and strengthen America's first line of defense across the ocean. Consequently, it was the declared purpose of the ECA program to help reduce the unbalance in the world trade due to the dollar shortage stemming in turn from the chronic excess of United States exports over imports.

The ECA countries were assisted and encouraged in the organization of dollar-export drives. Steps were taken to stimulate an increasing acceptance of European imports in the United States. The Italian Government, is extremely anxious to reestablish a situation in which Italy can earn and pay its own way through the exports of products of the skill and ingenuity of its enterprise and manpower, rather than to continue to rely on assistance.

These restrictions on cheese imports militate against the Italian efforts to improve her economic situation.

There have been indications that, while the American Government continues to be fully committed to the principle of trade liberalization, renewed recourse is being made to restrictive practices, and that the inconsistencies between principle and practice, far from disappearing, are once more increasing. Should this new trend continue unchecked, a very serious situation would result. Much of the progress made through GATT and other agreements would be undone and many of the gains of the Marshall plan would be wasted. Such a prospect is naturally viewed by the Italian Government with considerable alarm, and is a matter of major concern, particularly under the current unsettled conditions of the international and European economy.

Italian exports to the United States include to a very large extent foodstuffs—such as olive oil and cheese—certain farm products—such as almonds—and a number of specialties and typical commodities. They have enjoyed in recent years a moderate expansion which, however, has hardly made a dent on the trade unbalance between Italy and the United States. In 1951 Italian imports from the United States exceeded exports to the United States by over 6 to 1, representing a total deficit of more than \$350,000,000. The hopes and prospects of further development, however, have been virtually nullified by restrictions placed by the United States Government on the import of a number of commodities which are of vital importance to Italy's economy.

The restrictions placed on Italian cheese imports seem particularly inappropriate because Italian cheeses do not compete, for the most part, with cheeses produced in the United States. Being produced from sheep's milk—pecocino and romano—or requiring many years of seasoning—parmigiano and reggiano—Italian cheeses are not competitive with their imitations which are produced in small quantity in the United States.

Now, all this has grave economic and political repercussions. Take the situation in Italy. Italy depends to a major extent upon her exports of cheese and her small amount of imports into the United States. This kind of legislation is just grist to the Communist mill; grist to the Fascist mill, particularly in Italy. You may have read to your dismay and to my dismay that the Fascists are making great headway in the southern part of Italy. The neo-Fascist party

has elected mayors in Naples, Bari, Palermo, and so on. What do you want them to do? Do you want them to elect more mayors, because the propagandists on the Fascist side will make much of this character of legislation. They will say that the Americans do not practice what they preach.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the Boggs amendment, as I consider it extremely detrimental to agriculture. Personally, I cannot see how any Member from that great Southland can support it. I am indeed much pleased to see that the gentleman from Georgia [Mr. BROWN] and others from the South feel that it is the wrong method of approach. I think the way the committee has written this revision of section 104 amounts to a sort of compromise. Surely the House is not going to go against the action which it took last year, when it said to agriculture throughout America, "We are going to give you a certain degree of protection against the influx into this country of a great amount of competing fats and oils which are apt to put our own farmers out of business." Whether that is making grist for the Fascist mill or not, I do not know and I do not care. Just as I supported the amendment which gave protection to pottery workers and glass workers, believing that this Congress should keep a certain degree of protection for its own people, in contravention to trying to do everything for those in other countries at this time, in the same degree I am supporting the Andresen proposal to retain this particular provision in the bill. I hope the House will reject the Boggs amendment.

I was sorry to see my colleague was shut off abruptly by the refusal of the committee chairman to agree to the extension of his time. I consider the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] as the greatest authority on agriculture in this House, bar none—and I am proud of him, coming from the great State of Minnesota as he does. I would like to ask him to elucidate further upon the reasons as to why this Boggs amendment should be defeated and defeated roundly.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman with pleasure.

Mr. AUGUST H. ANDRESEN. I thank my colleague for his kind words. Mr. Chairman, it appears that the gentleman from New York who spoke just a moment ago thinks, or at least seems to believe, that you can turn on a spigot and get milk out of it instead of having cows to produce milk. He has mentioned blue cheese from Denmark in particular. I had hoped that he would not get into that, because I dislike mentioning particular countries. However, I

must advise the committee that blue mold cheese imports from Denmark have taken over nearly one-half of the production and consumption of blue cheese in the United States. During the last year 49 percent of all the blue cheese consumed in the United States was imported, and about 95 percent of it came from Denmark.

I am rather proud of the little Danish blood I have in my system, but certainly I am American enough to want to protect at least a part of our domestic economy. Under the provisions of the bill the Danes and people of other cheese-producing countries will have ample quotas to ship a very substantial portion of their cheese into the United States.

Mr. H. CARL ANDERSEN. If my colleague will pardon an interruption, he stated he was proud of his Danish ancestry. I also am proud of the fact that my ancestry is 100 percent Danish; but at the same time I do not intend to give to Denmark concessions that belong by all rights to the farmers of our own country, America.

Mr. AUGUST H. ANDRESEN. What the gentleman has said is very appropriate at this time, and I thank him for yielding to me. I would like to point out, since Denmark has been mentioned, and it is a good country, they have a good economy, they have hard money, they are thrifty people, their credit is good in the United States; but I was kind of surprised when I read that they had received a gift from the United States of \$240,000,000 since 1948, \$240,000,000 since 1948—\$240,000,000—nearly a quarter of a billion dollars. They used \$80,000,000 of that to pay off their national debt at a time when our debt was going up and our taxes were also going up. I do not blame the Danish Government for getting something from our give-away program. Other countries did much better. Let me say in the balance of the time so kindly secured for me by my able colleague from Minnesota, that we must do something to protect the production of vital foods in the United States. Dairy products, which are covered by this bill, are vital foods. We must increase our production here in order to safeguard the welfare of the American people. Unlimited imports of dairy products will seriously injure domestic production. The amendment offered by the gentleman from Louisiana to strike section 104 from the bill must be defeated.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude at 4:15.

Mr. TALLE. Mr. Chairman, I would like 5 minutes in opposition to the amendment.

The CHAIRMAN. The Chair sees but three gentlemen on their feet seeking recognition. That would give the gentleman 5 minutes.

Is there objection to the request of the gentleman from Kentucky that all debate on this amendment and all amendments thereto conclude at 4:15?

There was no objection.

The CHAIRMAN. The gentleman from Iowa [Mr. TALLE] is recognized.

(Mr. TALLE asked and was given permission to revise and extend his remarks.)

Mr. TALLE. Mr. Chairman, as I proceed to speak, may I say that I do so in the spirit of one of our greatest American leaders, Daniel Webster, who passed away a century ago. He won for himself so high a place in the hearts of the American people that some of his noble words were selected to be engraved on the panel resting high on the wall above the Speaker's rostrum in this Legislative Chamber. Lifting my eyes as I sat here yesterday, I read his immortal words:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

I trust that in our consideration of this bill, important as it is to our entire Nation, we may do something worthy to be remembered.

Mr. Chairman, you will recall the discussion of last year centering around what is now current law, section 104, which was adopted in this Chamber by a good vote and enacted into law. This year the administration demanded the repeal of section 104. After careful consideration, however, the Committee on Banking and Currency adopted my amendment to continue section 104 with some modification, as specified in the pending bill. I shall point out briefly what section 104 in revised form provides. It does two things:

First. It permits the Secretary of Agriculture to relax import restrictions on certain fats, oils, peanuts, rice, butter, cheese, and other dairy products, up to an additional 10 percent of the import limitation for each type or variety.

Second. It clarifies the intent of Congress to exempt from import controls the noncompetitive types or varieties of the specified commodities, as in the case of certain types or varieties of cheese.

My amendment as contained in the pending bill will continue to give protection to domestic producers of these products but will authorize the Secretary of Agriculture to modify import restrictions when advisable in the light of international conditions and trade. I urge that section 104 in this modified form be retained in the bill.

Mr. Chairman, we often speak of carrying on a great missionary enterprise. We are and can continue to be the leader of the free world, if we carry on our affairs in a sensible manner. Granted that we are carrying on a great missionary enterprise the world over, I want to say that I have never known any missionary enterprise to succeed without a strong home base. Our home base is here in the United States of America, and we must see to it that it remains strong. If we do not guard, protect and strengthen our home base—the great missionary enterprise we are engaged in throughout the world will fail. Let us retain in the bill section 104 as revised. Such action will, in my opinion, conform to the objectives so clearly and forcibly promulgated by Daniel Webster.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Due to the limitation of time we have not had the opportunity to show here that if this amendment succeeds and this section is eliminated from the bill, the Government support program, which provides a support price for all of the commodities in the bill, may go into operation immediately, and that the Government will begin buying domestically produced butter, cheese, peanuts, fats, oils, and rice, and unlimited imports coming in here will take over the domestic market, and the cost to the American taxpayer will be at least three or four hundred million dollars or possibly more.

Mr. TALLE. The gentleman is correct.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WERDEL].

(Mr. WERDEL asked and was given permission to revise and extend his remarks.)

Mr. WERDEL. Mr. Chairman, I hope that the gentlemen of the fourth estate were paying attention when the statement was made here that the established foreign policy of our country is the Reciprocal Trade Agreement Act. If they were, they will recall that in 1948 a gentleman campaigning for the Presidency traveled over this country berating this Congress for passing the peril-point provision in the Reciprocal Trade Agreement Act. He went into the district of the author of that peril-point provision and defeated the man in his district because he had caused unpatriotic limitations to be placed upon the Executive 4 years ago. I am particularly interested in the remark because I think it is this same subject that caused me to make my first appearance in the well of the House. I had called the State Department and wanted a copy of the last reciprocal-trade conversations in London. They told me that even though under the Constitution it is the power of the Congress, and their duty and responsibility, to fix tariffs to protect our agriculture, our industry, and our standard of living, that we had conveyed that power to the Executive, and they took the position that individual Members of Congress were not entitled to know what the conversations were.

On my first occasion in this well I pointed out that our mines in the West would close unless they were protected by tariffs to the extent of labor cost, and I tell you today they are closed. In one of my counties alone, mines that employed between five and ten thousand people that did produce copper, that did produce zinc, that did produce lead are closed. Those people are seeking work some place where they can make \$18 a day so that they can pay for the ice boxes that are made in the industrial areas that the gentleman from New York supports. Yes; they are closed, and what they produce, gentlemen, is out of the world supply. So when you talk about our manufacturers at home then you are

admitting the folly of your ways 4 years ago, because we now must compete in the world market for the materials necessary to keep our industries going. We are weakened, as Webster pointed out, by the very fact that we destroyed our ability to produce. It is one thing to experiment with this in metals, but let me tell the gentlemen from the metropolitan areas, do not experiment with the food of the Nation. Let us not destroy our ability to feed our people, and that is what this amendment does. We cannot have our standard of living unless this Congress protects it, and I say to you that the time is not far off when we are going to be protecting the standard of living of the men in your very industrial areas with tariffs. Either you are going to do it or we are not going to have that standard of living.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. ABBITT].

(Mr. ABBITT asked and was given permission to revise and extend his remarks.)

Mr. ABBITT. Mr. Chairman, I want to express my appreciation to the committee for its consideration of this matter. This is no new matter that has just come before this body. For a number of years we had a provision in the law taking care of these imports, imposing restrictions on them. That law was fixed so that it expired every 2 years. It so happened that the last expiration date was last year. No hearings were held on that. I know I introduced a bill to extend it for 2 years. So did the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], and a number of other Members who were interested in these controls introduced similar bills, extending the law. But they were not reported out by the committee. When the Defense Production Act was here last year the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], myself, and others introduced similar amendments, and the amendment offered by the gentleman from Minnesota was adopted. That amendment provided some small change and provided for tighter controls than had been in the original law. The amendment, it is true, was adopted without hearings. It was adopted by the other body, and then became the law of the land.

I realize there was some criticism of the amendment in that it was too harsh, it was too restrictive. Now our great committee has given it new study and gone into the matter and brought out a revised form of the restriction we imposed last year. This is not a Johnny-come-lately matter. It is a matter that has been enacted into law for a number of years. The provision we have now meets almost all the objections that have been raised by the State Department. It lodges great discretionary powers in the Secretary of Agriculture. It gives protection to our American farmer.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield.

Mr. HAYS of Ohio. In other words, this is a compromise amendment de-

signed to meet the worst objections to the amendment that was incorporated in the act last year?

Mr. ABBITT. That is right. I think it goes a long way in legitimately meeting those objections. We are not voting here today for the strict amendment that was passed last time, but it is one that has been given due study by the committee and I think fully meets the objections that have been raised to the law.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman knows this amendment gives authority to the Secretary of Agriculture to limit imports of certain commodities, including peanuts.

Mr. ABBITT. That is right.

Mr. AUGUST H. ANDRESEN. May I ask the gentleman if he can clarify this, and he is a great expert on peanuts as well as on other products: The support price on peanuts in this country is 12 cents a pound in the support program.

Mr. ABBITT. That is correct.

Mr. AUGUST H. ANDRESEN. The average world price of peanuts today is between 4 and 5 cents a pound. I am informed by the Department of Agriculture that the moment these controls were removed on imports our country would be flooded with possibly 1,000,000 to 2,000,000 tons of peanuts from Africa and other countries that would be attracted here on account of the higher price, which would mean that the Government would buy the peanuts raised in the United States at 12 cents a pound and the foreign peanuts would come in a little under the support price and take over the market. Is not that right?

Mr. ABBITT. Yes. Last year between the time the regular law expired and this act went into effect from 4 to 10 shiploads of peanuts were brought into this country; that is, while the officials were getting ready to administer this new act. That shows you the danger we are facing.

Mr. AUGUST H. ANDRESEN. If this provision of the bill is adopted and becomes a law and is properly administered, it will do justice to the importers and it will also give fair treatment to the American producers and consumers.

Mr. ABBITT. I agree with the gentleman. It is a compromise that has been worked out to protect our farmers, to allow us as much free trade as possible.

I hope the amendment will be voted down and the provision as reported by this great Committee on Banking and Currency will be placed in the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. Boggs].

The question was taken; and on a division (demanded by Mr. Celler) there were ayes 25, noes 105.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 3, line 13, after the word "trade" insert "Provided further, however, That the

provisions of this section shall be inoperative as against any import, the retail selling price of which is more than 10-percent higher in American currency than the same similar or simulated domestically produced items."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I make a point of order against the amendment, that the amendment deals with price and is not germane to this section. This section deals exclusively with imports and authority in the hands of the Secretary of Agriculture to limit imports under certain conditions, and it does not deal in any manner with the price of the imported commodity or its relationship to the domestic price level for competitive products in this country.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the amendment?

Mr. MULTER. I do, Mr. Chairman.

Mr. Chairman, obviously the amendment is in order because it simply puts in as one of the provisions that the Secretary of Agriculture must consider the differential in price between the imported article and the domestic article.

The CHAIRMAN (Mr. Mills). The Chair is ready to rule.

The gentleman from New York [Mr. MULTER] offers an amendment at page 3, line 13, to which the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] makes a point of order. The Chair has had an opportunity to examine the amendment, and the language of the bill to which the amendment is made. The Chair is of the opinion that the amendment is germane, and overrules the point of order made by the gentleman from Minnesota.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, this amendment very simply takes at their word every Member of this House who has contended that he is not attempting to keep out of this country any import that is not in competition with a domestic item. Section 104 has been referred to as the cheese amendment because it affects cheese more than anything else.

So let me tell you how it operates with reference to cheese. I have before me a schedule of retail prices on domestic and imported cheese. I will not take the time to read all of it now, but I will put it in the Record as part of my remarks. Let me give you some of the examples as to how it would affect the imports if this amendment of mine were adopted. If the imported article is selling at more than 10 percent of the price in American currency, and I put in American currency because yesterday the gentleman from Minnesota said the foreign currencies are devaluated and we do not want to compete with these devaluated foreign currencies, to make it certain that we are dealing with the price of the imported article here in our dollars, I say if the differential is 10 percent higher on the imported article than the domestic article, then this provision is inoperative.

Let us take some of the different types of cheese. American Cheddar sells at 79 cents a pound. Canadian at 75 cents. Therefore, the provisions would be operative as to Canadian Cheddar.

As to blue cheese, the domestic is 75 cents a pound; the imported is 79 cents a pound. It is the blue cheese more than any other that the cheese people apparently are concerned with. Therefore, the section will be operative as to blue cheese.

Take Roquefort, there is no competition with imported Roquefort cheese. So said every dairyman who has discussed the matter.

Take Italian cheese, the imported cheese sells from 89 cents to \$1.09 a pound. Domestic variety sells at from 59 to 79 cents a pound.

Domestic Swiss cheese sells at 59 to 79 cents a pound. Imported Swiss cheese sells at \$1.19 to \$1.29 a pound.

So by this amendment we will eliminate from the operation of this section any item that is not in competition with your domestic item.

I am sure there can be no objection to this amendment, and I urge its adoption.

The comparative prices of domestic and imported cheeses of different types are as follows:

Retail price June 19, 1952

Cheese type	A. Schur, Washington Market, New York City	Nat Drucker, Washington Market, New York City	Phil Alpert, 235 Fulton St., New York City	Karton, 131 Charles St., New York City	Composite of 3 other stores
American Cheddar.....	\$0.79	\$0.79	\$0.59		
Canadian Cheddar.....	.75	.85	.69		
Danish Blue.....	.79	.79			
Domestic Blue.....	.75	.75			
English Stilton.....		1.69			
French Roquefort.....	1.29	1.29			
Domestic Provoloni.....	.79	.79	.59	\$0.69	\$0.65-\$0.69
Imported Provoloni.....	1.09	1.09	.89	.99	1.19-1.30
Domestic Parmesano.....	.99	(1)			.75-.85
Imported Parmesano.....	\$1.49	1.99	\$1.19		1.29-1.49
Domestic Swiss.....	.69	.65	.59	.79	
Imported Swiss.....	1.29	1.29	1.19	1.25	
Italian Pecorino Romano.....		1.25	.89-1.29	.89-1.20	.95-1.19
Domestic Romano.....		(1)	4.69	(1)	
Argentine Romano.....		.99			
Domestic Swiss-type Gruyere.....		6.39			
Imported Gruyere.....		6.49			
Domestic Sardo (hard-grating Romano type).....					.72-.79
Argentine Sardo.....					.72-.79

¹ Not available.

² Italian.

³ Argentine.

⁴ When available.

⁵ Regular Romano type (domestic) not available in 10 stores contacted.

⁶ 6 portions.

Pursuant to leave granted to me in the House I desire to call the attention of my colleagues to the following news item which appeared in today's Journal of Commerce:

DECLINES IN EXPORTS, IMPORTS LED BY AGRICULTURAL PRODUCTS

WASHINGTON, June 19.—A sharp drop in the value of agricultural products shipped out of this country in April was principally responsible for the drop in total exports which took place that month, the Census Bureau disclosed today.

April exports totaled \$1,321,800,000. This was \$82,700,000 below the March volume of \$1,404,500,000. During this time the drop in value of major export products amounted to \$69,700,000.

GRAIN EXPORTS

Wheat exports dropped from \$111,600,000 to \$85,800,000. Corn exports fell off from \$21,400,000 to \$15,000,000. Exports of other grains amounted to only \$20,500,000 in April as against \$27,900,000 in March.

Cotton exports meanwhile declined in value from \$94,200,000 to \$73,800,000 and tobacco exports from \$16,000,000 to \$11,100,000. Lard exports which were \$11,700,000 in March amounted to only \$6,900,000 the following month. Dairy product exports declined from \$7,200,000 to \$5,200,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The question was taken; and on a division (demanded by Mr. MULTER) there were—ayes 30, noes 86.

So the amendment was rejected.

Mr. BOLLING. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: On page 3, line 15, insert the following section:

"Sec. 103. Title II of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"Sec. 202. (a) Whenever the President of the United States, acting upon the written recommendation of the National Security Council, shall find that the national defense is endangered by a stoppage of production or a threatened stoppage of production in any one or more plants, mines, or facilities, as a result of the present management-labor dispute in the steel industry, the President is empowered and authorized to take possession of and to operate such plants, mines, or facilities (hereinafter referred to as "plants").

"(b) During the period in which the United States is in possession of any plant under this section, the duly designated representatives of the employees and the management of the plant shall be obliged to continue collective bargaining for the purpose of settling the issues in dispute between them: *Provided*, That during such period, the Federal Mediation and Conciliation Service shall continue to encourage the settlement of the dispute by the parties concerned.

"(c) Whenever an agreement concerning the terms and conditions of employment shall have been reached by representatives of the employees and the management of a plant in the possession of the United States under this section, or whenever in the judgment of the President it is no longer necessary in the interest of the national defense to continue possession and operation of any such plant, the President shall return such plant to the person lawfully entitled thereto: *Provided*, That possession by the United States shall be terminated not later than 6 months after the date upon which possession of the plant was taken initially under this

section, unless the period of possession is extended by an act of Congress.

"(d) (1) When possession of any plant has been taken by the United States under this section, a compensation board of five members shall be established, to be appointed by the President, by and with the advice and consent of the Senate. The compensation board shall determine (i) the amount to be paid as just compensation to the owner of any plant of which possession is taken and (ii) fair terms and conditions of employment of the employees in any such plant for the period of operation by the United States, other than changes relating to union shop, maintenance of membership, and similar arrangements between employers and employees: *Provided*, That such terms and conditions shall be consistent with wage and price stabilization policies under this act.

"(2) The President shall make provision for such stenographic, clerical, and other assistance and such facilities, services, and supplies as may be necessary to enable the compensation board to perform its functions.

"(e) During the period in which the United States is in possession of any plant under this section, the President shall maintain such terms and conditions of employment with respect to the employees in the plant as may be determined from time to time by the compensation board under the authority of subsection (d), but he shall not enter into any contract governing such terms and conditions with the representatives of such employees.

"(f) Whenever any plant is in the possession of the United States under this section, it shall be the duty of the officers and employees of the plant to cooperate fully with the United States in the efficient operation of the plant, and it shall also be the duty of the officers of any labor organization whose members are employees of such plant to encourage such employees to give their full cooperation to the United States in the operation of the plant.

"(g) Nothing in this act shall be construed to require an individual employee to render labor or service without his consent, or to deny any person whose property has been taken over by the United States under this act the right to a judicial determination of just compensation.

"(h) When the President shall have returned to its lawful owner any plant possession of which is taken under this section, he shall transmit to the Congress a full and comprehensive report of all the proceedings in the case, including the events leading up to the taking of possession by the United States, together with such recommendations as he may see fit to make."

Mr. FULTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Mr. Chairman, I make the point of order that the amendment is out of order on the ground that it is not germane to this section or to this bill; that it is affirmative legislation not within the purview of the jurisdiction covered by the language of this act.

Mr. BOLLING. Will the gentleman reserve the point of order?

Mr. FULTON. I will be glad to reserve it.

The CHAIRMAN. The gentleman from Pennsylvania reserves his point of order. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Chairman, the fact that a point of order is to be made against this amendment is but a clear indication that as the Supreme Court,

or at least certain Justices of the Supreme Court, have pointed out in their decision deciding that the President did not have authority to seize the steel plants, the unwillingness of Congress to meet the situation which confronts us today when we find ourselves in a condition where our people are denied the advantages of steel production, where the whole defense effort is affected by lack of steel production; the crucial issue that confronts the Congress today is restoring production in the steel plants. Equally crucial, equally important in the consideration which the Congress should give to this subject is the manner of the restoration of steel production; it should be the most equitable.

Until recently we have maintained steel production by various methods; methods based on the patriotism of management and labor, and on the efforts of the President of the United States. Now, after a period of more than 150 days after contract reopening we find ourselves once more without steel production. I think it is very significant that the Supreme Court took cognizance of the fact that the Congress, although having received two messages from the President, had taken no action.

I understand why so many Members are anxious to avoid affirmative action in this matter; it seems to me very clear, and I am entirely sure that the American people understand why the Congress does not desire to settle this matter affirmatively and fairly. There needs to be no explanation on the floor of this House why that is. The American people know what year this is and what month this is and what the Congress is doing. But it seems to me imperative that we now recognize that although Korea is 2 years in the past, in its beginning it is still with us, that the world situation today is no less grave than it was 2 years ago, that we must in this country, if we are to have an adequate defense for ourselves and our allies, have a continuing production of steel.

And we must do more than give lip service today in this year of our Lord, 1952, to the principle which we all know with great joy, equality of sacrifice.

We have permitted ourselves to get in a position where, in the eyes of the world and in the eyes of many American people, the Congress of the United States is acting on behalf of one side of a labor-management dispute.

Mr. FULTON. Mr. Chairman, I renew the point of order and ask unanimous consent to speak on the point of order.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Pennsylvania on the point of order, which does not require unanimous consent.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania may address the Chair, if he desires to do so, on the point of order.

Mr. FULTON. Mr. Chairman, what was the gentleman from Missouri speaking on?

The CHAIRMAN. The gentleman from Missouri was speaking on his amendment because the gentleman from Pennsylvania decided to reserve his point of order.

Mr. SMITH of Virginia. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. Mr. Chairman, the point of order is that the amendment is not germane to the pending bill, it involves labor legislation exclusively within the jurisdiction of the Committee on Education and Labor.

Mr. FULTON. Mr. Chairman, my point of order is pending.

The CHAIRMAN. Does the gentleman from Pennsylvania renew the point of order?

Mr. FULTON. Mr. Chairman, I renew the point of order.

The CHAIRMAN. Does the gentleman from Missouri desire to be heard on the point of order?

Mr. BOLLING. I do not, Mr. Chairman.

The CHAIRMAN. The Chair is ready to rule on the point of order.

Mr. FULTON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair is ready to rule. If the gentleman wants to be heard further on the point of order the Chair will be glad to hear the gentleman.

The gentleman from Missouri [Mr. BOLLING] offered an amendment to page 3, line 14, of the bill. The gentleman from Pennsylvania [Mr. FULTON] makes a point of order against the amendment on the ground it is not germane.

The Chair has had an opportunity to study the amendment offered by the gentleman from Missouri [Mr. BOLLING] and it is the opinion of the Chair that the amendment proposes to make basic changes in our labor legislation. The amendment proposes further to amend title II of the Defense Production Act of 1950, which is the authority to requisition property. The amendment goes beyond, as the Chair understands the amendment, the mere requisition of property and, as the Chair has stated, proposes to make changes in our labor laws.

In view of the fact that it goes beyond the scope of title II of the Defense Production Act of 1950, the Chair is constrained to sustain the point of order made by the gentleman from Pennsylvania [Mr. FULTON]. The point of order is sustained.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question has come up here, not only on the point of order, but the reasons behind the point of order. As you all know, I come from a great industrial area and know, I think, a little about what is happening on the strike front. If I can say anything in disagreement, I say this strongly in disagreement of the statement by the previous speaker when he says that Congress should decide to settle this present dispute. Congress should stay out of the steel strike, and should not dic-

tate the terms of settlement to either side. It is not your job and it is not my job as legislators.

The steel strike should be settled by collective bargaining, by agreement between the parties sitting at the collective-bargaining table, and the more Government stays out of collective bargaining the better it is going to be for everybody. Our current trouble is that there has been too much interference by the executive department of the Government. When a Member gets up on the floor of the House and says it is the duty of Congress to administer the law, I think he is misguided. It is the duty of the Executive to administer the laws, because this body of 435 Members cannot vote on wages and hours and prices and conditions of employment in each case that comes up. That is for business, management, and labor to sit together and discuss. They know the steel business, and politics and Government interference will ruin it. We in Congress set the method for collective-bargaining procedures. Congress has provided ample legislation for the method for the handling of labor-management disputes, although I agree there is room for amendment in the interests of efficiency, and expediting even-handed justice.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Illinois.

Mr. YATES. Does the public have any interest in the steel strike?

Mr. FULTON. The public certainly has an interest in the steel strike. The public has enough interest that it wants to see management and labor sit down and collectively bargain and settle the steel strike and protect and supply our men in Korea. But why should anyone try to put the burden on the Congress?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman from Missouri speaks of the failure of the Congress to deal with the matter of seizure. I would point out to him that provisions for seizure have been before the Congress and they have been turned down by the Congress. Now, I, too, believe in the right of labor and management to bargain collectively. That is the cornerstone of our competitive enterprise system. These folks who prate of their great love for labor and management bargaining collectively ought to recognize that resort to seizure, as a general proposition, dealing with labor disputes, will be the death knell to collective bargaining.

Mr. FULTON. I agree with the gentleman from Indiana and thank him for his support. I opposed seizure strongly from the time the question of seizure came up and spoke against it in this House. I represent the great southern portion of the city of Pittsburgh and Allegheny County and, with the gentleman from Pennsylvania jointly represent the city of Clairton, a tremendous steel-producing area of this country.

Seize steel and you seize the whole city. We in Pittsburgh and Clairton do not want to operate our basic industries under the Government; we do not want to nationalize the steel industry. In England they seized the basic industries one time more than they gave them back. They legislated and investigated the private owners right out of existence. The British Government investigated steel and coal and management was backed against the wall, and they interfered until there was no security for either labor or management. But the British Government did it for the best of motives to be helpful, but with disastrous results to labor, management, the private owners, as well as the whole British economy.

My policy all along has been that Congress should set the method and then say to business, industry, and labor, "You do your own settling and make your own contracts, and stay away from the Congress." If the President and the Federal mediation agencies are not doing their job in assisting these people toward their own agreed settlement, I am very sorry that the President feels it should be turned into the lap of the Congress, because ours is a legislative job and not an executive job.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The main question is the question of the production of steel. On the question of collective bargaining, I think very few would disagree with the position taken by the gentleman. The important thing in the emergency of today that confronts our country and the world is the question of the production of steel and that is lost sight of. I would like to ask my friend this question. The Supreme Court has said that the President did not have the power to seize. Congress does have the power to pass legislation. I want to ask my friend, Does he think the President should use the provisions of the Taft-Hartley Act?

Mr. FULTON. I believe this—

Mr. McCORMACK. Does he?

Mr. FULTON. I believe this—

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Indiana.

Mr. McCORMACK. Of course, I will withdraw my question.

Mr. HALLECK. The gentleman does not need to worry about withdrawing it. Let me say that I have said before, and I say again, the President of the United States ought to use the law of the land that was worked out by the Congress after careful consideration to deal with national emergency strikes. Whether he likes the law or not, he ought to use it.

Mr. McCORMACK. Does the gentleman think the President should use the provisions of the Taft-Hartley Act? The gentleman can say "Yes" or "No."

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

Mr. SPENCE. I object, Mr. Chairman.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. SPENCE. Mr. Chairman, I am going to follow the statement I made earlier. I am going to object to any extension of time.

Mr. FULTON. Let it be on the record, I may say to my good friend, the gentleman from Massachusetts, that I have honestly tried to answer the question.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I have never voted for any control legislation and I do not want to do so now. But here we are writing a bill that will have in it something other than controls as originally intended.

There are some things which will be written in this bill in which I believe. For example, I believe that the President should use the law on the books. He took an oath that he would enforce the law, not part of the law—not part of the law. He said that after the Taft-Hartley law was adopted he would enforce it, yet he does not do it.

Then he came up here and asked the Congress to tell him what to do. Common decency, common courtesy, requires that we answer him, and I am in favor of telling him to go ahead and perform his sworn duty by using the Taft-Hartley Act. He said he would. I want by our action on this bill to assure the people and have him assure the people by his action, not words, that he is a man of veracity, a man of his word, that he will enforce the law.

We will get an amendment to this bill which will require the President, or request the President, to enforce the Taft-Hartley Act. I like that. It is a kindly respectful answer to his request, to a man in trouble. I would like to see it go through.

We will get an amendment then curtailing the powers of the Wage Stabilization Board. I like that. I would like to vote for that. The Sadlak amendment is in. I like that. I voted for it. There are three things that will be in the bill, and probably half a dozen more if the amendments go through, that I like, that I want to vote for. But I do not want to vote for controls. I hope someone during the evening or the night, and before tomorrow morning will give me a word of advice on how I can escape the dilemma in which I find myself.

The gentleman from Massachusetts [Mr. McCORMACK] asked our colleague from Pennsylvania [Mr. FULTON] whether he was in favor of enforcing the Taft-Hartley Act or asking the President to do so. If you ask me, my answer is,

Sure I am. Is the gentleman from Massachusetts [Mr. McCORMACK] not in favor of that? Why, he ought to be. Now he is going to take 5 minutes here to give us one of those long, pleasing, and instructive political discourses.

Mr. McCORMACK. Does the gentleman want me to answer the question?

Mr. HOFFMAN of Michigan. If the gentleman desires to do so.

Mr. McCORMACK. Does the gentleman ask me, am I?

Mr. HOFFMAN of Michigan. Yes.

Mr. McCORMACK. No.

Mr. HOFFMAN of Michigan. There you are. He is not in favor of suggesting to the Chief Executive, who ignores his sworn duty, who said that he would enforce the law but does not do it, he is not in favor of coming along and politely just requesting his President and my President to comply with his oath of office. He is welcome to take that position before the House and before the country. I want none of it. The gentleman said that what we needed is the production of steel. Why is not steel being produced now—today—why? Oh, let us be realists. There is only one reason and we all know that answer. The President has entered into—I will not say a foul or a vile conspiracy, we will call it a holy alliance to go along with the union leaders to serve the purpose of Phil Murray. Look: Lo and behold who comes to his aid? John L. Lewis who had a judgment of the Supreme Court rendered against him personally at one time for contempt of the law. Did he not pay a fine for defying the law and the courts? He should have gone to jail. But here he is again. John says that he will contribute to those who are now refusing—refusing I say to the gentleman from Massachusetts—to produce steel which is needed to carry on the war effort, he will contribute what is it? Ten million dollars to those steelworkers to aid them in staying off the job of producing steel. Where did he get it? He got it out of the consumers of coal after the men who mined the coal had been paid their wages and John had levied his tribute on each and every pay check a miner received—that is on the wages ultimately paid by the consumers of coal.

We are not getting steel today because of this political alliance between the President of the United States and the President of the CIO, backed up by that defier of the law, John L. Lewis, who you will remember contributed better than a half million dollars to the campaign of President Roosevelt at one time when he mistakenly thought, let it be said to the credit of President Roosevelt, that he was going to have something to say about the policies of that administration as they applied to labor.

If our Armed Forces are short of steel, if this country is short of steel, for domestic use, it is because the President of the United States has betrayed the people and has refused to go along with the law which the Congress has written, and which he said he would take and he now refuses to use. He refutes and goes back on his own solemn oath, on his promise made after the Taft-Hartley

Act was passed. He refuses to do his duty to the men he has sent to Korea.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, this is a little interesting interlude which has brought a great deal of pleasure to the Members. The gentleman from Michigan has made his usual remarks about John L. Lewis. I wonder how John L. Lewis feels about being attacked by a Republican when John L. Lewis supported the Republican Party in 1940, 1944, and 1948. But that is his problem and not mine. John L. Lewis is a man with whom I have not always agreed. He is a man of strong character and I have a great deal of respect for him, because he has done much good for the mine workers and their families. I can remember in 1933, as a member of the Committee on Ways and Means, when I voted to report out the bill creating the Bituminous Coal Commission. The mine workers and their families are deeply indebted to the Democratic Party for that measure which saved them economically.

Mr. FULTON. Mr. Chairman, will the gentleman yield for a question?

Mr. McCORMACK. I yield.

Mr. FULTON. In April of 1948 and in June of 1948 and in February 1950, President Truman used the Taft-Hartley law against the coal miners and against John L. Lewis.

Mr. McCORMACK. Will the gentleman answer my question now. Are you in favor of the President invoking the Taft-Hartley Act now?

Mr. FULTON. Were you in favor of the President using the Taft-Hartley law in April of 1948 against the coal miners and in June 1948, against the coal miners, and in February 1950, against the coal miners? Do you agree that the President was right on those occasions?

Mr. McCORMACK. The President exercised his authority under those conditions. There was not a 6 months' wait and a 6 months voluntary delay on the part of the leadership of the miners as there is in this case. President Truman has obtained cooperation for 6 months.

Mr. FULTON. What do you think of the current steel situation?

Mr. McCORMACK. President Truman has obtained for a period of 6 months the voluntary cooperation on the part of Phil Murray and the members of the steel workers union. Furthermore, they have not received an increase in pay since December 1950. Does the gentleman from Pennsylvania deny that fact? Furthermore, if they got the increase in pay now recommended by the Wage Stabilization Board, they would not be receiving the salary that the General Electric Co. pays its employees now.

Mr. FULTON. I agree with you that the steel workers have cooperated voluntarily to keep production going, and that they should have a retroactive pay increase at this time through collective-bargaining procedures.

Mr. McCORMACK. One of the recommendations was a 12½-cent increase, retroactive to January of this

year, with a 2½-cent increase starting July 1 of this year, and another 2½-cent increase starting in January, 1953. There are certain fringe benefits recommended.

How many of you realize that the steel workers do not get one penny for a holiday throughout the year? The General Electric workers, in their union contract, receive pay for 7 holidays throughout the year. One of the fringe suggestions made was that the steel workers receive 6 holidays' pay throughout the year.

On March 21, the very day after the Wage Stabilization Board made its recommendations, the General Electric Co. management issued a statement to its employees and in a letter sent out stated that even with the wage increase recommended by the Wage Stabilization Board, the employees of the General Electric Co. were getting higher wages and better fringe benefits.

President Truman has urged the leaders of the steel workers not to resort to a strike. The 80 days under the Taft-Hartley Act would have transpired long ago. President Truman has more than accomplished the provisions of the Taft-Hartley Act by continuing production of steel from the steelworkers, while the Wage Stabilization Board panel was receiving evidence. Instead of being criticized, Phil Murray has shown that he is a man of outstanding ability and has cooperated in every way possible.

I do not want to get into any criticism of management. There are questions in dispute that should be adjusted around the table through collective bargaining. I recognize the question of a union shop; what kind of a union shop is a matter of collective bargaining. That was a recommendation that should be subjected to collective bargaining, but the fact remains that as far as wages are concerned, the Wage Stabilization Board never recommended a 26-cent an hour increase. They recommended 12½ cents an hour retroactive to January 1, 2½ cents further increase on July 1, and 2½ cents further increase in January 1953. In any event, let us go forward with this bill. I think it is wise that nothing involving labor one way or the other be put into this bill. Let it come out in separate legislation from the committee and let the House consider it as a separate bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the motion offered by the gentleman from Michigan.

The motion was rejected.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time for the specific purpose of giving the gentleman from Pennsylvania [Mr. FULTON] an opportunity to answer the question that he wanted to personally answer, which was put to him by the gentleman from Massachusetts [Mr. McCORMACK]. If the gentleman from Pennsylvania is ready, I will yield to him to

give him an opportunity to answer that question.

Mr. FULTON. Mr. Chairman, when the Congress passed the Taft-Hartley law I voted for the Taft-Hartley law. I felt the President would impartially use the powers of his office in disputes between management and labor and would act impartially, but it has been aimed against certain groups. I find the President has used the Taft-Hartley law nine times; used it nine times, beginning with atomic energy in March of 1948. Then, in June 1948, he used it on the meat-packing industry. Two times he used it in 1948, and once in 1950 on the coal industry. In addition to that, he used the law in connection with the long-distance telephone lines in May of 1948.

Also on the east and west coasts and in the Great Lakes maritime industry he used the law in August of 1948. In addition to that in 1951 he used the law on the copper mine unions. Under those circumstances where the President himself has said the law was a valid instrument for assisting collective bargaining procedures and not for repressing human rights, on that basis I say the President in his discretion should use the Taft-Hartley law, except where it will cause undue hardship. That is his discretion. It is not the duty of this Congress to say what the contract should be or to administer any law, including the Taft-Hartley law.

In the present steel industry dispute the President did not quickly move to do anything, and when he did move he moved towards an unconstitutional action, seizure. Of course, the Supreme Court struck down this seizure action. The Supreme Court, in its opinion, said the President had not yet exhausted his statutory remedies. That was correct.

I believe that when the parties in the steel dispute have cooperated for the length of time which they have in this current dispute, that the Government should take no severe action or interfere with the collective bargaining, when the parties are so near agreement. Neither the executive department of the Government nor Congress should permit the steel strike to be used as a political football in this election year. Public safety and our troops in Korea demand a prompt negotiated settlement of the steel dispute.

I might say to you what I have already said to the gentleman from Virginia [Mr. SMITH] so that the majority leader can see that I am impartial about this situation. I agree with the majority leader that there should be no basic labor-management legislation change in this present law. I said to the gentleman from Virginia [Mr. SMITH] that I likewise would raise a point of order to his amendment and if the amendment were put in would vote against it.

If the President cannot administer every law impartially, then we need a Republican President in November, and I hope the majority will agree.

Mr. MULTER. Mr. Chairman, will the gentleman from California yield that

I may ask a question of the gentleman from Pennsylvania?

Mr. McDONOUGH. I yield.

Mr. MULTER. Is it not a fact that in not one of the nine instances the gentleman from Pennsylvania has referred to where the Taft-Hartley Act was invoked, in not one instance has the union or the workers withheld action and withheld striking for 119 days as they did in the steel industry?

Mr. FULTON. Does not the gentleman think it is dishonest to the workers because they have been led on for these 119 days by the White House?

Mr. McDONOUGH. Mr. Chairman, I refuse to yield further.

Mr. MULTER. They have not been led on, but it would not be fair to them to ask them to wait another 80 days.

Mr. McDONOUGH. Mr. Chairman, I decline to yield further.

Mr. Chairman, I think it is abundantly evident that if the President in the beginning of the steel strike had justifiably exhausted all legislative means at his command the situation would be much different and we would be producing steel today; but because he did not, his action in seizing the steel industry was properly declared unconstitutional by the Supreme Court.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: Page 3, after line 14, add a new section as follows:

"SEC. 103. Title I of the Defense Production Act of 1950 as amended, is amended by adding at the end thereof a new section to read as follows:

"SEC. 105. No authority is conferred under this act to participate in international allocations of commodities or materials and the provisions of this act may not be used to enforce or effectuate any such allocations."

Mr. MEADER. Mr. Chairman, this amendment relates to the bill. It is a technical, drafting, perfecting amendment to carry out what I believe is the will of the House of Representatives as expressed a few minutes ago in connection with the amendment offered by the gentleman from Connecticut [Mr. SADLAK].

Mr. Chairman, I spoke in support of the Sadlak amendment and said at that time that I did not think his amendment went far enough because it limited its application only to the International Materials Conference. The International Materials Conference has no statutory basis or foundation. It was something that was created out of the ether by the executive branch of the Government.

The Sadlak amendment would prohibit the carrying out of any allocations fixed by the International Materials Conference. But what guaranty do we have that there will not be a new commission or committee set up in the executive branch without authority of law dealing in this field of allocating materials on an international basis and using the enforcement procedures of this act to carry them out in this country, even though they may not be carried out in other countries?

My amendment would simply close the door so that there would be no authority to engage in the international allocation of commodities or materials, and would deny the enforcement provisions of this act in carrying out any such allocations. The amendment ought to be adopted by the committee as a perfecting amendment in order to fully carry out the will that the committee expressed by a vote of 169 to 102 within the last hour or hour and a half.

Mr. JAVITS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. MEADER].

(Mr. JAVITS asked and was given permission to revise and extend his remarks.)

[Mr. JAVITS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the pending amendment will not be agreed to. By legislation it ties the hands of the Government so that it cannot take the proper methods for securing to us the materials that are so essential in this time of emergency. It not only ties the hands of the Government today, for tomorrow, and for 2 years, if we extend it for a year. Now what could be more ill-considered than to say to the agencies of Government, "You cannot take the necessary steps to purchase the things that we need." We have largely nullified the International Materials Conference, and now we go further. We say that they cannot enter into these international agreements. Certainly you do not mean to do this. No one here knows how far-reaching that amendment will be or what might be its repercussions if trouble abroad came to us.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Illinois.

Mr. YATES. The appropriations subcommittee, of which I am a member, has before it now the question as to whether or not the Atomic Energy Program shall be expanded by \$3,900,000,000. It has been presented to our committee that almost all of the uranium needed for that program comes from countries other than our own. Who can say but what the effect of this amendment will be to cut off the supply of uranium to this country.

Mr. SPENCE. Of course it will. It will tie our hands not only to get these materials, but it will tie our hands in national defense. The bill should pass as it was presented to the House, and this amendment, if you wish to preserve our security and give the national authorities the right to take such action as may be necessary for that purpose, should be defeated. I venture to say that no Member knows how far-reaching the effect of the amendment may be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The question was taken; and on a division (demanded by Mr. MEADER) there were—ayes 9, noes 67.

So the amendment was rejected.

(Mr. BLATNIK asked and was given permission to revise and extend his remarks.)

Mr. BLATNIK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few minutes ago there was quite a colloquy here regarding the steel-wage-price controversy. Coming from the large iron ore area in northeastern Minnesota, we have over 16,000 very patriotic, sincere, hardworking iron ore miners. I feel constrained to make a few remarks here at this time in answer to the allegations made by the speakers on the other side of the aisle.

No. 1. It was implied that either the President or the steelworkers leadership, the great labor-statesman, Mr. Phil Murray, head of the United Steelworkers, CIO, had "led on" these workers. I want the RECORD to show here and now, and clearly that if there was any leading on by anybody it was done by the representatives of the steel industry of these United States. For over 90 days the leadership of labor, democratically elected by the organization, sat patiently by, urging representatives of the steel industry that they get around the table and engage in sound, effective collective bargaining. After a long delay during which time steel representatives refused to bargain at all, finally it was upon the invitation of representatives of the steel industry itself that the labor representatives went to New York, where they were left to cool their heels for 3 days in the hotels, waiting for collective bargaining sessions to begin—and I wish the gentlemen on the other side of the aisle would listen while the labor representatives were waiting to start negotiations in good faith, the steel industry spokesmen in the meantime were going out through the back door, contacting former Defense Mobilizer, Mr. Wilson, hoping to get a reasonable assurance that there would be a substantial increase in the price of steel before they would engage in honest negotiations with labor. What followed is now a matter of public record—Mr. Wilson being unable to produce on any steel price hike he may have tentatively agreed to, resigned; and labor was right back where it started from way last December—trying to get the steel industry to bargain in good faith.

The distinguished majority leader, the gentleman from Massachusetts, pointed out, and correctly so, the real facts in the whole labor situation when he quoted facts from a letter circulated by the management of General Electric. I have a photostatic copy of that letter. It is dated March 21, 1952, and entitled "Employee Relations News Letter, for Circulation Among General Electric Management."

Here GE management summarizes the steel recommendations made by the Wage Stabilization Board. They say that the pay increase is not the so-called package increase of 27½ cents but is instead a 12½ cents per hour pay in-

crease as of January 1, 1952, with a 2½ cents per hour pay increase as of July 1, 1952, and a final 2½ cents per hour pay increase as of January 1, 1953.

Fringe benefits include, for example, six holidays with pay. The steelworkers have none at the present time. There were other minor fringe benefits.

Then the General Electric management letter goes on to compare the situation with that of their own employees, and this is what management says in its letter:

Comparison: So far as our situation is indicated in the above, the catch-up with us is after our 3.58-percent increase, and before our current offer.

It has been about 15 months since the steelworkers had an adjustment. In that time General Electric hourly employees have averaged over 15 cents pay increase allowed and another possible 2 to 3 cents offered currently.

This General Electric price increase does not include any fringe benefits. They mention the fringe benefits further, and I continue to quote from the letter:

You will note the fringe benefits—even with the new additions—are only being brought up into the neighborhood of those we have already. Our seven paid holidays, for instance, are now costing us almost 5 cents per hour.

So the head of General Electric, at that time the Defense Mobilizer, would deny to the CIO steelworkers that which he had months ago thought fair and equitable to the employees of General Electric.

This whole thing merely proves that the steelworkers' requests are modest and sincere. They are trying to catch up to the advances made in all other major segments of industry.

The President has a law called the Taft-Hartley law. It has not been made clear, even by the gentleman from Pennsylvania, when he was asked point blank to answer "yes" or "no," whether or not that law should be invoked. There were only rather general references made to it. President Truman told Congress that the Taft-Hartley law is a permissive piece of legislation which could not be effective in this situation, which is extremely critical because of the world situation.

In plain, simple, straight-forward language the President explained this whole controversy to Congress and asked for the necessary legislation to enable him to work out a solution fair to both parties and at the same time continue an uninterrupted flow of vitally needed steel. Congress neither granted the President such authority, nor did it have any alternative approach toward the settlement of this serious and critical problem—the President was merely told by the other body to invoke the Taft-Hartley law. It reminds me of a surgeon being instructed to use a clumsy meat cleaver in place of a precision scalpel with which to perform a delicate emergency operation.

Mr. FULTON. I would be glad to answer if the gentleman has time.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. SPENCE. Mr. Chairman, I move that all debate on this section, section 102, and all amendments thereto do now close.

Mr. WOLCOTT. Is that debatable, Mr. Chairman?

The CHAIRMAN. The motion of the gentleman from Kentucky is not debatable.

Mr. WOLCOTT. Is not the gentleman going to submit a unanimous-consent request, so that we can find out what it is all about?

Mr. SPENCE. I am perfectly willing to ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, are there any further amendments pending?

The CHAIRMAN. The Chair is not aware of any further amendments pending to section 102.

Mr. WOLCOTT. Would the Chair entertain a parliamentary inquiry as to whether there are any further amendments pending?

The CHAIRMAN. If the gentleman from Michigan desires to submit such a parliamentary inquiry, the Chair will be glad to entertain it.

Mr. WOLCOTT. Will the Chair in turn ask the committee if there are any further amendments to section 102?

The CHAIRMAN. The Chair will make the statement that if there are no further amendments to section 102 the Clerk will read.

Mr. WOLCOTT. I think that is the better way of handling it.

The Clerk read as follows:

SEC. 103. The first sentence of section 302 of the Defense Production Act of 1950, as amended, is amended by inserting before the period at the end thereof the following: "and manufacture of newsprint."

Mr. FORRESTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORRESTER: On page 3, after line 18, insert the following new subsection:

"Section 104, paragraph 2 of subsection D of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting after the first sentence thereof the following new sentence: 'No regulation or order shall be issued or remain in effect, under this title which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less'."

Mr. McCORMACK. Mr. Chairman, a point of order. I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair will be very glad to hear the gentleman from Georgia [Mr. FORRESTER] on the point of order.

Mr. FORRESTER. Mr. Chairman, this is an amendment to a section which deals directly with wages and this amendment absolutely relates to wages.

Mr. McCORMACK. Mr. Chairman, I withdraw the point of order.

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Georgia yield to the gentleman

from Arkansas for a parliamentary inquiry?

Mr. FORRESTER. I yield, Mr. Chairman.

Mr. HARRIS. Is the gentleman's amendment to section 103 or section 104?

Mr. FORRESTER. It is a new section, which would be added at page 3, after line 18, to insert a new subsection.

Mr. HARRIS. Would the gentleman yield for a parliamentary inquiry further, if I ask that it not be taken out of the gentleman's time?

The CHAIRMAN. The time is running against the gentleman.

Mr. SPENCE. Mr. Chairman, I think the amendment is offered in the wrong point in the bill, but we have no objection to the amendment.

The CHAIRMAN. Does the gentleman from Georgia yield for a parliamentary inquiry?

Mr. FORRESTER. I yield.

Mr. HARRIS. Does this mean we have passed over section 103 already?

Mr. FORRESTER. They have read through section 103.

Mr. HARRIS. Mr. Chairman, I raise the point that section 104 has not been read, if the gentleman is offering an amendment to section 104.

Mr. FORRESTER. This is a new section before you get to section 104.

The CHAIRMAN. Permit the Chair to advise the gentleman from Arkansas that the gentleman from Georgia has offered an amendment at page 3, after line 18, to insert a new section. The amendment has been read and the Chair has recognized the gentleman to proceed with debate. The gentleman in turn yielded to the gentleman from Arkansas for a parliamentary inquiry. The point of order comes too late.

Mr. HARRIS. Mr. Chairman, is the Chair holding that we have already passed section 103?

The CHAIRMAN. It seems that the amendment offered by the gentleman from Georgia comes at the proper place.

Mr. SPENCE. Mr. Chairman, we accept the gentleman's amendment.

The CHAIRMAN. The gentleman from Georgia may proceed. The Chair will advise the gentleman that the time consumed on the point raised by the gentleman from Arkansas [Mr. HARRIS] is not being taken out of his time.

Permit the Chair to inquire of the gentleman from Arkansas if he has an amendment to section 103?

Mr. HARRIS. No, Mr. Chairman; but I did want something to say on section 103.

The CHAIRMAN. The gentleman will have the opportunity to speak on section 103.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. FORRESTER. I yield.

Mr. McDONOUGH. Mr. Chairman, is this on section 104 of the bill?

The CHAIRMAN. The Clerk has not yet read section 104.

The gentleman from Georgia may proceed.

Mr. CAMP. Mr. Chairman, I ask unanimous consent that the gentleman be given the proper 5 minutes of time, as he has not had a chance to speak one word on his amendment.

The CHAIRMAN. If there is no objection, the Chair will now recognize the gentleman from Georgia [Mr. FORRESTER] for 5 minutes.

There was no objection.

Mr. SPENCE. Mr. Chairman, we would like very much to hear the gentleman's speech, but the committee will accept his amendment.

The CHAIRMAN. The Chair must advise the gentleman from Georgia that time is running against the 5 minutes for which he has been recognized.

Mr. FORRESTER. Mr. Chairman, I decline to yield further.

Mr. WOLCOTT. Mr. Chairman, I had reserved the right to object, simply to tell the gentleman that I think he should take his 5 minutes, with the knowledge that there is no objection to his amendment on this side.

Mr. FORRESTER. I am delighted to hear that. I am extremely grateful that the gentlemen on both sides of the aisle accept this amendment. I would like to tell you a little about the amendment. This will relieve a lot of administrative procedure on the part of your people, whatever State you come from, and give you an opportunity to increase wages up to \$1 per hour, without having to resort to the Wage Board. I believe every one of you are for it. I appreciate the fact that you are accepting the amendment on both sides of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. FORRESTER].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to this section?

Mr. WOLCOTT. Mr. Chairman, there are other amendments to this section, I am sure. I know of one Member who expected to offer a very important amendment at this point. Relying upon assurance which I had no right to give him, that the Committee was going to rise at 5:30 and that his amendment undoubtedly would not be reached today, he has left the floor. Inasmuch as it was the intention, as I understood it, for the Committee to rise at 5:30, to protect that situation if there are no other amendments pending, I suggest to the Chairman that the Committee do now rise.

NEWSPRINT—EXTENSION OF DEFENSE PRODUCTION ACT

Mr. HARRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to comment on the importance of this section and emphasize what it means to the American people. By this section 103, newsprint is included as necessary to our national defense. This extends the lending provision by Government to expansion of newsprint production. This is sorely needed. It is a reflection on our ingenuity to be so dependent on foreign supply of this necessary product.

Currently United States consumption of newsprint is about 6,000,000 tons annually. This is supplied by some 1,050,000 tons of domestic production, 4,750,000 tons imported from Canada, and 200,000 tons imported from Scandinavia. Slightly under 80 percent of total supply is derived from Canada.

Current United States newsprint manufacturing capacity is about 1,100,000 tons, while that of Canada is some 5,500,000 tons. Plants are presently running slightly over theoretical capacity.

For some few months and right at the moment there appears to be approximate balance between over-all United States supply and demand. At best, however, the situation is none too easy and there is imbalance among publishers. Consumption is estimated to be on the increase in the amount of some 600,000 tons in the next 6 years and 1,000,000 tons in the next 10 years. Canadian manufacturers estimate that principally through speed-up of older facilities they will have little difficulty in increasing capacity to meet this estimated increased demand.

A basic problem is inherent in the extent to which both present United States demand and the projected increase in demand is dependent upon Canadian sources for its meeting. At the time of the First World War most of the United States consumption was met domestically. Not only was the subsequent increase met by the building of plants in Canada, but United States mills converted to other types of paper making so that today we have less newsprint capacity than 30 years ago.

Actually, this situation, as we have seen, has been accompanied by a series of price increases by Canadian manufacturers, the latest of \$10 a ton just now going into effect, so that the total is now \$126 per ton, or twice that of 6 years ago. At the moment this country apparently has little alternative to the acceptance of such increases. Their grave effect, however, upon the ability of newspapers to continue in unfettered operation, is quite obvious.

The newsprint subcommittee of the House Committee on Interstate and Foreign Commerce, accordingly, has explored the possibilities of expansion of United States newsprint manufacturing capacity. A major deterrent to such expansion is the present high cost of construction, estimated at two and a half to three times the installed cost of most plants now in operation.

Some assistance to would-be manufacturers is contained in the accelerated tax amortization provisions of section 124 (a) of the Internal Revenue Act, but in nearly 2 years now only 375,000 tons of new capacity has been projected by this route, although the Defense Production Administration itself has sponsored a program totalling 494,000 tons increase.

The subcommittee, therefore, is pleased to note that in the extension of the Defense Production Act, as reported, the Banking and Currency Committee has approved the inclusion of a provision in section 302 of the act which endorses the principle of a free press as essential to defense by making it possible for new

newsprint manufacturers to secure financial assistance through direct Government loans for this purpose. This provision needs specific spelling out, as hitherto defense agencies have not construed their authority under this section as broad enough to cover the expansion of newsprint facilities.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In order that I may advise the membership of the House, I wish to state that when we go back into the House I shall ask unanimous consent that when we adjourn today we adjourn to meet tomorrow at 10 o'clock. I wanted to make that announcement of my intention, with such a full membership.

Mr. HARRIS. Mr. Chairman, I am sure the membership is glad to have the information and I thank the majority leader. We have all heard about the very difficult situation with regard to newsprint. I wanted to commend the Committee on Banking and Currency for including this amendment.

Mr. SPENCE. I am very sure under the circumstances the committee is very appreciative of those kind words.

(Mr. HARRIS asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, had come to no resolution thereon.

HOUR OF MEETING JUNE 20

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROPOSED AMENDMENT TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

(Mr. REES of Kansas asked and was given permission to extend his remarks at this point in the RECORD and include an amendment he expects to offer in the Committee of the Whole tomorrow.)

Mr. REES of Kansas. Mr. Speaker, I am directing the attention of the membership of the House that on tomorrow when the bill, Defense Production Acts of 1952, is read for amendments, I shall offer an amendment, unless a Member secures recognition with a similar amendment before I am recognized. The proposed amendment reads as follows:

After the words "Sec. 104", insert "That section 402 (f) of the Defense Production Act of 1950 is amended by inserting immediately before the period at the end thereof a colon and the following: "Provided, however, That the ceiling price of any material, which by its nature is not susceptible to speculative buying and not more than 10 percent of which is purchased with Government funds for defense purposes, shall be suspended as long as: (1) The material is selling below the ceiling price and has sold below that price for a period of 6 months; or (2) the material is in adequate or surplus supply to meet current civilian and military consumption and has been in such adequate or surplus supply for a period of 6 months, if such material requires expansion of productive facilities beyond the levels needed to meet the civilian demand as set forth in section 2 of this act. For the purpose of this proviso, a material shall be considered in adequate or surplus supply whenever such material is not being allocated for civilian use under the authority of title I of this act."

I take this means of calling the attention of the membership to my proposal in order that you may be familiar with its content and meaning when it is submitted for your consideration.

It is my belief, Mr. Speaker, that this amendment really carries out the intent of Congress when the Office of Defense Production of 1950, was approved.

COMMITTEE ON AGRICULTURE

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill (H. R. 8243) to authorize the Secretary of Agriculture to cooperate with the States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

RESIGNATION FROM CONGRESS

The SPEAKER laid before the House the following communications which were read by the Clerk:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 18, 1952.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I beg leave to inform you that I have this day transmitted to the Governor of Texas my resignation as a Representative in the Congress of the United States from the Seventh District of Texas, effective midnight June 30, 1952.

A copy of my letter to the Governor is enclosed herewith.

Respectfully yours,

TOM PICKETT,
Member of Congress.

[Enclosure.]

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 18, 1952.
HON. ALLAN SHIVERS,
Governor of Texas, Austin, Tex.

DEAR GOVERNOR: I hereby tender to you my resignation as a Member of the House of Representatives in the Congress of the

Appendix

Recommendations of American Federation of Labor on Defense Production Act Amendments of 1952

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1952

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from William Green, president of the American Federation of Labor:

WASHINGTON, D. C., June 17, 1952.

Hon. JOHN W. McCORMACK,
House Office Building,

Washington, D. C.

DEAR CONGRESSMAN McCORMACK: When the Members of the House of Representatives consider the bill extending the Defense Production Act (H. R. 8210) this week they will be called upon to make a number of decisions directly affecting the welfare of the workers of this Nation and of all the American people. I, therefore, wish to take this opportunity to state the views of the American Federation of Labor on some of the most important issues involved in this legislation.

Labor firmly believes that there still remains a critical need for an effective economic stabilization program. We, therefore, oppose any measures which would either remove or weaken the existing anti-inflation controls.

In recent months there has been much loose talk about the so-called soft markets and alleged falling prices. The overwhelming evidence is that the inflationary trend persists and will be a continuing threat to our economy unless checked. Although wholesale prices had dropped somewhat in recent months they are rising again. Retail prices dropped fractionally from January to February of this year, but since then have steadily increased. In March items accounting for more than 70 percent of the Consumers' Price Index of the Bureau of Labor Statistics were either at all-time peak levels or within 2 percent of peak. Since then prices have risen still further.

It is important to recognize that inflationary pressures will be reinforced in the coming months as defense expenditures and production, especially output of hard goods such as tanks, aircraft, and ammunition, continue to expand. Thus, even if there should be no drastic change in the international situation, and we must always be prepared for just such an emergency, the pressures on the economy will be intensified for at least the next 18 months.

Faced with the prospect of new and increasing price pressures, the Nation cannot afford to be stripped of the protections which are essential to prevent a new inflationary spiral. This means that the Defense Production Act should be extended for a period of at least 1 year and that it should be strengthened and not weakened.

In view of this, I submit for your consideration the accompanying summary of specific recommendations on the major issues

which are likely to come before the House of Representatives in connection with the Defense Production Act.

I respectfully request that you give full and careful consideration to these recommendations. Any weakening of the Defense Production Act at this critical time would be detrimental to the welfare of the American people and would seriously jeopardize the defense effort of this Nation and the entire free world.

On behalf of the American Federation of Labor, I therefore urge you to oppose any and all proposals which would weaken the Defense Production Act.

Very truly yours,

WM. GREEN,

President, American Federation of Labor.

RECOMMENDATIONS OF AMERICAN FEDERATION OF LABOR ON DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

PRICE CONTROL

1. The House Banking and Currency Committee has approved an amendment (sec. 106 of H. R. 8210) to the so-called Herlong amendment (sec. 402 (k) of the act), originally adopted in 1951, which would weaken the price stabilization program even more than the Herlong amendment has already done. By eliminating the word "hereafter," the new amendment would force the Office of Price Stabilization to apply the Herlong formula to all regulations adopted before August 1951 when the Herlong amendment went into effect. The present Herlong formula guarantees pre-Korean mark-up margins to retailers and wholesalers and has already resulted in substantial increases in the prices of groceries and other cost-of-living items. The amendment extending it would result in further substantial increases in the cost of living. The American Federation of Labor is in favor of outright repeal of the Herlong amendment. We oppose any amendment which would force it to be applied retroactively.

In this connection, we also oppose any proposal, which would, in effect, guarantee higher prices to chain stores by guaranteeing to each retail and wholesale establishment its individual historical mark-up on individual items. This would result in immediate increases in food prices and would also make impossible introduction of dollar and cents price ceilings.

2. The Senate has voted to eliminate any price ceilings on fresh fruits and vegetables. The House Banking and Currency Committee has made no such recommendation and we would strongly oppose any proposal of this kind that might be made on the floor of the House.

3. We urge repeal of the so-called Capehart amendment. This amendment has already cost American consumers more than \$1,000,000,000. It is contrary to traditional American principles of achieving lower prices through increased efficiency and introduction of new methods and techniques. It does not belong in stabilization legislation, and we strongly urge its repeal. We also oppose any modification of the Capehart amendment which might extend the cut-off date for cost increases in general or guarantee a pass-through for any specific cost increases.

4. We oppose any proposal that may be offered for automatic decontrol of prices on the basis of a percentage formula. Experience has shown that prices of individual products may rise very rapidly in a short period. There is grave danger that the enactment of an amendment providing for automatic decontrol of prices of items selling at a specified percentage below the ceiling would remove the protection we now have against the ever-present danger of sudden increases in prices. We are also opposed to any amendments which may be offered which would decontrol the prices of all materials except those to which allocation regulations now apply. There are actually only a very few materials which are now subject to allocation. Therefore, an amendment requiring decontrol of all materials and services not subject to allocation would actually kill virtually the entire price-control program.

5. We oppose any exemptions favoring special interests. The Senate and the House Banking and Currency Committee have provided for such exemptions through special amendments favoring cigarette distributors, milk distributors, marine terminals, nontransportation services of railroad companies, and other special groups. We can see no reason why special favors should be granted to these groups, and we urge that all exemptions applying to special interests be defeated.

RENT CONTROL

We understand that a proposal will be made which would force removal of rent controls in most areas of housing shortages where they are now in operation. The proposal calls for decontrol of all areas, which are not specifically designated as "critical defense areas," in which the percentage increase in the number of dwelling units from 1940 to 1950 exceeds the percentage increase in population. Although this formula might seem plausible at first glance, a closer examination indicates that it is without justification. For the Nation as a whole there was a 22-percent increase in dwelling units from 1940 to 1950, while the increase in population was 15 percent. Nevertheless, in hundreds of areas there is still a severe housing shortage. Actually, we need more housing per capita today than we did in 1950 because the increase in both the number of married couples and the number of persons 65 and over has been greater than the increase in population. In addition, there has been a continuation of a long-term historical trend toward smaller families so that whereas in 1940 there were 3.8 persons per household, in 1950 there were only 3.5. The experience in decontrolled cities such as Houston and Milwaukee indicates quite clearly that, where a housing shortage continues to exist, rent controls are needed to prevent skyrocketing rents which have a most serious effect on low-income families. We therefore urge that any proposal to weaken the rent control program be defeated.

REGULATION OF REAL-ESTATE CREDIT

The House Banking and Currency Committee has voted to eliminate title VI of the Defense Production Act. (sec. 111 (a) of H. R. 8210). This would nullify regulation X, the housing credit regulation. Although the American Federation of Labor has been critical of the way in which this regulation has been administered in the past, we be-

lieve that the terms which have recently been announced by the Federal Reserve Board and the Housing the Home Finance Agency are, in the main, fair and will have the effect of increasing the proportion of houses built in the lower and moderate price brackets. The drive now for complete elimination of regulation X is intended to pave the way for a new boom in higher priced and luxury housing. In view of the severe need of moderate income families for housing, we strongly oppose the elimination of regulation X at this time. We do recommend that the existing title be amended so as to require in the imposition of these regulations that the administering agencies take into consideration the availability to low and moderate income groups of adequate housing within their means under the credit regulations, and also the effect of such credit regulations upon the sales prices of residential properties.

ALLOCATION OF CRITICAL MATERIALS

We urge the defeat of the so-called Sadlak amendment. This proposal would provide a death sentence to both domestic and international allocations of certain critical materials such as copper, thus forcing a new wave of speculation and inflation. The Sadlak amendment would seriously threaten defense production as well as the jobs of hundreds of thousands of workers in civilian industry using these critical materials.

The War In Korea

EXTENSION OF REMARKS

OF

HON. WILLIS SMITH

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 19, 1952

Mr. SMITH of North Carolina. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Full Year of Stalemate," published in the *Elizabeth City (N. C.) Daily Advance* of June 17, 1952.

The first paragraph of the editorial reads:

Soon the Korean war will be 2 years old. Since the truce talks began about 2 weeks after the first anniversary, it is fair to say the second year has largely added up to stalemate.

The editorial discusses the quality of sacrifice in connection with the Korean war, and says:

No manpower controls, no excess-profits tax, no "conscription of capital" can hope to equalize home-front sacrifices with battlefield suffering.

Another paragraph reads:

This is all-out war for a few—and booming peacetime, marred only by the nervous tensions of the cold war, for the many. This is death and horror for some and no pain at all for most others.

You may not like your tax bill, but did you ever live in the mud for a year in all kinds of weather?

The concluding paragraph reads:

Every home-front American ought to thank his lucky stars that he has nothing more painful to worry about than some inconvenience imposed on him to make things better and easier for his fighting representatives in Korea. At home a man's life

is reasonably secure. But in Korea he may die any time—even in a stalemate.

I think the editorial quite well expresses the situation in America today, when there are so many complaints on the economic front about sacrifices to be made. As the editorial says, even in a stalemate there may be death for those who are in Korea.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FULL YEAR OF STALEMATE

Soon the Korean war will be 2 years old. Since the truce talks began about 2 weeks after the first anniversary, it is fair to say the second year has largely added up to stalemate.

Yet there is something terribly cruel in such a view of this strangest of all wars. It seems to imply that nothing is happening, that no blood is being shed. Still we all know this is not so, that casualty lists continue to be issued, that the total of men killed or wounded rises weekly by blocks of a hundred or more.

If you stop and think for a moment, you realize that this war is no stalemate to the families of men, whose names appear on those lists. It is bitter combat, with the full horror that surrounds any other war we have ever fought.

Equality of sacrifice is really impossible of attainment in war. No matter how noble the man feels who gives up a soft office job and heads for the plane factory or steel mill, he is not in the same category with the man who is living in mud and spilling his blood on the battlefield.

No manpower controls, no excess profits tax, no "conscription of capital" can hope to equalize home-front sacrifices with battlefield suffering.

But unhappily, we have to face the fact that the inevitable inequality of sacrifice is vastly greater in this present conflict than in previous wars. This is not all-out combat in which every man has his appointed station and is expected to serve.

This is all-out war for a few—and booming peacetime, marred only by the nervous tensions of the cold war, for the many. This is death and horror for some, and no pain at all for most others.

Perhaps it is humanly impossible for people living in a state of half war, half peace to acquire a full consciousness of the gravity of the times unless the war strikes directly at them. Most people do not easily conjure up the troubles of another. They are absorbed in their own, however small they may seem to the man who is fighting for his life at the front.

Maybe we shall have to acknowledge that it is too much to expect citizens enjoying prosperous conditions at home to worry unduly over a war that appears quite remote, wholly confusing, and without effect directly upon them.

No one would pretend either that it is easy to endure the strains of a cold war. Living on what General Eisenhower calls a high plateau of tension is a new experience for most Americans and they can be forgiven for adjusting to it slowly.

Still, they ought to have enough awareness of the battlefield sacrifices of the few not to complain about the relatively mild sacrifices they themselves must make.

You may not like your tax bill, but did you ever live in the mud for a year in all kinds of weather?

Every home-front American ought to thank his lucky stars that he has nothing more painful to worry about than some inconvenience imposed on him to make things better and easier for his fighting representatives in Korea. At home a man's life is reasonably secure. But in Korea he may die any time—even in a stalemate.

Need for a Comparative Study of the Different Kinds of Employee Benefits Available to Persons in Public and Private Employment

EXTENSION OF REMARKS

OF

HON. J. CALEB BOGGS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1952

Mr. BOGGS of Delaware. Mr. Speaker, I have today introduced a resolution which authorizes and directs the Committee on Ways and Means to conduct a full and complete comparative study of the different kinds of employees' benefits which are currently available to persons in public and private employment.

Such a study is urgently needed to bring together in a comparative manner all of the facts and information now available in this important field. The public generally would value such information, and it would be of tremendous help to the public in considering many of the issues and problems which arise in this ever-expanding field of both public and private employee benefits.

The Federal Government has a real problem in attracting and holding to the Federal service high caliber and efficient personnel. The Federal Government is by far the largest employer in the United States. As of June 30, 1951, the estimated total number of Federal employees in civilian work was close to 2,500,000, of whom about 2,000,000 were civil-service employees.

A similar situation applies to the many State, county, and municipal employees throughout the Nation. It is essential to good government that agencies of government at all levels attract people of skill, character, and high qualifications if we expect government to operate effectively and efficiently. Many times it is easy to attract young people to government service, but after they have gained a little experience the question of holding such capable employees to the government service, including both Federal and State services, is a difficult problem. By and large I have found most all career public employees able, efficient, and loyal. But the ever-increasing attractions of private employment naturally raise problems which government must meet realistically, as well as the individuals concerned.

Such a study as proposed by this resolution would be of inestimable value as a guide for future legislation from the standpoint of both Federal and State governments. It would help immeasurably in meeting the problem of attracting and holding well-qualified and able employees in the public service, which is necessary if we are to attain the best and most efficient administration in Government and maintain the highest standards in our public educational and health institutions.

Private employment is faced, of course, with the same problem as is public service, and in private employment there is a wide variance in employee benefits and plans. Such a comparable study as is

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 23, 1952
For actions of June 20 & 21,
1952

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HIGHLIGHTS: House debated defense production bill. House Rules Committee reported bill for joint budget committee. Senate passed bills to authorize salt-water re-
search, freeze extension-work authorizations, provide for weather-control study,
change dates for farm census, and authorize Collbran reclamation project.

HOUSE - June 20

1. **DEFENSE PRODUCTION.** Continued debate on H. R. 8210, to amend and extend the
Defense Production Act (pp. 7843-98).

Agreed to: the following amendments:

- By Rep. Talle, suspending price control for commodities which are selling below
ceilings or are not rationed; by a 146-38 vote (pp. 7843-50).
- By Rep. McDonough, to make clear that price ceilings on fluid milk may not be
less than minimum prices established by a State regulatory body (pp. 7861-2).
- By Rep. Talle, to extend the Capehart and Herlong amendments to agricultural
commodities (p. 7862).
- By Rep. Brown of Ga., to clarify the price provisions as to milk (p. 7862).
- By Rep. Buffett, to clarify the meaning of "retail" in connection with
fertilizer sales (p. 7864).
- By Rep. Wolcott, to provide for judicial review of OPS decisions (pp. 7865-6).
- By Rep. Harrison, to decontrol processed fruits and vegetables (pp. 7867-72).
- By Rep. Lucas, to abolish the Wage Stabilization Board and create a new board
which would have no jurisdiction over labor disputes (pp. 7874-96).

Rejected the following amendments:

- By Rep. Multer, to repeal the Capehart amendment (p. 7866).
- By Rep. Dollinger, to repeal the Herlong amendment (pp. 7866-7).
- By Rep. Dollinger, to reestablish ceilings on fresh fruits and vegetables (pp.
7872-3).

2. **BUDGETING.** The Rules Committee reported without amendment H. R. 7838, to create

a joint budget committee and provide for additional investigations of the appropriation needs of Federal agencies (H. Rept. 2263)(p. 7902).

3. APPROPRIATIONS. Received a report from this Department on excess obligations, pursuant to Sec. 1211 of the General Appropriation Act, 1951; to Appropriations Committee (p. 7901).
4. ADJOURNED until Mon., June 23 (p. 7901). LEGISLATIVE PROGRAM for this week, as announced by the Majority Leader: Mon., D. C. bills; Tues., mail thefts and ICC investigation; Wed., defense production bill, followed by conference report on independent offices appropriation bill. He said he assumed the Agriculture Committee would ask for a rule on the price-support levels bill (for consideration after this week). He stated that Congress would either recess or adjourn in time for the conventions, on either July 3 or July 5. (pp. 7896-7.)

SENATE - June 20

5. PERSONNEL. Passed with amendments S. 3061, to permit and assist the members of the Armed Forces to exercise their voting franchise. The Smith (N.Car.) amendment eliminated any language which would include Federal civilian employees in the recommendatory provisions of the bill. (pp. 7796, 7800-11, 7815-27.)
6. PUBLIC CONTRACTS. Both House received the President's message transmitting the text of a convention and a recommendation concerning labor clauses in public contracts which were adopted on June 29, 1949 by the International Labor Conference; referred to H. Foreign Affairs Committee and S. Labor and Public Welfare Committee (H. Doc. 516) (pp. 7793, 7901).
7. INTERIOR APPROPRIATIONS. The Appropriations Interior Subcommittee completed the mark-up of H. R. 7176, Interior Appropriations for 1953, and, the "Daily Digest" states, agreed to report (but did not actually report) the bill to the full committee with amendments (p. D616).
8. SOCIAL SECURITY. The Finance Committee ordered favorably reported with amendments (but did not actually report) H. R. 7800, to increase old-age and survivor's insurance benefits (p. D616).
9. PERSONNEL. Sen. Dworshak defended his action in opposing the recommendation of the Citizens Committee for the Hoover report on reorganization plans 2, 3, and 4, and urged that organization to turn its efforts to reducing the Federal civilian payrolls, instead of dealing with methods of selecting employees (pp. 7829-30).
10. LAND TRANSFER. Sen. Morse defended the so-called Morse formula for transferring surplus Federal property and his action under it in opposing certain land transfer bills. The speech discussed his opposition to the bill transferring the Department's grape field station to the University of California, plus his views on other experiment-station transfers, and included a letter from Dr. Shaw on this subject. (pp. 7832-40.)
11. LEGISLATIVE PROGRAM. Made S. J. Res. 151, adopting the Puerto Rico Constitution, its unfinished business for today (p. 7829).

SENATE - June 21

12. WEATHER CONTROL. Passed with amendments S. 2225, to create an Advisory Committee on Weather Control to "make a complete study and evaluation of public and private experiments in weather control" and to report its recommendations by June 1955. The Committee would include the Secretary of Agriculture or his

H. R. 5984. An act for the relief of Jimmy Doguta (also known as Jimmie Blagg);

H. R. 6265. An act for the relief of Marian Diane Delphine Sachs; and

H. R. 6314. An act for the relief of Kiko Oshiro.

On June 12, 1952:

H. R. 2307. An act for the relief of Jean (John) Plewniak and Anna Pietrowska Plewniak;

H. R. 2587. An act for the relief of Mrs. Jeannette Thorn Pease;

H. R. 2628. An act for the relief of the George H. Soffel Co.;

H. R. 3953. An act for the relief of Chan Toy Har;

H. R. 5956. An act for the relief of Ingeborg and Anna Lukas;

H. R. 6675. An act to authorize the conveyance of lands in the Hoopa Valley Indian Reservation to the State of California or to the Hoopa Unified School District for use for school purposes;

H. R. 6922. An act to amend section 22 (relating to the endowment and support of colleges of agriculture and the mechanic arts) of the Act of June 29, 1935, so as to extend the benefits of such section to certain colleges in the Territory of Alaska;

H. R. 7188. An act to provide that the additional tax imposed by section 2470 (a) (2) of the Internal Revenue Code shall not apply in respect of coconut oil produced in, or produced from materials grown in, the Territory of the Pacific Islands; and

H. R. 7593. An act to amend paragraph 1774, section 201, title II, of the Tariff Act of 1930.

On June 13, 1952:

H. R. 4790. An act for the relief of Helga Richter;

H. R. 4492. An act for the relief of the legal guardian of Norma J. Roberts, a minor; and

H. R. 5958. An act for the relief of Pauline W. Goodyear.

On June 14, 1952:

H. J. Res. 481. Joint resolution to continue the effectiveness of certain statutory provisions until June 30, 1952.

On June 16, 1952:

H. R. 2920. An act for the relief of Priscilla Ogden Dickerson Gillson de la Fregonniere;

H. R. 643. An act for the relief of Mrs. Vivian M. Graham and Herbert H. Graham; and

H. R. 646. An act for the relief of Mrs. Inez B. Copp and George T. Copp.

On June 19, 1952:

H. R. 1826. An act for the relief of Ellis E. Gabbert;

H. R. 1842. An act for the relief of Mrs. Ann Morrison;

H. R. 6133. An act to authorize a \$100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation; and

H. R. 6661. An act to amend the Foreign Service Buildings Act, 1926.

On June 20, 1952:

H. R. 7005. An act to amend the Mutual Security Act of 1951, and for other purposes.

EXTENSION OF CONTROLS

(Mr. DELANEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DELANEY. Mr. Speaker, we hear a lot of loose talk nowadays from some of the curbstone economists employed by people who make millions of profit from inflation at the expense of those on fixed income. Particularly do we hear that wholesale prices are so much

below OPS ceilings we should junk all controls and let the law of supply and demand take over.

As one great American used to say, let us look at the record. The record says that 63 percent of all wholesale prices are at OPS peaks or ceilings. Another 16 percent are only slightly below.

Eighty-four percent of prices mainly of business interest are at OPS peak or ceiling and another 12 percent only slightly below.

This country's wholesale business volume is at the rate of \$273,000,000,000 a year, and even a momentary lapse in controls would create an entirely new crop of defense profiteers and price thousands of small businesses out of the market.

This is only one reason why it will be my purpose to vote for controls.

COST-OF-LIVING CONTROLS ARE NECESSARY

(Mr. SIEMINSKI asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIEMINSKI. Mr. Speaker, to hear the pleaders for special interests tell it, everybody is giving everything away at unheard-of bargain prices, and controls are no protection to the consumer and just a nuisance to the merchant.

The facts are, Mr. Speaker, that prices of half the necessities of life are at OPS ceiling peaks. Another 15 percent of these items are at less than 1 percent below OPS prices, 6 percent are only 2 percent below OPS ceilings, 14 percent are less than 5 percent below, 5 percent are less than 10 percent below, and only 10 percent are 10 percent or more below.

If controls lapsed, Mr. Speaker, I dare say we would see the same thing happen to our cost of living as happened in 1946. That is why I intend to vote for the tightest possible prices on the necessities of life.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 109]

Aandahl
Abernethy
Albert
Allen, La.
Bailey
Bates, Ky.
Beall
Beckworth
Bender
Bentsen
Blatnik
Budge
Burdick
Butler
Carlyle
Carnahan
Celler

Chatham
Chiperfield
Combs
Curtis, Mo.
Dawson
D'Ewart
Dingell
Donovan
Durham
Eaton
Engle
Evins
Fenton
Fernandez
Frazier
Gamble
Gore

Havener
Hébert
Hollifield
Irving
Kennedy
Kilday
McDonough
McVey
Mack, Ill.
Morris
Morrison
Norrell
Patman
Patten
Perkins
Pickett
Powell

Frouty
Regan
Richards
Roosevelt
Sabath
Scott,
Hugh D., Jr.
Sheppard

Steed
Stigler
Stockman
Sutton
Tackett
Thompson,
Tex.
Vinson

Welch
Wickersham
Willis
Wilson, Ind.
Wood, Ga.
Woodruff

The SPEAKER. On this roll call 356 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8210, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read down to and including line 18 on page 3 of the bill.

Mr. TALLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TALLE: Page 3, after line 18, insert the following new section:

"SEC. 104. Section 402 (d) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"(5) The ceiling price for any material shall be suspended as long as (1) the material is selling below the ceiling price and has sold below that price for a period of 3 months; or (2) the material is in adequate or surplus supply to meet current civilian and military consumption and has been in such adequate or surplus supply for a period of 3 months. For the purpose of this paragraph, a material shall be considered in adequate or surplus supply whenever such material is not being allocated for civilian use, or in the case of an agricultural commodity or product processed in whole or substantial part therefrom, is not being rationed at the retail level of consumer goods for household and personal use, under the authority of title I of this act."

(Mr. TALLE asked and was given permission to revise and extend his remarks.)

Mr. TALLE. Mr. Chairman, I feel certain that the majority of my colleagues on both sides of the aisle recognize that price controls are incompatible with free enterprise in normal times, and that they should be eliminated at the earliest practicable date. Price controls are expensive to administer—both in money and in manpower. At best they are only a stopgap proposal. They do not under any circumstances do more than hold inflationary pressures in check for a time. They do not solve the problem of inflation. Inflation is an economic con-

dition in which more dollars than goods are in circulation, and the best way to solve the problem is to increase the quantity of goods in circulation, that is, to increase production.

In the case of agriculture commodities, for example, it is a paradox for the Government to stimulate production on the one hand by the use of price supports, and to discourage production on the other hand by the use of price controls. Price controls operate to retard and reduce production and are in themselves inflationary. Consequently, the removal of controls whenever and wherever possible will stimulate agricultural production, thereby providing the best insurance we can give the American people against the inflationary effects of a short harvest.

What we should aim for, then, is a sane and sound and practical formula for decontrolling goods which are not scarce.

The purpose of this amendment is to specify the economic conditions which justify the suspension of price controls. The amendment provides that ceiling prices for any material shall be suspended wherever and as long as, first, a commodity is selling below the ceiling price and has been selling below that price for 3 months; or, second, a commodity is in adequate or surplus supply to meet current civilian and military demands and has been in adequate surplus for a period of 3 months. In this connection, the amendment provides that a commodity is in adequate or surplus supply whenever it is not being allocated or rationed for civilian use.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield.

Mr. HALLECK. I am quite sure I am in agreement with the gentleman's amendment, but I wonder if before he completes his statement, he will tell us what provision, if any, there is for recontrol if the situation should change, that is recontrol administratively.

Mr. TALLE. I am very happy that the gentleman asked that question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TALLE. Mr. Chairman, I ask unanimous consent that I may proceed for two additional minutes.

Mr. SPENCE. Mr. Chairman, I said that I would object to any extensions of time, and while I dislike to do so, we have to expedite the proceedings and I must object to the gentleman's request.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a most important amendment.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I shall be very glad to yield to the gentleman from Iowa.

Mr. TALLE. In the event that the supply of a commodity should become scarce, then the price ceiling may be reimposed under provisions of existing law.

Mr. BURLESON. Mr. Chairman, will the gentleman from Minnesota yield?

Mr. AUGUST H. ANDRESEN. I have yielded to the gentleman from Iowa.

Mr. BURLESON. I would like to ask the gentleman if he is familiar with the oil industry. The situation is particularly applicable to crude oil, for his amendment would apply under present conditions.

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Iowa to answer.

Mr. TALLE. My answer to the gentleman from Texas is, "Yes." Now, if the gentleman from Minnesota will yield to me further—

Mr. AUGUST H. ANDRESEN. I shall be glad to.

Mr. TALLE. May I conclude by saying my purpose is to take the shackles off free enterprise. We should do a little more than just render lip service.

Price control is obviously unnecessary over goods which are in plentiful supply, and price controls on such commodities should be suspended as long as economic conditions justify the suspension. Therefore I urge my colleagues on both sides of the aisle to support this amendment which merely spells out the intention of Congress to use price controls not for the sake of control, as such, but only as a temporary emergency measure.

They have been defended on the basis of emergency. If there is no emergency, then it is merely control for control's sake, which is certainly destructive to free enterprise.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, this is one of the most constructive amendments which has been proposed to this bill. It should be passed; it will encourage production of all types of commodities in this country to furnish the people with an abundant supply of these farm and manufactured products as well as other raw materials at reasonable prices. It is an effective weapon to stop inflation.

Mr. Chairman, I yield back the balance of my time.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment has two parts; the first part might be agreeable to me as an individual; I do not know; that is, I would not have too much objection to it; but the first part misleads a little bit, I think about the results that would happen if the amendment were adopted and the second part came into operation.

The first part of the amendment states:

Anything that is selling and is sold below ceiling for a period of 3 months shall be decontrolled.

As an individual I cannot find too much fault with that.

The second part of the amendment states that anything that is not in short supply—that sounds good until you get to a definition of the phrase "short supply"—shall be decontrolled. The way the amendment defines "short supply" is simply to state that anything that is not rationed is not in short supply; and as to the business of reapplying controls in case the price goes up and the commodity becomes in short supply, the price

can go as high as the moon and you cannot reapply controls unless you ration that commodity.

That, in essence, is what the amendment provides, and you are being asked to take part 1 which says that if the commodity is selling below ceiling price it shall be decontrolled, along with part 2 which states that anything which is not rationed shall be decontrolled; which, in essence, is saying there will be no price control law.

If we are going to vote on that I have no objection but if we do vote on it I would rather have a straight amendment to strike out the enacting clause of the bill and do away with the whole thing in a clean way, because if you adopt this amendment it is my opinion that OPS will still function deciding for the next year whether or not to ration things and you will not achieve what "Doctor" TALLE said he wants to achieve. I think the issue should be put before us squarely on whether we want price control or do not want price control.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Indiana.

Mr. HALLECK. Does not the gentleman think there is some middle ground between a sane decontrol and progressive decontrol program and the one we have? We certainly want a sensible one. The Price Stabilization Board wants it.

Mr. HAYS of Ohio. There is a middle ground, but the middle ground is not in here. We either ration everything or we do not control it. The first part of the amendment might be a middle ground, I do not know. I am not speaking for everyone; I am only speaking for myself. But the second part of that amendment is very bad in that it ties control to rationing. I do not think anyone is prepared to say that you cannot have price control unless you ration the products and if you set up rationing you have all of the paper work involved in rationing, including ration books, coupons, and everything else, and I do not think anyone wants to advocate that.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from California.

Mr. McKINNON. Does not the gentleman want to point out to the gentleman from Indiana that we have adopted a middle ground in the committee by the 7-percent provision?

Mr. HAYS of Ohio. I think so. We have adopted the middle ground.

Mr. McKINNON. The committee has adopted a middle ground by inserting an amendment in this bill which provides that where the sales price has dropped down below 7 percent underneath the ceiling price the seller shall not be required to make any OPS reports. In other words, when the price drops down below 7 percent of the ceiling price then the seller is relieved of making any reports to the OPS or of supplying information. So we have have provided a middle ground for decontrol.

Mr. HAYS of Ohio. We have provided also for recontrol if the price goes back up, which this amendment does not

provide except in the case of rationing and which if the first part of the amendment is to be considered should be provided also; that is, a provision for re-control if the price goes above the ceiling price.

Mr. COLE of Kansas. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas as a substitute for the amendment offered by Mr. TALLE: On page 3, line 19 after the words "SEC. 104." by adding the following paragraph:

"(a) SEC. 402 (b) (2) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new section:

"(a) It is hereby declared to be the intent of the Congress that the President shall terminate controls of wages and prices of individual materials and industries as rapidly as possible; that in order to effectuate this intent, to further the expansion of producing facilities and to promote the earliest practicable balance between production and demand, the following price suspension procedure is prescribed:

"Within 90 days following the enactment of this paragraph the President shall review the price and supply situation with respect to each material and service subject to price control regulations under this title; and with respect to each such material or service as the President finds to be (i) not in such short supply as to threaten or cause the price of such material or service to rise unreasonably, or (ii) not important in relation to business costs or living costs, he shall suspend ceiling prices on such materials or services. Thereafter, the President shall, at least every 90 days review the price and supply situation with respect to each material and service subject to price control regulations under this title and shall reimpose or remove from such individual services or materials such ceiling prices in accordance with the afore-mentioned standards; provided that no ceiling price on any material or service can be reimposed or maintained below the ceiling price on such material or service in effect on the date the ceiling price on such service or material was suspended."

Reletter the remaining sections.

Mr. COLE of Kansas. Mr. Chairman, I want to state at the outset that I am for the Talle amendment which goes much further than the Cole substitute; however, I am offering this substitute in order to give the committee an opportunity to vote for the type of suspension amendment which the committee deems to be advisable.

The Talle amendment does decontrol items on a percentage price-wise criteria. The amendment which I have offered provides that within 90 days after the enactment of this paragraph the President shall review the price situation, and with respect to each material or service which the President finds to be, first, not in short supply as to threaten or cause the price of such material or service to rise unreasonably; or second, not important in relation to business costs or living costs, he shall suspend the ceiling price of such material or service. I approach the situation a little differently than the gentleman from Iowa.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from Illinois.

Mr. MASON. The Talle amendment, as I see it, would set up these decontrols by law. The gentleman's amendment would set them up on the discretion of the President. Is that the difference between the two?

Mr. COLE of Kansas. I would say the Talle amendment ties down the criteria under which the decontrol would be had far better than the one which I am offering. I am saying to the gentleman, however, that the amendment which I am offering does provide an opportunity for the producers, merchants, and others interested in securing decontrol, to show to the Office of Price Control that there is an ample supply of the commodities on hand; that a finding of fact should be made then as to whether or not the supply of the commodities on hand is sufficient to not cause prices to rise unseasonably, and therefore they could decontrol.

My amendment is far weaker than the Talle amendment, I want no misunderstanding about that. I am offering it to determine what the House feels should be done with decontrol. I am for the Talle amendment. I am giving the House an opportunity, if the Talle amendment goes too far, to accept the Cole amendment.

May I quote from a pamphlet which I received the other day entitled "Ending Price-Wage Controls," a statement by the program committee of the Committee for Economic Development. This committee has studied the question of price controls for a long time, and I think the Members of the House are familiar with the work which the committee has done. They say in connection with the plan proposed by the Office of Price Stabilization for decontrol and suspension:

The plan is frankly one of lightening the burden of reports and record-keeping, rather than of decontrol.

When a commodity is suspended from control, a "recontrol point" is set which is below its current ceiling but above its current market price.

Now that has been done in a number of commodities; cotton, for instance. Again I quote:

This timid plan should not be confused with decontrol. It will not permit commodity prices to rise to their old ceilings uncontrolled; in fact, ceilings may be reduced at the time of suspension. All the plan does is to recognize the absurdity of forcing producers of commodities selling well below their ceilings to continue to carry the burden of paper work connected with a control that is already inoperative.

That is all that the amendment does which is in the bill. The amendment which I have and the amendment which the gentleman from Iowa has, sets up definite, positive criteria upon which the OPS shall determine that there shall be decontrol. Then if they refuse to do it we have provided in another amendment, which the gentleman from Michigan will offer, in connection with court procedure, that those who are not treated fairly, those who are treated

arbitrarily, will have an opportunity to go into court and see that the proper, correct method of suspension and decontrol is continued.

Again I want to quote from the National Food Situation, a pamphlet issued by the Bureau of Agricultural Economics of the United States Department of Agriculture. This is for April-June 1952:

Food supplies for the next few months are expected to be at least as large as in the same period in 1951. Somewhat larger supplies of beef and veal, poultry products, canned food, and processed vegetables will be available than a year earlier.

As I look through the report they have listed item after item of commodities which will be and are in greater supply than they were during the 1951 period.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

(Mr. McKINNON asked and was given permission to revise and extend his remarks.)

Mr. McKINNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the House today seems more interested in creating inflation than in stopping it. We discussed the Cole and Talle amendments at great length in the Committee on Banking and Currency. The Senate committee did likewise, because we are honestly trying to find a sound and fair course toward reasoned decontrol. The basic problem as it applies to these amendments is not the problem of supply; it is the problem of price. We are interested in controlling prices and keeping the cost of living stabilized. Under the Cole amendment, as we find some items, as they are in today's economy, in good supply, but selling at ceiling prices, and if because they are in good supply, even though they are selling at below ceiling prices, and the price regulation is removed, there is no guarantee at all that the price may go up. Therefore we reach a situation that if prices go up we are therefore going to have a greater supply because people will be unable to buy in the market at the increased prices and we will continue to have more inflation instead of less inflation. The Cole amendment would not be operative at all because the supply would be long. In considering these problems in committee, the Talle amendment led to the Cole amendment consideration and the Cole consideration led to the final adoption in committee of an amendment which provides that if a sales price is 7 percent under ceiling prices, that all the onerous paper work can be removed and the seller will not be forced to make any of the reports that are necessary now under price control. In other words, we have taken care of the worst part of price control, which is all the paper work that the seller must go through in reporting to OPS. We have taken care of that problem and provided an incentive for lower prices. But when we start to consider that our primary responsibility is not to the merchant but to the consumer we must realize that the matter of long supply is not the answer but the matter of ceilings on prices; and

if the ceilings on prices are removed even on some items that are in long supply the price is still likely to go up and the consumer and our national defense effort is going to bear the burden of continued inflation.

I am sure you have noticed from items appearing in the paper yesterday and today that the cost of living is approaching an all-time high. Every pressure that we had back in 1950 that caused prices to go up so precipitously is still in our economy today. We must hold the line. If we adopt the Cole amendment or the Talle amendment we are opening the door to continued inflation. But if we stay with the committee amendment, which provides that in case prices go down by 7 percent the seller shall not have to go through the paper work of OPS, we have taken a step toward decontrolling but we still retain the safety factor of having price ceilings. Thus, in case the supply diminishes and prices commence to go up we still have price control in effect at ceiling prices.

Let us not delude ourselves but let us remember that all inflationary factors are still in effect today as they were back in 1950. The committee has gone a long step toward that middle ground of decontrolling, but we cannot shut our eyes to the fact that inflationary pressures are still here and we must provide safeguards in this bill to hold prices down. The Cole amendment will open the door to a new inflation and we will end up in 6 months or less with a higher cost of living than we have today. I do not think our economy can afford it.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Missouri.

Mr. ARMSTRONG. I wonder if the gentleman is familiar with what has happened to potatoes since the ceiling price of 38 cents was removed. You can now buy all you want for 25 cents.

Mr. McKINNON. It is not as simple as the gentleman paints it. When potatoes were decontrolled they hit a high price, a very high price, and today they are coming down; but there are certain marketing and harvesting factors that have a big bearing on the reduction in price.

Mr. ARMSTRONG. Was not the principal factor the fact that they began putting potatoes on the market for the consumer?

Mr. McKINNON. Those potatoes were not grown since the OPS regulation was removed, I might remind the gentleman.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, examination of the amendment offered by the gentleman from Iowa [Mr. TALLE] will convince anyone that it is not inconsistent or incompatible with section 110 of the bill, which has been referred to by the gentleman from California in respect to decontrols for the purpose of making reports when the prices of commodities are 7 percent below ceiling. I might say that that 7 percent is purely an arbitrary figure. It might be changed in this com-

mittee for some other arbitrary figure. There is nothing incompatible with these two approaches.

The hardest thing about price controls to the merchant and the wholesaler and the producer is that even though prices are below the ceilings he must continue to make these reports. What OPS does with these reports when the prices are below ceiling nobody knows, and we were unable to find out what use they were put to. We used to say during OPA days during World War II that when a price was below ceiling, for all practical purposes the commodity was decontrolled, but for some reason or other in the administration of this act, the administration of which should be surely identical with or similar to the procedures followed in World War II, they continue to compel industry, business, and agriculture to make these reports. It seems to me the Talle amendment would at least help that situation.

There is an automatic reconrol under the Talle amendment so that controls go back on when the commodities get back up to the ceilings. There is nothing in the Talle amendment which prevents the Office of Price Stabilization from reducing the ceiling or increasing the ceiling. It merely says that the ceiling price for any material shall be suspended as long as the material is selling below the ceiling price, the ceiling price set by the OPS. Whether it is above or below the present ceiling price is up to the administrator of the act; or that the material is in adequate or surplus supply. Then the amendment goes on to define for the purpose of the paragraph when a material is in adequate supply. Then it says that the material is in plentiful supply unless it is rationed. It will be recalled that in the statement I made in general debate, I called attention to the fact that it was never the intention of the Congress, when this bill was passed, to invoke price controls selectively or otherwise until there was such a shortage of consumer goods as would justify rationing. We felt that if there was going to be allocation of basic materials to a considerable extent, it might follow that there would be a shortage of consumer goods incident to the defense effort, and then we could not effectuate rationing without price controls. Let me repeat, there was never any intention by this Congress that price controls should be invoked unless there was such a shortage of consumer goods as to justify rationing. So that the standards set up in this amendment in the definition as to when goods are in plentiful supply, are in keeping with our understanding of the intent of Congress when it passed this bill. The amendment should be adopted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, both of these amendments were submitted to the committee and were turned down. I am at a loss to know by what process the Office of Price Stabilization can change the ceil-

ings when the ceilings have been suspended, as they will be under the amendment offered by the gentleman from Iowa [Mr. TALLE]. This amendment provides there can be no reinstatement of price control without providing for rationing.

I further wish to say that it is not my intent—and I do not think it is the intent of the members of the committee—that there would be no price control without rationing. I think we all wanted to avoid rationing. I think rationing imposed a greater hardship and more trouble on our people than any other incident of price control. Our main purpose was to stop the run-away prices by reason of the impact of the defense effort whereby billions of dollars were being spent, not for consumer goods but for tanks, guns, and planes, and whereby the pockets of the American people were filled with purchasing power and it necessarily curtailed the production of consumer goods. Now, rationing had nothing to do with that. Of course, when materials got in such short supply, it was necessary in order to see that the people received a fair distribution that those who had the greatest purchasing power would not get all of the materials, and that then rationing would be invoked. But it certainly was not a prerequisite to placing price controls on that the goods should be rationed, and I do not think that anybody had that in mind when the bill was passed. These are two weakening amendments. I wish the issue could be made clear. I do not think it is a good thing to just whittle away at price controls. I do not think these scuttling amendments have any other purpose except to weaken the bill. If you believe in weakening it, then you do not believe in price controls.

It seems to me that the logical, sensible, and the candid thing to do is to make the issue whether you want price control to continue. If you do not want it, you have the authority to destroy it right now.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. MULTER. I think the clue to the reason for these two amendments is found in the fact that the very people who urged upon us and got us to pass a provision against rationing, that is against slaughterer quotas, now want this provision that there be no price control without rationing; in other words, on the one hand they say no rationing and on the other they say no price control without rationing.

Mr. SPENCE. I want to say that as far as the amendments are concerned there was a compromise amendment offered by the gentleman from California [Mr. McKINNON] to the effect that where materials are 7 percent below ceiling no report shall be made. That did not destroy the machinery of price control; that merely prevented the requirement of reports.

This is an effort not only to prevent reports, which I think is a very reasonable provision, but also to destroy the very machinery by which price control is maintained. Of course, you are not go-

ing to have price control reimposed if you have to reimpose rationing; nobody wants rationing. It was not the intent of the committee to have rationing re-established. Our people do not want rationing; they would very much rather have imposed upon them price control than rationing, and there is no excuse for the argument that there must be rationing before there can be price control.

Mr. WERDEL. Mr. Chairman, I move to strike out the last word.

The gentleman from Michigan has said that the Talle amendment is the better of the two amendments for the reason that it expresses the will of the Congress. I agree I want to recall your attention to the debates on this subject when we were first considering putting on price controls in peace time. It was generally assumed then that they were going on because of shortage of supply. I ask all of you if in your own minds you do not believe it is true that there was a constitutional question involved as to whether or not Congress had the power even to assume a shortage of supply under our economy and put on price control? If you admit, that, then I direct your attention to the fact that we originally wrote them without making provision for the protection of constitutional rights when supply was adequate. It is not only a matter of stating the policy of the Congress by accepting the Talle amendment. We are now duty bound to acknowledge that if supply is admittedly adequate, governmental controls of the productions and price of such articles is an unconstitutional interference with private enterprise.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. HAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall be brief, and I rise only for the purpose of discussing the Cole amendment with the gentleman from Kansas, its author.

I have noticed an editorial in the Atlantic City Press of June 14 which referred to the report of the Committee on Economic Development, to which I believe the gentleman from Kansas referred. That said in part that the CED recommend December 31, 1952, as the expiration date for controls authority; and it goes on to say:

There seems to be no great reason why this earlier date should not prevail, if another recommendation is adopted.

Then the other recommendation is referred to, namely, that Congress approve a joint resolution authorizing the President to impose a 90-day freeze on wages and prices whenever a new inflationary crisis should arise.

The editorial goes on to say:

In this manner, believes the CED, the Nation would be protected against any disastrous upward spirals. In the 90-day period, Congress could consider carefully whether to reestablish regular controls machinery.

I want to ask the gentleman from Kansas if the design of his substitute for the Talle amendment is along the lines suggested by the CED and referred to in this editorial?

Mr. COLE of Kansas. I think it is designed to accomplish that. Of course, as the gentleman knows, the amendment does not directly accomplish that objective; however, the amendment which I have introduced is designed to do that.

Mr. HAND. I have discussed this previously with the gentleman. Does the gentleman have anything in mind closer to the line suggested here in some later part of the bill?

Mr. COLE of Kansas. The latter part of the bill contains an amendment which has to do with suspensions. At that time I think the committee would do well to consider that recommendation. It seems to me to be an excellent one and worthy of our attention.

Mr. HAND. I thank the gentleman. Pursuant to authority already obtained from the House, I am appending the entire editorial, entitled "Economics Controls," which is a worth-while contribution to this debate:

ECONOMIC CONTROLS

Evidently we are on our way out of a period of fairly rigid economic controls, and responsible leaders both in Congress and the business world sketch out plans that would promote continuance of this trend without opening the door to ruinous inflation.

Controls on allocation of materials like rubber, lead, zinc, and hides have been either lifted or relaxed. Price limits have been taken off a score of commodities, including wool and cotton, which were selling below ceilings.

Installment credit restrictions have been wiped out, and similar controls on housing credit are due to be relaxed.

In this situation, why not abolish controls altogether? The Senate recently faced that question and decided against such a course as both practically and politically unwise. Defense spending is still rising, and could push prices upward markedly. In an election year, this kind of thing would be hard to explain.

The Senate compromised with the "no controls" forces and voted an extension of the Government machinery until March 1, 1953. They were helped in this action by the fact that the administration had voluntarily undertaken so many decontrol measures; the feeling was widespread that in the succeeding interval the machinery will be used as sparingly as possible.

At this juncture the Committee for Economic Development, an enlightened business research group whose tone was set by Paul Hoffman, now a top adviser to General Eisenhower, has come up with a set of carefully worked-out proposals.

The CED recommends December 31, 1952, as the expiration date for controls authority. There seems to be no great reason why this earlier date should not prevail, provided that another CED plan be adopted by Congress as a safeguard.

That plan calls upon Congress to approve a joint resolution authorizing the President to impose a 90-day freeze of wages and prices whenever a sudden new inflationary crisis should arise. In this manner, believes the CED, the Nation would be protected against any disastrous upward spirals. In the 90-day period, Congress could consider carefully whether to reestablish regular controls machinery.

While the CED's suggested earlier expiration date makes its program more conservative than the Senate's, the stop-gap emer-

gency freeze proposal goes beyond congressional thinking at this moment. Regardless of the terminal date finally fixed, the 90-day freeze authority would seem to have substantial merit.

The CED's report is useful, too, for the healthy stress it places upon other antiinflationary devices, including a sound tax program, reduced Government expenditures, and expertly managed monetary and credit policies. A balance of factors is needed to combat inflation, and too often the fight in Congress narrows down to a scrap over wage and price controls.

The important thing, apparently, is to have a veritable arsenal of antiinflation weapons handy, but not to be trigger-happy.

(Mr. HAND asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, the Defense Production Act is one of our most important laws. It is a law to help keep America free from the enemies of the working people and the enemies of our democratic way of life. It is the act which provides us with the tools we need to maintain our economic stability and to build up our national defenses. I believe it is the legislation of most vital concern to every housewife and laborer.

The House Banking and Currency Committee, of which I am a member, has completed action on amendments to this act, and has submitted its bill to continue the present act for another year, with a few changes. While our committee was working on this bill, the lobbyists were also working very hard trying, through their underhand methods, to get us to put loopholes into the law so that the industrialists could later get to work also and raise prices.

The part of this bill pertaining to the extension of rent and price controls is especially important to the residents of a city like Philadelphia, where the big industrialists and real-estate lobbyists always stand ready to devour the earnings of the workingman and increase their already excessive profits.

Inflation is a terrible thing, Mr. Chairman. It is particularly terrible for the poor people—those who cannot declare themselves an extra stock dividend every time the prices of food or clothing go up, and who have to get along on what they earn by the sweat of their brow. They are the people I am worried about. They are the ones I am going to keep on fighting for in this Congress—to see that they are treated fairly and not forced to pay out exorbitant prices for the necessities of life or be deprived of such necessities because they cannot afford them.

Mr. Chairman, I wonder if some of those who tell us we do not need price control right now, or rent control, know how much it costs an American family to live these days? I am talking about the family which its just able to get along—not with yachts and country-club style of living, but just to keep milk on the table for the kids and keep a roof over their heads and dress the children decently enough for them to go to school, and so on.

In Philadelphia, just to keep a family of four decently alive in adequate sur-

roundings, it costs about \$4,100 a year. That is about \$80 a week. Now, just think how many families we have who are not making that kind of money.

Think how bad off they would be if the cost of living continued to rise, and if the Congress just shrugged its shoulders and did not care. That is what we would be saying to the people of the United States if we let the opponents of the Democratic administration kill off the price and rent controls as so many of them want to do.

The Democratic Party will not stand by and let that happen; we will fight against it. That is why the people have been voting Democratic all these years—because they know that in a situation like this we Democrats stand for fair treatment for the working people. I think, Mr. Chairman, the people of the United States are entitled to 100 pennies' worth of value for the dollar and all of the Members on this side of the aisle are asking the Members on the other side of the aisle to open their hearts and prevent both the working man and his wife from having to open their pocket-books too frequently.

I do not want to see food prices rise any further than they have already. I think they are too high now. I would like to see them come down and be rolled back to the pre-Korean war level and maintained there. The bill now before the House is not, in my opinion, by all means as good as it should be, but in the tradition of America it represents a good compromise reached in the committee and is the best we, who were anxious to see strong price controls, could get at this time. I do not think it is right that a Philadelphia family of four must spend something like \$1,400 a year just for enough food to stay in good health and live modestly. So I oppose anything that raises food prices more than they are and will vote against any amendment which tries to raise food prices higher or leaves loopholes that would permit increases to creep in from time to time.

On the question of rent, we all know, Mr. Chairman, that the real-estate lobbyists are out to kill off rent control in cities like Philadelphia by suggesting innocent-sounding amendments to this law to limit rent control only to so-called critical defense areas. That is a joker they have been trying to slip in here and we must not let them get away with it. Philadelphia is one of the most important defense areas in the country, but if the real-estate-lobby's amendment were passed in the Congress we would have no rent control in Philadelphia, and rent for the average family will start to shoot up all over the place and cause real suffering.

There will be other attempts in connection with this bill to hurt the laboring man in order to put more profits into the pockets of the big business millionaires, but I will oppose every one of them. It is the job of the Congress, Mr. Chairman, to fight for the well-being of the families which have just average incomes and have to make every penny stretch. This is the job I have been trying with

all my might to accomplish ever since I have come to Congress.

The welfare of average and low-income families depends upon our passing a good Defense Production Act. The President has urged the Congress to pass the best bill possible to stop inflation. Our committee has worked diligently, under the distinguished chairmanship of the Honorable BRENT SPENCE, of Kentucky, to bring out the best bill we could. Now it is up to the rest of the Members of the House to vote on the provisions of the bill and to make the final decision.

I hope, Mr. Chairman, that when we finish with the Defense Production Act and get the new law on the books the lobbyists will not be dancing with joy over the way they got Congress to vote for higher prices. I am going to use my vote to keep prices down.

Mr. BARRETT. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I understood someone was to offer an amendment during the next few minutes.

The CHAIRMAN. The gentleman from Kansas has an amendment he desires to offer, but he cannot offer it at the moment. The situation may develop where he can offer the amendment.

Mr. MULTER. Mr. Chairman, I ask unanimous consent that the time yielded to me by the gentleman from Pennsylvania be allotted to the gentleman from Virginia [Mr. BURTON].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. BURTON].

Mr. BURTON. Mr. Chairman, the suggestion has been made that the 7 percent is an arbitrary figure, which is correct. We debated the matter carefully in committee. The original suggestion, I believe, was 10 percent. Then we talked about 5 percent and arrived at a compromise figure of 7 percent. May I make the suggestion that it would be entirely acceptable to the committee if this body feels that 5 percent is a better figure.

Mr. Chairman, as to the amendments now under consideration, I feel that the effect would be to defeat the purpose of the bill, which is control of inflation. This issue we should face squarely. If you do not want a control bill at this time vote the matter on its merits, but do not offer a crippling amendment such as this, which, in my opinion, would make the bill unenforceable and would carry all of the expenses of a bureau. I am not for the continuation of controls for an indefinite period.

The bill as brought to you by the committee has as its objective termination of controls at the end of this period. We debated carefully as to whether it was advisable to terminate now. But I would direct your attention to the fact that most of the factors which caused the inflation immediately following the Korean outbreak are still present. There is one difference. We do not at this time

have the scare buyer. The public today is underbuying rather than overbuying, but we still have the heavy defense demands which to my mind makes it unwise to repeal this legislation at the present time. However, if you wish to repeal the Defense Production Act, let us repeal it and get rid of the expense and not just carry along with an unenforceable skeleton.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. May I say to the gentleman that I heard with interest his recommendation about reducing this 7 percent to 5 percent. I have an amendment prepared which I shall offer when we get to page 9, section 411, to strike out the 7 percent, in order that the small merchant when he makes a report will not have to have a public accountant or lawyer come in and tell him whether he has made a sale below 7 percent or not. It seems to me that 7 percent would put a great burden on our small merchants, which is what we are trying to get away from in this price-control matter. I shall offer my amendment at the proper time.

Mr. BURTON. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE] as a substitute for the amendment offered by the gentleman from Iowa [Mr. TALLE].

The amendment was rejected.

Mr. REES of Kansas. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas as a substitute for the amendment offered by Mr. TALLE: On page 3, line 19, after the words "SEC. 104.", insert "That section 402 (f) of the Defense Production Act of 1950 is amended by inserting immediately before the period at the end thereof a colon and the following: 'Provided, however, That the ceiling price for any material, which by its nature is not susceptible to speculative buying and not more than 10 percent of which is purchased with Government funds for defense purposes, shall be suspended as long as: (1) The material is selling below the ceiling price and has sold below that price for a period of 6 months; or (2) the material is in adequate or surplus supply to meet current civilian and military consumption and has been in such adequate or surplus supply for a period of 6 months, if such material requires expansion of productive facilities beyond the levels needed to meet the civilian demand as set forth in section 2 of this act. For the purpose of this proviso, a material shall be considered in adequate or surplus supply whenever such material is not being allocated for civilian use under the authority of title I of this act.'"

Mr. SPENCE. Mr. Chairman, I make the point of order that the substitute amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from Kansas desire to be heard on the point of order?

Mr. REES of Kansas. Mr. Chairman, this amendment, in the first place, is germane if the amendment offered by the gentleman from Iowa [Mr. TALLE] is germane. I do not believe that the gentleman from Kentucky can point out

in any respect where the subject matter of this amendment is not in line with the legislation under consideration. I do not think there is any argument in support of his objection. The committee has before it an amendment and this is simply an amendment to the one under consideration at the present time.

The CHAIRMAN. Does the gentleman from Kentucky desire to make a further statement on the point of order?

Mr. SPENCE. No, Mr. Chairman.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Kansas [Mr. REES] offers an amendment as a substitute to the so-called Talle amendment. The gentleman from Kentucky makes the point of order against the amendment that it is not germane; that it goes beyond the purposes and scope of the legislation before the committee.

The Chair has had an opportunity to examine the amendment offered by the gentleman from Kansas proposing to amend section 402 (f) of the Defense Production Act of 1950, and the Chair also has had opportunity to examine the text of the Talle amendment.

The Chair is of the opinion that the amendment offered by the gentleman from Kansas [Mr. REES], as a substitute, is germane, and the point of order raised by the gentleman from Kentucky is overruled.

Mr. REES of Kansas. Mr. Chairman, this amendment was submitted to the House Committee on Banking and Currency, so the membership of that group has had a chance to examine and consider it. I also appeared before that committee in support of this amendment. My amendment is somewhat similar to the amendment offered by the gentleman from Iowa [Mr. TALLE]. My amendment, I believe, is more specific and to the point.

Much has been said about crippling amendments. May I suggest there are such things as corrective amendments. Also, clarifying amendments, and, more especially, amendments that carry out the wishes of the people with respect to legislation under consideration.

Mr. Chairman, this is an amendment to section 402 (f) of the Defense Production Act of 1950. It provides that the ceiling price for any material, by which its nature is not susceptible to speculative buying and not more than 10 percent of which is purchased with Government funds for defense purposes, shall be suspended as long as: First, the material is selling below the ceiling price and has sold below that price for a period of 6 months; or, second, the material is in adequate or surplus supply to meet current civilian and military consumption and has been in such adequate or surplus supply for a period of 6 months, if such material requires expansion of productive facilities beyond the levels needed to meet the civilian demand as set forth in section 2 of this act. For the purpose of this proviso, a material shall be considered in adequate or surplus supply whenever such material is not being allocated for civilian

use under the authority of title I of this act.

It is my belief, Mr. Chairman, that this amendment really carries out the intent of Congress when the Office of Price Stabilization was approved in 1950.

I believe it is generally agreed that in a country where the principle of free enterprise is applied and where market controls are taken care of on the basis of supply and demand, the need for price control is applied because of national emergency. In other words, generally speaking, price control of any commodity is applied at a time of major emergency and when the economy of the country is upset because of the abnormal need and use of certain commodities, and especially when such commodities are required, either directly or indirectly, for the defense of our country. However, this amendment provides all necessary safeguards. It seems to me that common sense if nothing else would guide us to support this amendment.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. HAYS of Ohio. What commodities are not susceptible to speculative buying? The gentleman in his amendment referred to anything that is not susceptible to speculative buying. Every commodity is susceptible to speculative buying.

Mr. REES of Kansas. There are, of course, a number of commodities that may be susceptible to speculative buying, but that does not in anywise weaken my proposal.

I shall address myself particularly to the problem of the production of crude oil and natural gas, one of the greatest and most essential industries in this country. As I understand it, one of the purposes of the Defense Production Act is to expand and protect the productive capacity of vital defense material, and especially to encourage production of an increased supply of such material. Unfortunately, for this industry and for the country, the application of price control has not adhered to that principle.

Congress, in the enactment of the Defense Production Act, has stressed the need for the expansion of productive facilities in order that the military and economic strength of the Nation may be developed and maintained.

I quote from the declaration of policy in section 2 of the act, when it says "requires expansion of productive facilities beyond the levels needed to meet the civilian demand." It also authorizes the President to make provision for "the encouragement of exploration, development, and mining of critical and strategic minerals and metals."

Under section 402 of the same Title with respect to administering price controls, it is stated that "the President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this act."

Section 402 grants authority to the President to provide exemptions from

price control where it is found that, first, such exemption is necessary to promote the national defense; or, second, it is unnecessary that ceiling be applicable to such materials.

It is my contention that the Office of Price Stabilization has ignored the intent and purpose of this declaration. I believe it is agreed that because the petroleum industry is a factor of such importance in the economic welfare and in the safety of our country, that our Government should encourage increased production in the petroleum industry, and certainly ought not to do anything to throw a roadblock in the way of its expansion.

I do not believe anyone claims there is presently a shortage of crude petroleum in this country. Inventories are adequate; production is less than capacity. Last year the excess of supply over the demand averaged 90,000 barrels daily. The stocks of crude oil are greater than they have been in years.

There is no shortage of crude oil in this country. It seems to me that it is extremely important that we take whatever steps may be necessary to restore the country's self-sufficiency of oil supply, and such self-sufficiency should be encouraged in every way possible.

As late as March 31, 1952, Charles E. Wilson, then Director of Defense Mobilization, said, and I quote:

New and higher goals have been set for the petroleum expansion program, with the aim of restoring reserve petroleum capacity to safer levels by 1953.

Strange as it may seem, under OPS regulations the oil industry is expected to carry out this accomplishment under the same price and same conditions as in 1947. While the general price level of nearly all commodities has increased since Korea, there has been no increase in the price of crude oil. As a matter of fact, I do not think the price of crude oil will change substantially if this bill is enacted into law.

It will, however, reach the objective and do the thing intended when the Defense Production Act was passed. It will permit the expansion of facilities for greater production of crude oil. It will also afford an opportunity for increasing the stocks of oil in our own country, and it will do the common sense thing, that is, give a chance for an independent industry to transact business in a competitive market without shackles and regulations of bureaucratic controls.

The oil industry has not only met all demands but has also maintained a capacity over and above its requirements and demands. In fact, the output of petroleum in this country could have been increased substantially during the past few years, if such became necessary.

The United States is an importer of oil. The loss of importation would impose an additional demand upon domestic industry. Domestic oil producers have warned against the danger of a trend toward dependency upon foreign sources of supply. It is extremely important that steps be taken to restore and increase a domestic supply of oil.

The approval of this proposed legislation will certainly offer encouragement in that direction.

Several months ago the Secretary of the Interior, Oscar Chapman, asked the producers to exert every effort to build up a cushion against an emergency. Here is what he said. I quote:

This means that exploration for oil must be intensified, drilling rates must be sustained at the highest level possible with the materials available. Oil-field operations must be conducted with the greatest possible efficiency, and secondary-recovery operations must be extended wherever possible.

To carry out this objective, the Secretary would do well if he would also recommend that the oil producing industry be released from regulations that are presently retarding it from "being conducted with the greatest possible efficiency."

As I suggested earlier in my statement, the Defense Production Act is a product of Congress. As I understand it, one of the important purposes of this act is to make sure, among other things, a sufficient supply of goods and materials is provided for the defense of our country, and do it with as little dislocation in our economy as may be possible; also, without upsetting or spiraling the price of such commodities.

If and when defense requirements are fully cared for, and when the demands for civilian use are being met, it seems to me further regulations with respect to such commodities should not be required, especially when regulations do not encourage expansion or supply of such materials and commodities.

Mr. Chairman, summing up the situation, the Defense Production Act came into being because of an emergency that required the need for an unusual supply of materials and commodities for the defense of our country.

In order to make sure the needs and requirements are fulfilled, and in order that the civilian supply of such goods and commodities that may become scarce on account of war demands are equitably distributed, price controls and allocations are made effective.

Under these conditions, what is known as the law of supply and demand is temporarily suspended until the demands and requirements of the Government have been fulfilled. I believe it is the will of the Congress and the will of the people that allocations and price controls and regulations pertaining thereto be released just as soon as these needs are met.

Mr. Chairman, as stated at the beginning of this discussion, I believe this bill carries out the intent of Congress when the Office of Price Stabilization was approved. You will find this amendment provides sufficient safeguards that will promote and protect the national defense, and at the same time remove many regulations and road blocks that are presently impeding productive expansion in this country. After all, one of the greatest preventives of inflation is the freedom and encouragement in the production of commodities of all kinds.

Mr. Chairman, do not misunderstand me, I believe that the amendment submitted by Mr. TALLE is fair and reasonable. I certainly have no opposition to it. I do think, however, that my proposal is clearer and is not likely to be questioned with respect to its meaning or its interpretation. I believe, also, that my amendment carries out the real intent and purpose of Congress when the Defense Production Act of 1950 was approved.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas [Mr. REES] for the amendment offered by the gentleman from Iowa [Mr. TALLE].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TALLE].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. TALLE and Mr. DEANE.

The Committee divided; and the tellers reported that there were—ayes 146, noes 88.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 104. (a) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting in the fifth sentence thereof after "(1) the Agricultural Act of 1949," the following: "except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 percent of the parity price or such higher level as may be established under section 402 of that act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas."

(b) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling prices for milk products for fluid consumption shall be established or maintained for dairies in any milk marketing area which are below the higher of (1) the level of prices prevailing during the period January 1, 1950, to June 30, 1950, or during such other nearest representative period determined under section 402 (c) adjusted for all increases and decreases in the cost of (A) direct labor, including distribution labor and commissions, (B) cans, containers, and cases, and (C) raw milk and other agricultural commodities up to the legal minima as determined by the Secretary of Agriculture, or (2) the level of prices which permits the dairies in the area the level of earnings assured under the industry earning standard now published by the Office of Price Stabilization. Where a State regulatory body is authorized to establish both minimum and maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be. No ceiling shall be established or maintained

under this title for fresh fruits or vegetables."

SEC. 105. (a) Paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) Rates charged by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended."

(b) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(viii) Prices charged and wages paid by bowling alleys."

(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(ix) Wages paid for agricultural labor."

(d) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(e) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: *Provided, however*, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be destabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty day after its enactment."

SEC. 106. The first sentence of section 402 (k) of the Defense Production Act of 1950, as amended, is amended to read as follows: "No rule, regulation, order or amendment thereto shall be issued or remain in effect under this title, which shall deny to sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific Government action to encourage production of the item in question."

SEC. 107. Section 402 (k) of the Defense Production Act of 1950, as amended, is further amended by adding at the end of the first sentence thereof before the period the following proviso: "": *Provided, however*, That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials for wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth."

SEC. 108. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsection:

"(1) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called fair trade law) or regulation now in effect."

SEC. 109. (a) (1) The first sentence of subsection (a) of section 407 of the Defense Production Act of 1950, as amended, is amended by striking out "relating to price controls under this title" and inserting in lieu thereof "relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended"; and by striking out "relating to price controls" after "any such regulation or order."

(2) Subsection (b) of section 407 of the Defense Production Act of 1950, as amended, is amended by inserting after "this title" the following: "and the Housing and Rent Act of 1947, as amended."; and by inserting after "section 705 of this Act" the following: "or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be."

(b) Section 408 of the Defense Production Act of 1950, as amended, is amended—

(1) by striking out "any regulation or order relating to price controls issued under this title" wherever appearing therein and inserting in lieu thereof the following: "any such regulation or order";

(2) by striking out "relating to price controls" in the last sentence of subsection (d); and by adding after "this title" in such sentence the following: "or the Housing and Rent Act of 1947, as amended"; and

(3) by adding after "section 409 or 706 of this Act" wherever appearing therein the following: "or section 205 or 206 of the Housing and Rent Act of 1947, as amended."; and by adding after "section 409 (a) or 706 (a) of this Act" in the third sentence of paragraph (2) of subsection (e) the following: "or section 206 (b) of the Housing and Rent Act of 1947, as amended."

SEC. 110. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

SEC. 411. No person shall be required under this act to furnish any reports or other information with respect to sales of materials or services at prices which are 7 percent or more below ceiling, if such person certifies to the President that such sales were made at such prices."

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that sections 104 to 110, inclusive, may be considered as read, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object. As I understand it, the sections which the chairman has mentioned all have to do with title IV?

Mr. SPENCE. That is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Permit the Chair to advise that Members will not be recognized to offer amendments to sections 104 through 110 until any amendments to section 103, following line 18, on page 3 have been disposed of.

Mr. POTTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POTTER of Michigan: On page 3, after the period, on line 18, insert the following new section: "Section 104, title III, of the Defense Production Act, as amended, is hereby amended by adding after section 304 the following new section:

"SEC. 305. Upon a finding by the Director of the Office of Defense Mobilization that it is in the public interest to provide for pro-

urement by negotiated contracts and purchases with responsible concerns in an area or areas of current or imminent labor surplus in order to preserve employee skills necessary for the fulfillment of Government contracts and purchases, to maintain production facilities, and to help assure timely delivery of required goods and services by locating procurement where the needed manpower and facilities are fully available, the Director of the Office of Defense Mobilization is authorized to notify the Department of Defense and the General Services Administration to give preference to such area or areas in the placement of contracts in accordance with such findings. On receipt of such notification from the Director of Defense Mobilization the Department of Defense and the General Services Administration shall: (1) Determine the procurement contracts that can be fulfilled by utilization of the manpower skills and facilities described in the findings; (2) take all practicable steps, consistent with other procurement and military objectives, other than price, to locate procurement in the areas covered by the findings; and (3) within a reasonable time, report to the Director of Defense Mobilization the steps taken, and furnish any other relevant information requested by him."

Mr. BROWN of Georgia. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Michigan on the point of order.

Mr. POTTER. This amendment actually writes into law an executive order.

The Attorney General and the Accounting Office both have stated that the President has authority under existing law to put into effect this order. If the President has that authority under the provisions of this act, I say, Mr. Chairman, the amendment is germane.

The CHAIRMAN (Mr. MILLS). The Chair is prepared to rule.

The gentleman from Michigan [Mr. POTTER], offers an amendment at page 3, after line 8, proposing a new section to title 3 of the Defense Production Act of 1950 as amended.

The gentleman from Georgia [Mr. BROWN], makes a point of order against the amendment on the ground that it is not germane to the bill before the committee.

The Chair has had an opportunity to review the provisions of title 3 of the Defense Production Act of 1950 and also to read and study the amendment proposed by the gentleman from Michigan.

The title to which the amendment is proposed is entitled "Expansion of Productive Capacity and Supply." The amendment refers to procurement, which is the subject of title 3; it refers to "facilities" which is also a subject of title 3 of the Defense Production Act of 1950.

The Chair therefore feels that the amendment is germane and overrules the point of order made by the gentleman from Georgia [Mr. BROWN].

The gentleman from Michigan is recognized in support of his amendment.

(Mr. POTTER asked and was given permission to revise and extend his remarks.)

Mr. POTTER. The purpose of this amendment is to write into law what is

now being carried out by executive order. I, along with many Members of Congress, am greatly concerned over the broad use of power by the executive branch, and I feel much safer when we write provisions into law.

The Federal Government is the greatest employer in the United States not only in direct employment but also through the issuance of various types of contracts. We know that great dislocations of our economy have been created and will be created unless there is some provision in this act authorizing the various procurement agencies of the Government, or the various agencies of the Government which are letting defense contracts, to spread the contract work so that areas where there is labor surplus will be given preferential treatment. That does not mean preferential treatment as far as allowing the Federal Government to enter contracts which are above the lowest bid; they will have the right to negotiate and secure contracts at the lowest price, but rather than channel all of our defense production to areas where there is a labor scarcity, and depend upon the migration of workers to take care of the need, it will send some of the work to areas where there is a labor surplus, where there is housing and where there are facilities to do the work. We will be able to better utilize the manpower of the United States and secure greater production. I hope that the Congress will authorize what is now taking place through Executive Order.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield to the gentleman from South Carolina.

Mr. RIVERS. Does the gentleman want to put into force and effect the power which the President indicated in his Executive order whereby recently, and in the last 6 or 8 months, he abrogated contracts that had been entered into, competitive contracts that were entered into with the low bidder and took those contracts and placed them elsewhere, contracts which had been entered into under the sanctity of low bidding?

Mr. POTTER. This has nothing to do with competitive bidding. Let us take the Defense Department, as an example. It will set aside certain parts of a contract to negotiate after competitive bidding has taken place. A part of that contract on which competitive bidding has taken place will be taken care of by competitive bidding.

Mr. RIVERS. Does that mean the gentleman's amendment will be the first time this Congress has recognized by act of Congress that the theory of competitive bidding shall be abrogated by action of the Congress?

Mr. POTTER. No.

Mr. RIVERS. I think that is the effect of it.

Mr. POTTER. Price differential has nothing to do with it.

Mr. RIVERS. If you have a surplus of labor in any community and adequate housing, that contractor has it over others from the competitive standpoint and can outbid. The only thing that would

come into play would be what God gives you, which would be a climate where you would not have to use so much heating oil, and so forth.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield to the gentleman from New York.

Mr. CELLER. I am in thorough accord with the gentleman's amendment. There are 45 areas in this country that are distress areas and which are termed "surplus labor markets."

Mr. POTTER. I should like to read the areas which are affected and in which there is surplus labor. Surplus labor areas are ones which have at least 6 percent of unemployment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. POTTER. I yield to the gentleman from Illinois.

Mr. YATES. Is not the gentleman's amendment a codification of Defense Manpower Policy No. 4?

Mr. POTTER. That is right?

Mr. YATES. Does the gentleman's amendment contain the recent amendment to Defense Manpower Policy No. 4?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. POTTER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. SPENCE. Mr. Chairman, I object.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 12:15.

Mr. HARRISON of Virginia. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close at 12:30.

The CHAIRMAN (Mr. DAVIS of Tennessee). Does the gentleman from Georgia yield for that motion?

Mr. BROWN of Georgia. Mr. Chairman, I do not yield for the motion.

The CHAIRMAN. The gentleman from Georgia will proceed.

Mr. BROWN of Georgia. Mr. Chairman, there is no justification for the Potter amendment. I believe every Member on both sides of the aisle wants to see all sections of this country treated alike.

This amendment is designed to favor people in certain sections of the country to the detriment of people of other sections of the country and at the expense of the taxpayers. We had this up before the so-called watchdog committee and we held hearings at which people from the West and South testified. We discussed it fully, and those in authority decided not to go ahead and let contracts to one section of the country at a higher bid and against those sections of the

country that had a lower bid. You are simply trying to satisfy a certain section of the country because there is a surplus of manpower.

This amendment is economically unsound and wasteful. It calls for abandoning the proven principle of awarding a contract to the lowest bidder and would undermine the integrity and moral fiber of the procurement agencies. It would bog down the entire procurement machinery. It would open the doors to special privilege, personal friendships, politics, and a dozen other kinds of inducements.

The textile industry is an outstanding example of one of these segments of the national economy where intervention could only produce turmoil, needless waste of time and money, and demoralization of traditional market processes.

There is ample testimony as to the facts of the textile situation. This industry is caught in depression; its distress and unemployment are industry-wide and not confined to specific geographic localities; its present problems do not stem from allocations of raw materials, production diversions, or similar mobilization activities.

The textile industry typifies the free, competitive system of business enterprise which is the source of America's might.

Now you can understand why practically all the people are apprehensive of the danger in adopting any policy of preferential procurement which would violate the basic concept of our competitive enterprise system. It is alarming to realize there are those who have reached a frame of mind to advocate preferential treatment in the textile industry, when the socialistic implications of their proposals are analyzed.

Certain sectors of this industry are paying the penalty of failure or inability to translate their scientific progress into lower prices for the consumer—and, of course, the Government is one of the biggest consumers. Where this progress has been permitted to be passed on in good measure to the consumer in the form of lower prices—competitive prices—those sectors of the industry are better able to maintain a solvent position in difficult times.

Is such business foresight to be penalized? Two wrongs never will make a right. Some of our citizens have been seriously harmed, but it will not help them to harm still other citizens.

If this effort is to help certain sections of the country that have a surplus of labor, then to invoke this amendment would be to create a surplus of labor in other sections of the country. The result, if such an amendment as this is followed, will be to legislate for one section of the country against the interests of another section of the country. I believe the lowest bidder should be awarded the contract. Why should one State in New England, for example, have a preference in law as against a State in the West or a State in the South? This is nothing in the world but an attempt to legislate for one section of the country against another section of the coun-

try. I think you should understand this. This matter was fully discussed before the so-called watchdog committee, and I think we convinced those in authority that the amendment would not help even surplus labor in one section of the country. We have in the South, it is true, a great many mills, but many of these mills are running less than 3 days a week. You have situations in New England where they are running half of the time. But, but how would an administrator administer such a law? Will he go up to New England and say, "We will give you this contract, but down in the South, where they are working only 3 days a week, we are not going to give it to them, even if their bid is lower than yours." Even in New England you might give the contract to one county and an adjoining county who deserves it would not get it and their employees would be out of a job. Why should we come to Congress and make a contract for one section against another or contract with one industry against another in the same State where both have a surplus of labor?

Mr. BRYSON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from South Carolina.

Mr. BRYSON. Is it not true that on this same issue extensive hearings were held before this special board some weeks ago?

Mr. BROWN of Georgia. Yes.

Mr. BRYSON. And it was definitely established that goods desired and needed by the Government had been purchased by competitive bidding, and to abrogate competitive bidding and award it to some other section you would then negotiate contracts at higher prices for these same goods?

Mr. BROWN of Georgia. That is true.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from South Carolina.

Mr. RIVERS. Would not this, in effect, tell the President of the United States that the Congress has given a green light to pit one section against another and one area against another and abolish forever, in times of so-called emergency, the theory of competitive bidding?

Mr. BROWN of Georgia. I thank the gentleman for his contribution.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. GROSS. This would create, under the Defense Production Act, glorified WPA projects in selected parts of the country.

Mr. BROWN of Georgia. It might, sir.

More than that, my friends, let us not fight the War Between the States over again. I am awfully sorry to see this kind of an amendment offered to disrupt the unity on both sides of the aisle, and I hope that the amendment will be defeated by an overwhelming vote.

Mr. MORANO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support the amendment offered by the gentleman from Michigan [Mr. POTTER].

Mr. POTTER. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield to the gentleman from Washington for the purpose of reading a list of distressed areas.

Mr. POTTER. Mr. Chairman, the so-called distressed areas that have a labor surplus of 6 percent are as follows:

List of areas notified under defense manpower policy No. 4

Area	Approved by ODM	Notification No.
Altoona, Pa.	June 6	40
Asheville, N. C.	Mar. 13	5
Atlantic City, N. J.	May 13	36
Bay City, Mich.	Mar. 29	22
Biddeford, Maine	June 6	42
Brockton, Mass.	Mar. 13	6
Connerville, Ind.	June 13	45
Cumberland, Md.	Mar. 13	15
Danielson, Conn.	Apr. 8	25
Danville, Ill.	May 13	35
Fall River, Mass.	Mar. 13	11
Gloversville, N. Y.	May 3	31
Herrin-Murphysboro-West Frankford, Ill.	Mar. 13	7
Ionia-Belding-Greenville, Mich.	Mar. 15	18
Iron Mountain, Mich.	Mar. 13	12
Joplin, Mo.	May 3	32
LaCrosse, Wis.	June 6	44
Lawrence, Mass.	Mar. 13	8
Lewiston, Maine	June 17	46
Lowell, Mass.	Mar. 13	13
Manchester, N. H.	Mar. 13	10
Martinsburg, W. Va.	June 6	41
Mayaguez, Puerto Rico	June 17	48
Muncie, Ind.	Mar. 29	24
Nashua, N. H.	Apr. 8	26
New Bedford, Mass.	Mar. 15	19
New York, N. Y.	Mar. 13	16
Norwich, Conn.	June 17	47
Parkersburg, W. Va.	May 3	33
Ponce, Puerto Rico	June 17	49
Port Huron, Mich.	Mar. 29	23
Portsmouth, Ohio	May 13	34
Pottsville, Pa.	Mar. 13	9
Providence, R. I.	Mar. 7	2
Reading, Pa.	May 13	37
Richmond, Ind.	June 6	43
Ronceverte-White Sulphur Springs, W. Va.	Apr. 29	29
San Juan, Puerto Rico	June 17	50
Scranton, Pa.	Mar. 7	4
Taunton, Mass.	Apr. 29	30
Terre Haute, Ind.	Mar. 25	21
Uniontown-Connellsville, Pa.	Mar. 15	20
Utica-Rome, N. Y.	Apr. 8	27
Vincennes, Ind.	Apr. 12	28
Wilkes-Barre, Pa.	Mar. 7	3

Also included are two industries, the shoe industry and the textile industry.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Chairman, I will support this amendment, because we hear so much here about the conservation of resources and we hear so little about the conservation of human resources. The gentleman is trying to see that we utilize our human resources to the full in the areas where skilled workers and facilities are available because of the displacements of the defense mobilization. I am all for that.

Mr. POTTER. To me, it is utterly ridiculous for us to let defense contracts in areas where there is a labor scarcity when we have facilities and the workmen in areas where there is a labor surplus.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield.

Mr. BROWN of Georgia. The gentleman has given an account of many communities throughout the land that desire contracts for national defense. I can furnish the gentleman with another list by naming every community in the United States that is asking for more defense contracts.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield to the gentleman from Massachusetts.

Mr. HERTER. I want to associate myself most heartily with this amendment. In the list that has just been read there were the names of six of the largest cities in Massachusetts, that are really in a distressed condition. For those six cities this would be a very valuable thing, and it would save the mobilization of manpower from one section to another.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. I likewise desire to support the Potter amendment, which is a fine amendment. It would relieve distress in these areas. There is nothing sectional about this amendment. It is in the interest of the country generally and I hope it will be adopted.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. MORANO. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that by having such a plan we may actually save the taxpayers of this country millions of dollars through not having to build housing projects, churches, and schools?

Mr. POTTER. There is no doubt about it. We have had experience time and time again with so-called impact areas, where defense contracts were let in areas where there was a labor scarcity. The provisions of this amendment will eliminate that greatly and reduce the impact areas created as a result of unwise letting of defense contracts.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 12:30.

Mr. RIVERS. Reserving the right to object, Mr. Chairman, how much time would that give each Member now standing?

The CHAIRMAN. About 1 minute apiece.

Mr. CELLER. I object, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close not later than 12:30.

The CHAIRMAN. The question is on the motion.

The question was taken; and on a division (demanded by Mr. RIVERS) there were—ayes 82, noes 34.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, 18 States will be benefited by this amendment, and it will prevent intense distress

to those areas due to lack of job opportunity. It is not an amendment which will pit one area of the country against another area of the country. It will seek to do away with the imbalance of business opportunities which now exist. I want to emphasize this point. That small business is not involved because there was an amendment to the order called Defense Manpower Policy No. 4 to this effect: "Concerns within areas of current or imminent labor surplus which are not small-business concerns shall not receive preference over small-business concerns outside such areas. Small-business concerns within such areas shall receive preference over small-business concerns outside such areas."

Defense Manpower Policy No. 4, which was issued by the Office of Defense Mobilization on February 7, 1952, is designed to aid in the development and maintenance of necessary military and economic strength in order to oppose acts of aggression and promote peace. The policy is to provide for negotiation of contracts with responsible concerns in areas of current or imminent labor surplus where the public interest dictates the need for doing so in order to achieve the following objectives:

(a) To coordinate conversion from civilian to military production;

(b) To minimize strains and dislocations in the economy resulting from such conversion;

(c) To preserve employee skills necessary to the fulfillment of Government contracts and purchases;

(d) To maintain productive facilities;

(e) To assure utilization of the Nation's total manpower potential by making use of the manpower resources of each area; and

(f) To help assure timely delivery of required goods and services by locating procurement where the needed manpower and facilities are fully available.

A Surplus Manpower Policy Committee was created by Charles E. Wilson, Director of the Office of Defense Mobilization, in order to carry out these purposes. This Committee has recommended that contracts be negotiated at reasonable prices and in areas of current labor surplus and that contractors in those areas be afforded the opportunity to meet prices obtainable elsewhere.

At present there are forty-five areas which have been certified to the Department of Defense and the General Services Administration for this treatment. The implementing instructions of the Department of Defense and the General Services Administration give qualified firms in labor surplus areas the opportunity to meet the lowest acceptable offer. This equalizes opportunities for work.

The Department of Defense instructions also provide for the use of set-asides in conjunction with formal advertising. Under this method, the quantity which would probably yield the most favorable prices is determined and awarded to the lowest qualified bidder following formal advertising procurement procedures. The remainder is held for negotiated placement with qualified firms

in surplus labor areas at prices equivalent to the lowest qualified bid received.

When preferential contract placement in surplus labor areas would have a major effect on the operation of an entire industry, paragraph 8 of the policy calls for recommendations to be made on an industry basis following a hearing of the interested parties. Due to their nationally depressed condition, the committee originally excluded the textile, shoe, and apparel industries from the application of the policy in the various areas. Following hearings, the committee recently recommended that the shoe exclusion be lifted, and that the textile industry continue to be excluded from area preference, but that the Department of Defense accelerate procurement of textiles and give contract preference to those firms not operating more than 80 hours per week. Hearings were recently concluded on the apparel industry and a report from the hearing panel is awaited.

Mr. LANHAM. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: On page 3, after the period on line 18, insert the following new section: "Section 104, title III, of the Defense Production Act, as amended, is hereby amended by adding after section 304 the following new section:

"SEC. 305. No rule, regulation, order, or policy issued under this act shall direct placement or procurement in areas of current or imminent labor surplus, and any such rule, regulation, order, or policy heretofore issued is hereby rescinded."

Mr. CELLER. Mr. Chairman, I make a point of order against the substitute amendment offered by the gentleman from Georgia [Mr. LANHAM]. I believe the amendment to the amendment is out of order in that it is not germane. It is a negation of the original amendment offered by the gentleman from Michigan, and therefore it will create tremendous confusion. A vote against the amendment offered by the gentleman from Michigan would be tantamount to a vote in favor of the amendment to the amendment and vice versa.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule. The gentleman from Georgia [Mr. LANHAM] offers a substitute amendment to the amendment offered by the gentleman from Michigan [Mr. POTTER]. The amendment offered by the gentleman from Georgia is in the form of a substitute. It was offered as a substitute amendment; it encompasses the same general subject which is encompassed by the amendment of the gentleman from Michigan, therefore the Chair feels that the amendment is germane. The point of order is overruled.

Mr. DEANE. Mr. Chairman, I ask unanimous consent that the time allotted to me may be given to the gentleman from Georgia [Mr. LANHAM].

Mr. HOFFMAN of Michigan. Mr. Chairman, I object.

(Mr. LANHAM asked and was given permission to revise and extend his remarks.)

Mr. LANHAM. Mr. Chairman, during the 5½ years it has been my privilege to serve in the Congress, it has been

my constant endeavor to approach legislation without sectional bias but from the broad standpoint of the welfare of the country as a whole. That I have been fairly successful in my efforts not to be narrowly sectional, I think all will agree. I have voted for public housing for the benefit of the cities of the North and East. I voted against Taft-Hartley when it was unpopular in the South to do so, and have supported the minimum wage and other humane legislation not popular in the South.

But the South is my native land and I love it dearly. Naturally when unfair or discriminatory legislation against the South is proposed, I have fought it with all of the power at my command. Moreover, I have protested against action taken by certain of the executive agencies which discriminated against the South. Such was my attitude toward what is known as Defense Manpower Order No. 4 issued by Mr. Wilson, which would have channeled contracts into sections where there was unemployment by awarding such contracts to other than the lowest bidder. I make bold to say that this order cannot be justified. If there is unemployment in New England or elsewhere, it is a matter that should be considered and corrected by the localities involved and if necessary by the Federal Government. But it should be manifest to one and all that to try to correct this situation by unsound and indefensible procurement practices is not the proper procedure. I am glad to see that the order has been modified to the extent that it is now proposed to give no section a price differential although procurement units have been instructed to channel contracts into unemployment areas where contractors in that area will meet the lowest bidder's price. Of course, this is unfair and discriminatory but the protest that I and other southern Congressmen made has at least resulted in preventing the letting of contracts upon the unsound basis of a price differential.

Some months ago when I made the aforementioned protest to the panel set up by the Manpower Division of the DPA, I made the statement that unless Mr. Wilson's defense manpower order were canceled or modified, I would not vote for the extension of the DPA. Today we are considering the extension of this act, and unless a provision is written into the bill preventing the unjust discrimination against the South which defense manpower order No. 4 involves, I shall probably vote against the extension of the act.

Now comes another brazen effort on the part of certain New England politicians, notably the Honorable JOHN KENNEDY, of Massachusetts, and the CIO bosses of Pittsfield, Mass., to block the issuance of a tax amortization certificate to the General Electric Co. for the construction of a plant to build transformers in Rome, Ga., my native city. Mr. KENNEDY and Mr. Carey, of the CIO, have made wild and misleading statements about the proposed new plant at Rome and have insisted that it will mean unemployment and the abandonment of the

Pittsfield plant by General Electric. I am assured by the company that there is absolutely no truth to these assertions. In commenting upon the building of the Rome plant, Mr. C. J. Hendon, commercial vice president of General Electric, has this to say:

Our people have all been impressed with the opportunity that Rome offers as a good place to live and run a good business. The increase in transformer requirements for the electric power industry establishes the fact that the transformer business is one of the most dynamic segments of the electrical industry. The forecast level for the total transformer industry by 1960 is 185 percent of the 1951 rate. If we intend to keep our position of leadership in this field, and we definitely do intend to keep it, then we are required to expand our facilities immediately.

The decision to expand was made almost a year ago and the past months have been used to lay out in detail an ideal transformer plant. After a most careful analysis had been made, our people came to the conclusion that Rome was the ideal location. It provides adequate railroad facilities, a good supply of labor that can be trained for our work, and with soil and subsurface conditions that would carry this kind of a plant. We also found that Rome offers attractive living conditions for our key personnel, a good school system, recreational facilities, and other important factors.

As a reason for locating the plant in the South, Mr. Hendon had this to say:

We, in the electrical manufacturing industry, could hardly overlook the fact that the Southeast has led every other region in the United States in its rate of increased electric power production.

I call attention especially to the statement of Mr. Hendon to the effect that the forecast level for the total transformer industry by 1960 is 185 percent of the 1951 rate. It is perfectly obvious that what my friend, the gentleman from Massachusetts, JOHN KENNEDY, and the CIO object to is that the expansion is not being made in Pittsfield, Mass., rather than in Rome, Ga.

Mr. Fowler, Defense Production Administrator, has assured me that he will act on this matter strictly according to the evidence submitted as to the contribution of the new plant at Rome to the defense effort. He will do this, I am sure, in spite of political pressure exerted by the union bosses and Congressmen, whether from the State of Massachusetts or Georgia. I have every confidence in him, and I am sure he will act in the best interest of the defense effort.

In commenting upon this latest effort of certain sections of the country to thwart and defeat the industrial development and progress of the South, the Atlanta Constitution in an editorial in its issue for Monday, June 16, had this to say:

The latest and most brazen attempt to delay and obstruct industrialization of the South by New England's entrenched interests should be fought with all the power southerners can command in Washington.

Henry Fowler, Defense Production Administrator, has delayed an application by General Electric for a certificate authorizing accelerated tax amortization on their proposed new plant in Rome because of pro-

tests from a group in Pittsfield, Mass., where General Electric already has plants.

The protest said the construction and operation of the new plant in Georgia would jeopardize jobs in Pittsfield and that, therefore, Administrator Fowler should deny General Electric's application for tax amortization. Massachusetts Congressmen are reported joining in the fight.

We do not attempt to uphold or justify the practice of allowing corporations to write off construction costs of plants during the defense emergency as an incentive to increased production through expansion, but it is a practice allowed by the Government.

If such a plant at Rome, Ga., is needed to fulfill defense requirements and GE desires to build it there, that alone is the only justification needed for the company to have the same privilege as that accorded others.

And if GE can fulfill Government contracts more cheaply and efficiently in a Southern plant than it can in New England, the contracts should go to the Southern plant because of the saving to taxpayers. The Defense Production Authority is not a relief agency designed to perpetuate conditions a private concern is trying to escape. Southern efficiency should not be penalized while inefficiency is subsidized elsewhere.

We call on the Georgia congressional delegation to resist this latest attempt at discrimination as they have resisted those in the past with every weapon at their command.

I agree wholeheartedly with this editorial. At long last, industry in the South has gotten fairer freight rates due to the efforts of former Gov. Ellis Arnall of Georgia, Walter McDonald, of the Georgia Public Service Commission, and others from the South and West. The North and East fought these efforts for fair freight rates to the bitter end, and now seek to prevent the development that naturally is coming our way as a result of the new freight rates and because of the many other favorable conditions in our area.

Before the appearance of this editorial or before there had been any public announcement of this protest filed by Congressman KENNEDY and the CIO, I conferred with Mr. Henry Fowler, Defense Production Administrator, and urged that the tax amortization certificate be granted. The matter has been held in abeyance until the General Electric Co. can present to Mr. Fowler facts substantiating the statement of its officials that the Rome plant will mean no unemployment for Pittsfield but will mean additional badly needed facilities for the manufacture of transformers so vital to industry and especially to the war effort which needs such huge quantities of electric power.

In conclusion, I am including with my remarks an editorial of the Rome News-Tribune for Monday, June 16, entitled "Why General Electric Picked Rome":

We don't like to brag, but we can't help but be proud of what Mr. C. J. Hendon, a vice president of the General Electric Co., had to say in a speech here yesterday.

The General Electric Co., he said, spent a year in choosing the location for a new transformer plant.

"After a most careful analysis had been made," he said, "our people came to the conclusion that Rome was the ideal location. It provides adequate railroad facilities, a good supply of labor that can be trained for our work and with soil and subsurface con-

ditions that would carry this kind of a plant. We also found that Rome offers attractive living conditions, a good school system, recreational facilities, and other important factors."

Mr. Hendon said that his company searched from Virginia to Arkansas in seeking a location, and Rome appealed to our operating people more than any other visited as coming closest to fulfilling all the requirements.

Those are mighty nice things to say about a community, and every member of that community should be proud to hear them. After all, a city or a county is very much like a business. Every person living in the community is a stockholder, and has an important interest in the future of his community. You don't necessarily have to be a taxpayer to be considered a stockholder in a community, for you can pay for your share by being a good citizen and contributing your services.

Every one of the more than 60,000 persons living in Floyd County should be concerned over the future of the county. Each one of us should want to see diversification: industry, agriculture, retail trade, all the businesses that go to make up a balanced community. Each one of us should want to see new job opportunities created, for new jobs mean prosperity.

Each of us should want to see the fine spirit of cooperation and good neighborliness, which has been so evident in our community continue.

It doesn't matter whether you're a businessman or a farmer or a public official or a schoolboy or a housewife or a policeman or what. The fact that you're a citizen of a community means that you have an obligation to that community, and that you can expect benefits in relation to your investment.

We're glad to hear Mr. Hendon say that General Electric picked Rome because it is an ideal community. We've thought so, for a long time, and we want to keep it that way.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, when a Member of the other body introduced a bill for the same purpose some time ago, I obtained time and denounced it as a glorified WPA program, and that is exactly what the amendment of the gentleman from Michigan seeks to establish today. It is a glorified WPA project in certain areas of the country. No one outside the State of Iowa takes cognizance of the fact that a little manufacturing concern in my State, employing 25 or 30 persons, is harassed through lack of materials and is forced to close its doors. Nobody takes any cognizance of that closing. They just go out of business and that is the end of it. I am opposed to this business of subsidizing industry in one section of the country and strangling it in another. This amendment is rankly discriminatory.

The CHAIRMAN. The gentleman from North Carolina [Mr. BARDEN] is recognized for 1 minute.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I ask unanimous consent that I may give the time allotted to me to the gentleman from North Carolina [Mr. BARDEN].

The CHAIRMAN. In view of the objection raised just a few minutes ago by the gentleman from Michigan to a similar request, and it being within the discretion of the Chair, the Chair will not entertain any request to reallocate time by one Member to another.

The gentleman from North Carolina is recognized.

Mr. BARDEN. Mr. Chairman, I cannot conceive of a more ridiculous piece of legislation coming on the floor of the House. I listened to the gentleman from New York just now relate that 18 States would be benefited. If that be true, the 18 States would be benefited at the expense of the other 30.

When are we going to really begin to profess love for our system of Government and type of economy in this country? I am astounded. Here we are discussing a price control bill and here are admissions and confessions that there is overwhelming unemployment in 18 States of our Union. Why are they unemployed? It is because there is too much production. That is simple; they cannot sell their textile goods; they know it, and cannot sell their shoes at anything akin to ceiling prices, yet here we are fixing to put a provision in here to employ one group in a favored section at the expense of unemployment for another group in an unfavored section that is as un-American and alien to the way our Government has transacted its business, as anything I know of.

The CHAIRMAN. The gentleman from Illinois [Mr. BUSBEY] is recognized.

(Mr. BUSBEY asked and was given permission to revise and extend his remarks.)

Mr. BUSBEY. Mr. Chairman, I have great sympathy for the position of the gentleman from Michigan [Mr. POTTER]. He has a sincere desire to serve the people of his district and the whole State of Michigan because his State has been especially hard hit during the past few months. This is due not only to the steel strike but to the "stretch-out" of the administration in cutting down its defense program which has caused an unusual amount of unemployment in Michigan, particularly in those areas that have been transformed from automobile production to defense work.

Nevertheless, Mr. Chairman, I feel in all fairness to the Members of this House, in considering Mr. POTTER's amendment, they should have the advantage of certain information which has come to me as an individual and from testimony before our Subcommittee on Appropriations for the Department of Labor. What Mr. POTTER's amendment would do, in effect, would be to legalize the President's directive which has placed the manufacturers throughout the length and breadth of the United States, who have been working on defense contracts, at a tremendous disadvantage.

If the Potter amendment is adopted a manufacturer who spent considerable time and money to figure out his bid from the specifications furnished him by the Defense Department, may lose the contract by an award to a company in a surplus labor area. A company in a

surplus area could receive the contract without going to the expense of making an estimate or a bid. He could receive the contract provided he would be willing to meet the other man's quotation. This certainly opens the whole field of awarding defense contracts to graft, corruption and political favoritism, while the honest businessman goes to the trouble and expense of getting the figures together for the bid. In many instances the company receiving the contract may not have the right machinery or facilities for making the item. It may not even be financially responsible to take on the contract.

While I am very sympathetic to the plight of these various districts which have been caught in the current depression, due to the mishandling of our defense contracts, and more particularly the entire economy of our country, nevertheless I believe if the Potter amendment is adopted it will be just another means at the disposal of the New Dealers who want to control all segments of our economy. It will be a blow to the system of free enterprise.

Mr. Chairman, the Potter amendment should be defeated and the Lanham amendment should be adopted.

The CHAIRMAN. The gentleman from South Carolina [Mr. BRYSON] is recognized.

Mr. BRYSON. Mr. Chairman, some months ago a number of Members of Congress appeared before a special panel set up by the Office of Defense Mobilization in opposition to the proposed defense manpower policy number 4. Members of Congress also appeared before the same panel in favor of the policy.

I do not question that there is unemployment in some communities to a greater degree than in others. It is significant that by far the greater number of communities allegedly having surplus manpower is in the North and East. We, too, have unemployment in the South and West. Of course, these facts might be attributed to many causes. I fear that there is some unemployment in some communities due to the fact that there are those who are unwilling to work. The fact is, it sometimes appears that there are those who have lost the dignity for work. Unless and until the old-fashioned policy is more generally recognized not only that the servant is worthy of his hire but that an honest day's work is expected for an honest day's pay, we will continue to have unemployment.

I am usually identified with textiles but for the moment I would ask that you forget any special interest I may have in this regard. I am thinking of this gross and unreasonable suggestion to violate this very fundamental economic principle of competitive bidding. If, as it is said by the gentleman from Michigan [Mr. POTTER], there are communities ready, willing, equipped, and anxious to get Government contracts, why is it that these said communities do not bid competitively for the work. Could you justify deliberately abrogating competitive bidding, thus giving preference to those who either cannot or would not compete.

The adoption of such a suggestion would mean purchase of essential government goods by negotiation at higher rates to the Government, which means added cost to the already overburdened taxpayers. I have previously spoken at length on this important subject and in this brief moment I can only reiterate my sincere belief in that we should here and now adopt the amendment offered by the gentleman from Georgia [Mr. LANHAM], which means defeating the pending amendment offered by the gentleman from Michigan [Mr. POTTER]. The Lanham amendment would negative the alleged inherent or implied power of the executive branch of the Government to do away with competitive bidding and negotiate for essential goods. From whatever part of the country you may come, let us adhere to the sound economic principle of competitive bidding and thus stop robbing Peter to pay Paul.

(Mr. BRYSON asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Mississippi [Mr. SMITH] is recognized.

Mr. SMITH of Mississippi. Mr. Chairman, those Members of the House who believe in the WPA system, the welfare state philosophy of direction by Government controls, will, of course, I am sure, support the Potter amendment which is designed to put in the hands of the Government all control over the free-enterprise system in the manufacture of products under Government contracts.

It would be much simpler to spell out in the amendment directly where the Government will go, and write in the distressed areas by name to make sure that you set up and actually provide for a new Works Progress Administration for the benefit of these distressed areas.

The Lanham amendment is designed to end this type of administrative action on the part of the Executive which is destroying the essence of the free-enterprise system in Government contracts; which is not only destroying that system but is also proving to be of such great cost to the taxpayer.

The Potter amendment would be costly and dangerous.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. VAN ZANDT] is recognized.

(Mr. VAN ZANDT asked and was given permission to revise and extend his remarks.)

Mr. VAN ZANDT. Mr. Chairman, I rise in support of the Potter amendment.

I do so because my home town of Altoona, Pa., is one of the some 40 communities scattered throughout 18 States declared a critical area because of surplus labor.

In Altoona and vicinity there are many small businesses victims of the war effort because of their being denied critical materials with the results thousands of skilled workers are employed today.

The Potter amendment before us simply gives these businesses and skilled workmen an opportunity to not only earn

an existence but to make a contribution to the war effort.

Furthermore, in favoring these critical areas the great cost to the American taxpayer of having to spend millions to build housing projects, churches, schools, and recreational areas to take care of defense workers will not be necessary. To the contrary, all such facilities are already available in these areas, together with thousands of unemployed workmen awaiting employment in the war effort.

A vote for the Potter amendment is a vote for an even distribution of Government defense contracts as well as employment for thousands of good American citizens.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, I shall support the amendment offered by the gentleman from Michigan [Mr. POTTER] and shall oppose the amendment offered by the gentleman from Georgia [Mr. BROWN].

Arguments have been advanced that this matter creates or would create discrimination against certain areas in the South.

The undeniable fact is that there are areas in the North where there has been and is very considerable difficulty resulting in loss of employment and failure to utilize existing plants and equipment.

Only recently the General Electric Co. filed a request for a \$25,000,000 tax-amortization certificate in order to build a new transformer plant in Rome, Ga., with the view to transferring its work on transformers from its present location in Pittsfield, Mass., to Georgia.

I do not think anyone questions the right of the General Electric Co. to establish plants wherever it chooses. But I seriously question whether it was ever intended that the Federal Government should permit the tax-amortization program to be utilized in financing the building of new facilities where there are existing facilities available and adequately trained and experienced personnel to operate them.

I am sure that no one could examine the facts with reference to the difficulties being experienced in certain areas in the northern part of the country without reaching the conclusion that it is not discriminating against any other area for the Government, in its procurement policies, to attempt to allot contracts on an equitable basis.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I want to make it very clear to the House that the Lanham amendment will nullify the Potter amendment. It will prohibit the Government from sending contracts into so-called surplus labor areas, when

other areas bid competitively for defense contracts.

I shall support the Lanham amendment. It would be discriminatory to give to New York a contract for electronic devices which might require 2 years to fill on account of an unreasonable backlog, and deprive a New Jersey electronics manufacturer of the contract when he could deliver the finished product immediately. That is one of the great defects. This so-called allocation of defense contracts to surplus areas does not take into consideration the capacity of individual businesses to produce in areas that are not classified as "surplus labor areas."

I hope the Lanham amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Chairman, will the gentleman from California [Mr. HOLIFIELD] give us some examples of what is taking place along the Pacific coast in this regard.

Mr. HOLIFIELD. Let us take the shipbuilding interests. The Pacific coast is not a surplus labor area. They are denied contracts to build ships, whereas in eastern shipbuilding places they are given contracts which they cannot fulfill for maybe 1, 2, 3, or 4 years from now. The facilities in the South and in the West remain idle because they are not designated as surplus labor areas. This discrimination in placing contracts applies not only to shipbuilding but to every other phase of Government contracts covering defense. In many of these areas which are not classified as a surplus labor area, there are production facilities that were built especially to handle defense contracts, such as shipbuilding, electronics, and machine-tool production. They may have a surplus labor problem in their individual industries and yet they are discriminated against because there is no over-all surplus labor problem.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I hold a letter in my hand which I will not have time to read in its entirety. This is the kind of form letter that is going out to manufacturing concerns all over the country in regard to this kind of legislation:

La Crosse and Scranton have been designated by the United States Department of Labor as group IV areas—areas of substantial labor surplus. Here's what this means to the Trane Co.:

1. Manufacturers in such labor areas are eligible to receive negotiated Government contracts at reasonable prices even though lower prices could be obtained elsewhere.

2. Manufacturers in such areas are to be given the opportunity of meeting the lowest acceptable prices obtained on bid contracts.

Your quotations on all Government jobs should carry a notice to the effect that the Trane Co. is in a group IV area. You should immediately notify all Government purchas-

ing and contracting officers in your area of this situation. This should be followed up with a written confirmation.

Under this regulation, it is possible to have jobs negotiated instead of being let by public bid. If you see large jobs shaping up in your territory, you should explore the possibility of negotiating the job with the contracting officials. Jerry Van Steenberg of our Washington office can be of aid to you in bringing the proper pressure to bear in Washington.

By proper following up on this situation, you should be able to obtain additional business which might otherwise be lost on a straight competitive basis.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DEANE].

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. DEANE. Mr. Chairman, this is a very, very important amendment and was not considered by our committee in its lengthy hearings nor was it brought up at any time for discussion in committee meetings. The amendment is discriminatory and I hope the committee will reject it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. CLEMENTE].

(Mr. CLEMENTE asked and was given permission to revise and extend his remarks.)

[Mr. CLEMENTE addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WILLIAMS].

(Mr. WILLIAMS of Mississippi asked and was given permission to revise and extend his remarks.)

[Mr. WILLIAMS of Mississippi addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. PHILBIN].

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

Mr. PHILBIN. Mr. Chairman, I believe that this amendment will be very helpful in alleviating unemployment and distress in many parts of the Nation, and I earnestly hope it will be adopted.

The proposal made herein is not discriminatory and it is not sectional. It is not contrary to the spirit or letter of our laws designed to promote the general welfare of the Nation; in fact, it is wholly consistent with them.

In my own State of Massachusetts at the present time there are several fine communities where serious unemployment and distress exists. Many industrious, honest, hard-working people are walking the streets in these places without work. Their unemployment benefits have expired and they and their families are facing suffering and privation. Similar conditions obtain in some 45 different communities widely spread throughout the country.

I have frequently referred to these conditions as arising from a so-called

demobilization depression which has afflicted many places in the Nation because of the deep-seated maladjustments that have accompanied the defense production effort.

In effect, this amendment would extend relief to depressed areas only where full employment exists elsewhere. In this respect, an equitable apportionment of defense spending in definitely limited form is authorized in order to provide work in areas where work is urgently needed.

Of course, I would never support any measure that would injure or harm or bring detriment to any section of the Nation. This measure, assertions to the contrary notwithstanding, does not discriminate against, injure, or harm any section. It merely seeks to help those areas, including several in my own State, which are now viisted by the blight of industrial stagnation, unemployment, and, in all too many cases, want.

In normal times these conditions would probably not exist. They derive and emanate from the gigantic billions of dollars' defense program. They were caused by the demands and requirements of the national interest and the national security. They are due to the emergency we now face and the severe dislocations of our economic system and productive and distribution machinery.

I appeal to the House to consider the serious plight which confronts us in the afflicted places, and I hope that my colleagues, regardless of section or party, will view this issue from the national standpoint, and not from a narrow, provincial, or sectional perspective. Let us stand together as Americans in the midst of peril to keep all of our great Nation strong, vigorous, and healthy in every way, prepared to meet the great challenge of the hour.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. WILSON].

(Mr. WILSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. WILSON of Texas. Mr. Chairman, I am opposed to the Potter amendment. We have heard a lot of talk about corruption in Government, but let me tell you that when you abandon the policy of permitting bidding on contracts and letting the Government issue and sign contracts for any price it wants to, you will have a gigantic WPA project, which will be discriminatory to a majority of the States and communities of this country, and corruption will be rampant.

I am opposed to the Potter amendment and shall vote for the Lanham amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I trust the Committee will forgive me for taking this opportunity to say how much pleasure I got in listening to the debate here on the pending amendment. What has happened to the coalition of the special interests? Has it fallen apart now?

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RIVERS].

Mr. RIVERS. Mr. Chairman, in the hands of an unkind President, this amendment could penalize any area of this Nation when he thought the people of that area were not going to vote for him. It would put a stick in the hands of the President of the United States that if he chose to use it the stick would be so heavy to carry that no man on earth could carry it and no man who believed in honesty would care to carry it. This thing is most farfetched, unreasonable, un-American, and I do not reflect on the integrity of the gentleman who introduced it. This thing is unthinkable. My people in the South do not want a contract that they cannot meet on competitive terms. Why cannot other sections of the Nation take a similar stand? The Dartmouth College case years ago established the sanctity of a contract entered into, and this Congress would do well not to give the President of the United States, or anybody whomsoever, an unrighteous stick to club any section of the Nation if he so chose to do.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. HARRISON].

(Mr. HARRISON of Virginia asked and was given permission to revise and extend his remarks.)

Mr. HARRISON of Virginia. Mr. Chairman, this defense manpower policy represents an outrageous maneuver of throwing people out of work in one section of the country in order to give jobs to others in another section of the country and making the taxpayers of the United States pay for it. The gentleman from North Carolina said that this matter had not been considered by his committee; but I call the attention of the House to the fact that it has been considered fully by the Select Committee on Small Business, which has made public a special staff report recommending the abrogation of the policy.

This policy undoubtedly is oppressive of many businesses, large and small, throughout the Nation because of the inequities it creates. In this connection, I should like to read excerpts from a letter written to Dr. John R. Steelman, Acting Director of the Office of Defense Mobilization, by Mr. John T. Connor, vice president and counsel of Merck & Co. I am acquainted personally with the effect Defense Manpower Policy No. 4 has had on this manufacturer. At Elkton, Va., Merck & Co. has been obliged to lay off skilled, conscientious employees.

The committee will be interested, I believe, in these words of Mr. Connor, which I now read:

Application of the policy has disregarded surpluses of particular skills, and preferences have been given to firms merely because they are located in designated surplus-labor areas. Under the policy as applied, our competitors in Detroit, New York, and 33 other areas are given preferences over us in obtaining Government contracts because of their location in an area designated as a "surplus-labor area," even though there is in fact no surplus

of drug and pharmaceutical workers in their areas.

Mr. Chairman, I have been in communication with Dr. Steelman on this matter. I have pointed out to him the injustice in throwing skilled men and women out of work in Virginia through the blanket effect of his policy to the benefit of manufacturers who are not distressed, although certain other industries in their communities may be.

As Mr. Connor explains—and I read again from his letter of May 8, 1952, to Dr. Steelman:

The policy, as it is being administered, thus results in unjust commercial advantages and discrimination among labor in different areas. It does not in any way preserve employee skills, maintain production facilities, nor assure proper utilization of the country's manpower, the declared purpose of the policy itself.

Mr. Chairman, on yesterday, Dr. Steelman informed me that it had been decided Defense Manpower Policy No. 4 could not be administered practically on an industry basis. Under the circumstances, I believe it is incumbent upon us to take action which will bring an end to such a policy—a policy which is creating, through its side effects, unemployment in Virginia, without direct benefit from these side effects to any but fortuitously situated competitors of these Virginia plants.

I have cited only one example of how the policy has hurt a manufacturer in my congressional district. There probably are other sufferers in that district, and the end result—if this policy is not abrogated—will be unemployment and suffering for the families of thousands of working people, who ask only that they be permitted to continue earning their living by dint of the conscientious work which manufacturers maintaining plants in Virginia have come to value and respect.

The Potter amendment enacts the policy into law, and the Lanham amendment invalidates the policy and prohibits the further continuation of it by Executive order. To reject the Potter amendment and not adopt the Lanham amendment would be a vote to continue the policy. I therefore urge the adoption of the Lanham amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I remember last year we were considering this legislation when I presented an amendment aimed at breaking up over-centralization of war plants in congested areas, that I ran into quite a hornet's nest and took a very fancy licking. I notice today, from the same area in which I got a lot of opposition last year, that the shoe is on the other foot in regard to this legislation now, which appears to me certainly to be discriminatory not only against sections, but against towns in the same State. This amendment is unfair and should be defeated.

(Mr. RANKIN asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. RANKIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. LANHAM. Mr. Chairman, I ask unanimous consent that my substitute be again read.

The Clerk again read the Lanham substitute amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, I still am in doubt about how I should vote on final passage of the bill, whether it be today or next Wednesday. Perhaps an amendment will be adopted striking all after the enacting clause except the title having to do with allocation of materials.

Or there may be a motion to recommend with instructions to strike all but the enacting clause and that title and report back to the House forthwith.

In the meantime it is something of a surprise to hear, 87 years after the Civil War has ended, the gentleman from Georgia [Mr. BROWN] come in here and wave the "bloody shirt" and say we have a sectional issue. I had supposed that issue sectionalism was dead. Maybe I am wrong. It is dead so far as I am concerned.

For myself, I say to the gentleman and his colleagues on that side of the aisle who came from the South that never once since I came here in 1935 have I voted either for the poll tax amendment, the FEPC, the antilynching bill, or any other legislation that I thought would injure their section of the country. I have gone along with you, as have other Members on this side, because I believe the poll tax issue is under the Constitution one for the States—discrimination is now unlawful. Lynching and violence are not racial issues. On other issues like that of the Tideland I have voted with you where my judgment so dictated. In my case sectionalism has never even been thought of. Nor have I ever tried to impose my views on anyone except by fair argument. So it was a shock as well as a surprise when that issue was raised on this amendment, which is similar to that offered by a Senator of your party, Senator MORSE. You accuse us all the time of being against everything that your President and your party wants or advocates, but when we come in here, as we do today as does the gentleman from Michigan [Mr. POTTER], and support the practices and policies the Administration has been following, what do you do? You throw it back in our teeth and say that we are trying to discriminate against the South. With as much reason you might charge us with sectionalism if we supported relief for damage by flood along the Ohio, the Missouri, or any river north of the Mason and Dixon's line.

And your section of the party, which claims to be the great liberal party, which claims it wants to do so much for the distressed, the unemployed, the downtrodden, when the gentleman from Michigan [Mr. POTTER] who gave so much for his country on the battlefields of France, who is always sympathetic toward the unfortunate, comes in with an amendment that will help those in distressed areas, what do you do about it? You turn against it even though your party has at least pretended to follow a policy of aiding the people of distressed areas. You say, "No, we want competitive bidding," for which most of us over here have always contended, "and we can meet any bids from anywhere in the country because we have a lower standard of wages than other sections. We pay our people less than you do in the North, so we can outbid you."

Now, you have taken many a factory and mill from the Northeast, and we did not complain even though you were aided by a lower wage and Government funds. Yes your party has put many a war industry in the South without overmuch complaint from people of the northern Middle West. With Government aid you have taken from other parts of the country other industries, and no complaint has been made. Now when some on this side want to do the right thing by making it possible to give employment in those areas where there is so much unemployment, where ultimately the Federal Government will have to step in and assume the burden unless work is provided, do you help—do you give support? No; you throw at us an issue of discrimination. But deep down in your hearts you know that is not fair. You know that is not the issue here. What about PWA-CCC, and other aid through Federal funds—what about paying for the killing of little pigs, for crops never grown, for subsidies to benefit the tobacco, cotton, or peanut growers—what about the billions given to aid the people of other nations—give them employment—just because some one might get a few war contracts you yell "sectionalism." You will pay taxes to France, to Britain, to other countries to induce them to accept our dollars but no employment for those in distressed sections if they live in other States.

In my own district, for example, in a small city, we have a company, which bid on and received contracts in World War II. What happened in one small community—they brought in 2,600 workers, and what followed? Schools had to be built for the workers' children, the Federal Government had to contribute to the building of schools. We had to build housing. The Federal Government had to aid. The Government had to furnish other services because the community could not do it. Thousands of workers were moved from one end of the country to the other. Now, was the cost less to the National Government or was it more? Why should we not let contracts where there is unemployment, realizing as you do that you will have to take care of those people in some way?

Is it really cheaper—does it cost less to uproot the workers, move them, and

then care for them, their families, and after the war employment is over, relocate them, than it is to take the job to the places of unemployment—the shut-down factory? It seems to me that your hearts and your judgment might well permit you to go along now, your charity might be extended far enough to aid those who are unemployed—inasmuch as the work must be done—and the unemployed must and will be aided in one way or another. Can you not let contracts be awarded, especially when your great humanitarian President and those who have been administering this law, have been following the course which this amendment would follow? With the steel crisis, supported by the President, unsettled, there will soon be hundreds of thousands out of work, in need, and the millions in the treasury of the CIO, even with Lewis' ten million, will not be enough to adequately care for them.

The issue is not sectionalism. It is one of getting the most and the best for the Government—while giving help through allocating necessary work to communities which must and will receive aid in some form. Why not help those who want to help themselves by working on a job which must be done somewhere?

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I meant no reflection on the gentleman from Michigan [Mr. POTTER] or anyone when I made the statement that this amendment was actually in the interest of pitting some sections of the country against others. I do not think many people thoroughly understand this amendment. I did not impugn any bad motives on the part of Mr. POTTER. He is an outstanding Congressman, with a fine war record, and he knows I intended nothing against him.

There is one good thing the amendment has done. It has established for the first time and for all time that the greatest friend of labor is the gentleman from Michigan [Mr. HOFFMAN]. He knew that nothing in my remarks was in criticism of the author of the amendment or anybody else who has his same viewpoint. He has criticized and abused me. At the same time, as I see it, he is creating the impression that he is the great leader of all time of the labor people of this country. He is a fine, honorable, honest, and capable man. He is a good Representative and a remarkable man.

I said nothing in my remarks to reflect on the distinguished gentleman from Michigan [Mr. POTTER]. I do not deserve the criticism Mr. HOFFMAN gave me. I repeat what I said, that I meant no reflection on anybody on either side, but if a fellow gets it in his head like Mr. HOFFMAN that nobody must oppose him, when he gets to feeling that big I think I will have it take him down a little bit. Nobody is as smart as he is. Nobody can diagnose a situation as he can. Nobody can be as helpful as he is. Nobody can control more votes in this House than he. He is a great, remarkable man. When he goes before the people and they see his intelligence, his intense sympathy for all

groups of our people, how charitable he is, when every class of people in the United States find that out, they should not beat a man like this. He is remarkable, a most remarkable man. I have been here all these years trying to perform my duty and I meant no reflection on the gentleman from Michigan [Mr. POTTER] or anybody else. I was talking about the amendment offered by the gentleman from Michigan [Mr. POTTER] who is thoroughly sincere but I was afraid he did not understand the evil effects of it. But the gentleman from Michigan [Mr. HOFFMAN] is so smart that he, of course, ought to know the consequences of it, but he does not know how he could be wrong. Of course, he could not be wrong; he is a perfect man. He is a great man. I think if he is pressed on this question he might admit it. Yet, I must say that the people will have an opportunity in his State to see what a great man he is. I do not think they would want to turn him down because he has come here to Congress and made himself the leader of labor. He has never said anything against labor; he has always espoused the cause of labor. Labor will certainly support him in his great State. He is a man who can lecture everybody. He is a man who can criticize everybody and at the same time make them feel good about it. Oh, yes, he is a wonderful man. He looks for the good in all and rarely finds fault with any man or group.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman in all fairness yield now?

Mr. BROWN of Georgia. He is a great man. No man talks less than he does on the floor of the House. He says very little, and we are mighty sorry that we only get to hear him talk once in a while because when he speaks he says something good. I like him. How a man like that who has grown as great and as mighty as he is could hurt a member of the Congress, I cannot understand. He is the brightest man I know of except for one little thing. He skipped over that, remarkable as he is. But I am sure his people will elect him, and let him stay in the Congress because he does a great deal for his country and his State. He is a very remarkable man in every way. If I were to put it to a vote today here in this Chamber as to who is the most popular man on either side of the aisle, I think I would get a unanimous vote for my candidate, Mr. HOFFMAN from the great State of Michigan.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, though modesty suggests silence and the gentleman's tone and manner of delivery may indicate a reluctance to praise me, gratitude, even while I blush, compels me to ask whether there is any way in which I can obtain time now to thank the gentleman for the compliment? The gentleman has mistaken my attitude completely. Never have I questioned the ability, sincerity, patriotism or judgment of one of my col-

leagues, nor have I ever said a naughty, profane or critical word about a colleague—I have disagreed with opinions and conclusions but never with the thought that I possessed any superior trait or characteristic. No doubt, as many hearing the gentleman might be led to believe I am “one of the least of these” but do possess some degree of consistency. The gentleman, though his whole talk was directed to me personally and not to the amendment, refused to yield. It was my desire to express my appreciation of his remarks. Is time available for that purpose?

The CHAIRMAN. Not under the rules of the House during the consideration of the pending motion.

The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. MEADER. Mr. Chairman, I rise in support of the Lanham substitute and in opposition to the amendment offered by my colleague the gentleman from Michigan [Mr. PORTER].

I dislike very much to oppose my colleague from Michigan, for whom I have the highest regard. In most instances I find myself in agreement with his views. However, in this instance, I cannot concur in his proposal to write into the statute the power which has been usurped by the administration in promulgating Defense Manpower Policy No. 4. I find myself in agreement with the gentleman from Georgia, who proposes to make plain that Congress did not originally intend to authorize the power to interfere with defense procurement which has been asserted by the empire builders in the administration.

Mr. Chairman, I have had occasion to study this matter in some detail because of areas in my district where unemployment, both prospective and immediate, has been aggravated by the application of Defense Manpower Policy No. 4. In at least two specific instances complaints have come to my office that after competing successfully on bids for defense work, the contracts have been taken away through the application of Defense Manpower Policy No. 4. Under this directive, firms in group 4 manpower surplus areas have been permitted to match the low bid and thereby be awarded the contract.

Mr. Chairman, I wish to point out certain facts which I believe conclusively demonstrate that the substitute offered by the gentleman from Georgia ought to be adopted:

First, Defense Manpower Policy No. 4, as now administered, deals only with total manpower surpluses. For example, one of the firms adversely affected by the application of this directive is in the electronics field. There has been unemployment in the electronic division of that firm as high as 500 persons. There was thus a surplus of electronics manpower. Notwithstanding that, a contract was taken away from that firm and placed in another area where there was actually a dearth of electronics manpower although there was a total over-all unemployment. Those who were out of

work were not electronics workers. In fact, the electronics firm which successfully diverted the contract had a huge backlog of electronics orders and had to train additional unskilled workers. It also subcontracted electronics work out of the area. This does not make sense.

Second. Where an area has unemployment, but not severe enough to be classed in group 4, the diversion of defense work away from that area may well increase unemployment to 6 percent or more and render it a class 4 area. It, in turn, will then be in a position to divert contracts from competing firms in other areas. Thus, we will have a shifting back and forth of unemployment. This is robbing Peter to pay Paul. This, likewise, does not make sense.

Third. The directive is applied rigidly and therefore limits the discretion of procurement officers and imposes additional burdens upon them. This results in delays in the placement of contracts and probably results frequently in the placement of contracts with companies not well equipped to perform them speedily and economically. There should be a better way of dealing with the unemployment situation than to do so at the expense of the prompt and efficient production of equipment and materials needed for defense. There has been a great deal of criticism of the speed with which we are producing for defense. The Preparedness Committee of the Senate has frequently condemned the slowness and delays of the defense production program. The interference with normal procurement practices resulting from the application of Defense Manpower Policy No. 4 may have contributed a great deal to this deplorable situation.

Fourth. The policy strikes at the whole competitive bidding process. Firms must go to great expense in preparing the necessary estimates and plans for the production of an item on which they are bidding. Under Defense Manpower Policy No. 4 they find that even if they are successful in beating their competitors, they still have no assurance that they will get the contract. It may be taken away from them pursuant to Defense Manpower Policy No. 4 and given to a less efficient competitor whose bid price may originally have been substantially higher but who happens to be located in an area in which Defense Manpower Policy No. 4 applies.

Mr. Chairman, we seem to be getting away from a businesslike approach to building up our national defense. It is certainly necessary to alleviate unemployment where it occurs, but should we do it at the expense of sound procurement practices and businesslike methods in acquiring those things we need for defense purposes? I do not think we should. There must be an alternative way of handling unemployment which is less costly than to do so at the expense of speedy and efficient defense production.

Mr. Chairman, I desire to include at this point in my remarks two editorials from the Jackson Citizen-Patriot of Jackson, Mich., on this subject:

[From the Jackson Citizen-Patriot of June 12, 1952]

ON THE OTHER FOOT

The Federal defense production order which gives war work bidders in designated critical labor areas the opportunity of meeting the low figure on contracts is acclaimed in Michigan as a good deal.

But how does the shoe feel when it is on the other foot? Jackson soon may learn that it pinches. At least one local firm is sure that it does.

Jackson is not a critical unemployment area as are Detroit, Muskegon, and a few others in Michigan. One of the reasons is that owners of small and large plants here went after Government contracts when it became apparent that a conversion to defense work was inevitable.

These companies have struggled through the red tape and got production lines in operation. They are producing material the Government needs, are holding their working forces together and, incidentally, keeping the community's economy on an even keel.

These concerns now face the loss of their contracts to firms in critical labor areas. In many cases these are industries which did not make an effort to get Government contracts and chose to continue civilian production in a seller's market.

One Jackson manufacturer puts it this way in a letter to Senators FERGUSON and MOODY: "It now seems that the man who exerted his own efforts to get work and now has the work, must suffer for the other person who was too anxious to capitalize on the then seller's market, and too short sighted to see the need of partial conversion a year and a half ago."

It follows that these small manufacturers in Jackson and other cities who went out and got the business may lose their contracts if their prices are only marks for other bidders to shoot at.

It follows that if small manufacturers in Jackson lose their contracts to the so-called critical labor areas, then Jackson, in turn, will have an unemployment problem. The protesting manufacturer calls that a policy of "robbing Peter to pay Paul." It solves nothing.

Of course, widespread unemployment—if it actually exists—in an area such as Detroit is a much more potent political factor than a few closed plants and a few hundred men out of work in Jackson. A Detroit crisis is enough to attract the political knights on white chargers.

And that is what is wrong with the defense effort—too much politics and too many politicians to get into the act and grab credit for doing something whether it is sensible or not.

[From the Jackson Citizen-Patriot of April 17, 1952]

DEFENSE CONTRACTS

Reports from Washington indicate that both the administration and Congress are taking a serious and helpful view of complaints from small manufacturers who feel that the program to channel defense work into critical labor areas may work a hardship on present contract holders and disrupt the procurement of needed war supplies.

It appears to be one of those cases in which legislation adopted for one purpose has a second effect which tends to create a new problem. As we pointed out a few days ago, shifting existing contracts from Jackson, which is not a critical labor area, to Detroit would only tend to create an employment problem here.

Jackson firms have been assured by members of the Michigan delegation in Congress that this is not the intent of the bill giving

manufacturers in critical labor areas a break on bidding for Government business.

Arthur Fleming, the war mobilization manpower director, has promised an interpretation of the program which will prevent shifting of work for which manufacturers have trained workers and installed special tools.

That is comforting to Jackson, but there is another aspect of the program which is primarily of national interest.

Procurement agencies of the armed services have been worried by the policy because they fear an actual disruption in production.

For example, a Jackson firm which is tooled up and producing a specific item might lose a chance to renew its contract because a firm in a critical labor area matched the Jackson price.

Then valuable time would be lost while the new bidder tooled up and got into production. Placing of new orders is a different matter, because all bidders are starting even and no loss of production is threatened.

The new interpretation of the program promised by the mobilization manpower director should prevent any interruption in production. After all, production is the key purpose of the defense program.

[Mr. SIEMINSKI addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Georgia [Mr. LANHAM] to the amendment offered by the gentleman from Michigan [Mr. POTTER].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 104, noes 80.

Mr. POTTER. Mr. Chairman, I demand tellers.

Tellers were ordered.

The Chairman appointed as tellers Mr. POTTER and Mr. BROWN of Georgia.

The Committee again divided, and the tellers reported.

The Chair announced that there were 114 ayes.

Mr. BROWN of Georgia. Three more, Mr. Chairman.

The CHAIRMAN. The Chair will have to hold that the tellers had left their places and that this addition comes too late.

On this vote by tellers the ayes are 114; the noes 114.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Michigan [Mr. POTTER].

The question was taken, and the Chair announced that the Chair was in doubt.

Mr. HOFFMAN of Michigan. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. POTTER and Mr. BROWN of Georgia.

The Committee divided; and the tellers reported that there were—ayes 113, noes 131.

So the amendment was rejected.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: On page 4, line 22, after the word "establish", strike out "both" and add after the word "and" the word "or."

Mr. McDONOUGH. Mr. Chairman, my amendment is a proposal to clarify a situation in this section of the bill that will make this section of the bill applicable to more than one State in the Union. The way the bill reads now, beginning on line 21, is this:

Where a State regulatory body is authorized to establish both minimum and maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices.

Now, that says maximum and minimum; in other words, the States that this applies to must have a maximum and a minimum price set up under a State regulatory body. I say that the word "both" should be eliminated and the word "or" inserted after the word "and," so that it will read maximum and/or minimum, so that this section will then apply to the States that have either a maximum or a minimum. It is a minor amendment. It can have a very discriminatory effect if it were left as it is now, while with this amendment it will remove the discrimination and make it equitable so far as the milk-producing States in the Union are concerned.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from California.

Mr. JOHNSON. It is a fact, is it not, that in California we have a milk-control law that has been on the books about 15 years, and it only provides the minimum price at which milk may be sold?

Mr. McDONOUGH. That is right.

Mr. JOHNSON. This is a great protection for the farmers who are dairymen. As far as I have been able to learn from people conversant with the milk-control law of California, whenever the minimum price has been fixed, it never has been exceeded in the entire history of this law.

Mr. McDONOUGH. Yes.

Mr. JOHNSON. All we want to do is to put our producers in the same category as the milk producers elsewhere, so far as this bill is concerned.

Mr. McDONOUGH. Not only in California but the States of Maine, Montana, New York, and Rhode Island—all of which have minimum-price regulatory legislation but do not have maximum-price regulations. When this amendment was presented to the committee we did not realize that it was discriminatory, insofar as these other milk-producing States are concerned, but the facts have been brought to our attention since that time. I see no reason for anyone to oppose my amendment and I do not see any reason to take any more time explaining it. It seems to be a fair amendment and I urge its adoption.

Mr. RAINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no objection to the amendment offered by the gentleman from California [Mr. McDONOUGH] but I think the Record ought to be made clear as to why this amendment is offered. In my State of Alabama the State has a milk control board which

regulates both minimum and maximum prices. I believe where you have State control there is no need to have Federal control. We have the same policy and principle in the bill as we had last year with reference to public utilities, that where you had a Public Service Commission which regulated the rates in the States, OPS did not have control. This seems to follow that very same principle which was written into the bill last year. One thing I think we should be careful about, and each Member knows his own State, if the minimum price is actually the price to the consumer and the minimum price covers the ultimate price that the consumer pays, I can see no objection to it. But I do not think that anyone would care to offer an amendment which would make the minimum, the retail price paid to the farmer, govern the price that the consumer would ultimately pay. Whether he pays that or not, I do not know.

Mr. JOHNSON. Mr. Chairman, if the gentleman will yield further, under our law the Milk Control Board makes a continuous study, and about three times a year issues what it calls a scale of minimum prices that may be charged consumers, as well as the minimum price which may be charged by the people engaged in the distribution of milk. They have three or four different categories that the Control Board regulates by fixing minimum prices and one is the consumer. The gentleman stated a moment ago, where the State controls the product, it has no place in this law, but we are afraid of the provision there where you use the word "maximum." By making it in the alternative, so as to include those that fix only a minimum price, it would cover the whole situation.

Mr. RAINS. I have no objection to it from my standpoint. The reason I want the word "maximum" in is because in the State of Alabama the State milk control board says what the price shall be to the consumer.

May I say further that the States which appear to be involved under this amendment are Alabama, California, Connecticut, Florida, Georgia, Maine, Montana, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and Massachusetts.

Mr. McDONOUGH. In other words, those are the States that are involved in both the maximum and minimum. The ones I read are those that are discriminated against if this amendment is not carried. The gentleman from Alabama has just read the States that are involved so far as the maximum and minimum prices are concerned.

Mr. RAINS. That is correct. The only thing I object to in the gentleman's remarks is that I do not think the amendment was intended to discriminate against anybody. I am glad these other States come in if their prices are ultimately controlled.

Mr. McDONOUGH. I agree with the gentleman. I had no intention of making a reflection of that kind.

Mr. SPENCE. Mr. Chairman, the committee has no objection to the amendment.

[Mr. RANKIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

The amendment was agreed to.

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. BROWN of Georgia: On page 5, line 1, change the period to a semicolon and insert the following: "And provided further, That in the case of prices of milk established by any State regulatory body, with respect to which price, parties may be deemed to contract, no ceiling price may be maintained under this title which is less than the price so established."

The CHAIRMAN. The Chair recognizes the gentleman from Georgia in support of his amendment.

Mr. SPENCE. Mr. Chairman, the committee will accept the amendment offered by the gentleman from Georgia.

Mr. WOLCOTT. Mr. Chairman, I am simply seeking recognition to find out what is being done here. I would suggest that that is exactly what we provide in the bill, so why put in this language?

Mr. BROWN of Georgia. This is along the same line.

Mr. WOLCOTT. May I read to the gentleman the language which is now in the bill at line 21, page 4, which is as follows:

When a State regulatory body is authorized to establish both minimum and maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices established by such regulatory body, as the case may be.

In what respect does the amendment offered by the gentleman from Georgia [Mr. BROWN] change that situation?

Mr. BROWN of Georgia. The situation in my State is a little different from that in other States, where they may establish the price of milk to the consumers and in the cities. That is the effect of this. Of course, in many States you have milk boards, and some of them regulate the price of milk.

Mr. WOLCOTT. I have no objection to the gentleman saying, "and we mean it," or something like that, but I do not know why we should repeat language which is already in the bill.

Mr. BROWN of Georgia. The operation in my State is a little different from other States. Of course, if this language is not all right, it can be taken out in conference.

Mr. WOLCOTT. Mr. Chairman, I yield back the balance of my time with the statement, although I think it might be redundant, that I have no particular objection to the language or the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BROWN].

The amendment was agreed to.

Mr. TALLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TALLE: Page 4, strike out "No" after the question mark in line 7 and all that follows down through the period in line 21, and insert in lieu thereof the following: "No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products shall be established or maintained in any agricultural marketing area at levels which fail to reflect for the processing of such products the cost adjustments provided in paragraph (4) of this subsection and which fail to reflect for the distributing and selling of such products the customary margin or charge provided in subsection (k) of this section."

(Mr. TALLE asked and was given permission to revise and extend his remarks.)

Mr. TALLE. Mr. Chairman, this is a very simple amendment. The language I propose to strike, if you will look at the bill, purports to provide special consideration for the dairy industry. It does not do so. Actually that language imposes upon the dairy industry two severe restrictions:

In the first place, the language in the bill restricts costs of milk products to labor, material, and containers. No other commodity is treated that way.

Second, it authorizes a Government agency to regulate earnings and profits on milk products. This is sheer discrimination, and certainly it was never the intent of the Congress of the United States to permit the OPS to exercise the function of controlling profits.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield.

Mr. AUGUST H. ANDRESEN. Is there any other industry in the United States against which is applied the regulation of earning standards that is provided in the bill?

Mr. TALLE. No other industry is so singled out in the pending bill. As a matter of fact, the printed hearings on this bill reveal that I questioned the administrators of the Defense Production Act at length as to the legal basis for applying what they call the industry earnings standard. They admitted that the Congress never set up such a standard but that it was the brain child of one man. They stated further that their only authority for imposing such a standard was the language of Congress that prices shall be fair and equitable.

The Congress of the United States has never approved the industry earnings standard.

Mr. AUGUST H. ANDRESEN. The gentleman's amendment should be adopted.

Mr. TALLE. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield.

Mr. DONDERO. The dairy industry in my district and also my State has sent a large number of telegrams in opposition to this very provision which the gentleman's amendment seeks to take out. They say in these telegrams that that section or proposed amendment

places upon the industry an undue burden.

Mr. TALLE. By all means it does.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I am glad to yield to the gentleman from Massachusetts.

Mr. PHILBIN. Is it the gentleman's intention that under existing procedures they are requiring the submission of profit-and-loss statements in connection with fixing prices on dairy products?

Mr. TALLE. It is reasonable to assume that the OPS would require such returns if the language I seek to strike should be enacted into law.

My amendment simply provides two things: First, that the Capehart amendment which we approved last year and which is existing law, shall apply to agricultural commodities. What is wrong with that? If it applies to other industries, why should it not apply to agriculture?

The second part of my amendment declares that the provisions of the Herlong amendment shall apply to agricultural products. That amendment, you remember, we approved last year and is existing law and has to do with the distribution of products.

So, on the one hand, we have the Capehart amendment relating to manufacturing and processing costs; on the other hand, we have the Herlong amendment which relates to the customary margins and charges in connection with distribution.

I am merely asking that the great industry we refer to as "agriculture" shall be accorded the same treatment as is accorded all other industries.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: Page 3, line 18, insert a new paragraph 1 to section 402 as follows:

"1. No rule, regulation, order or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, the same ceiling price or prices for meat accorded to hotel supply houses or combination distributors which are not so affiliated."

Mr. MULTER. Mr. Chairman, the purpose of this amendment is to make sure that the OPS properly implements in its ceiling-price regulations a recent decision of the Emergency Court of Appeals which prohibits discrimination between hotel-supply houses and combination distributors which are affiliated with packers and those which are not. It writes into the law the decision of the Emergency Court of Appeals in the case of Davidson Meat Co. against Arnall of April 19, 1952, No. 592.

The Davidson case is highly technical. Briefly, the Office of Price Stabilization had provided lower ceiling prices on meat for affiliated hotel supply houses than for independent hotel supply houses, even though both were normally

competitive and despite the fact that the affiliated companies had operated as though they were independent and not affiliated, purchasing 97 percent of their supplies from independent sources. The court decided that OPS could not give these affiliated companies lower ceiling prices than the independents merely because of the existence of the affiliation.

The court's decision is not entirely clear on the question of whether OPS can provide lower ceiling prices for the affiliated companies on the 3 percent of their supplies they get from affiliated sources. This is so small a part of their supplies, and there are so few affiliated companies, that even if OPS could provide lower ceiling prices on this small amount of material the saving would not affect the cost of living by so much as one-thousandth of a percentage point, but would seriously disrupt the normal business practices of the small number of affiliated companies. Since the law is not entirely clear, the matter in question is not inflationary, and, if OPS interprets the court's decision to permit discrimination against affiliated companies on this insignificant amount of their business, that interpretation would greatly inconvenience these companies. I believe the Congress should adopt this clarifying amendment. The amendment merely says to OPS that it shall not discriminate against these affiliated companies on this insignificant part of their business. That, I believe, is what the court's decision holds and this amendment removes any doubts about that decision.

(Mr. MULTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. WOLCOTT. I may say that we frequently find ourselves in agreement with the gentleman from New York, and no more so than we are at this very moment. I do not believe there is any objection on this side to the gentleman's amendment.

Mr. SPENCE. There is no objection to the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

(Mr. VURSELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. VURSELL. Mr. Chairman, we have before us for extension the Defense Production Act, better known as the OPS Price and Wage Control Act. This act which has not held down prices and which certainly has not held down wages or controlled them is similar to the OPA Price Control Act and has proven to be a farce and a fraud for the past 12 months.

It has accomplished two things. It has given the administration a chance to employ over 13,000 employees, most of them at high salaries which has cost the taxpayers \$69,430,000 the past year and it will cost another \$68,420,000 if extended for another year. It has caused countless thousands of citizens in all lines of business to spend over 2,000,000 hours of

labor making out one endless report after another.

It has slowed down production and distribution everywhere its regulations have come in contact with business throughout the United States. It has slowed down the production of livestock and, in fact, has slowed down and been detrimental generally to all the farmers of America.

It has failed completely to benefit the economy or defense of the Nation. It has not reduced prices to the consumer but has tended to increase prices because it has slowed down the volume of production.

Mr. Chairman, there are only two approaches to prevent inflation and the high cost of living. The main approach is greater production of everything that makes up the cost of living—greater production of manufactured products and greater production of agricultural products, livestock, poultry, and so forth.

You will remember the old OPA days during World War II. Price controls then prevented production on the farms to such an extent that we had meatless day throughout the Nation. OPS price controls can ultimately bring about the same results, but they never will encourage the production of an extra bushel of grain, a pound of meat, or a dozen of eggs because they work exactly in the opposite direction by holding down production of every kind whether it is on the farms or in the factories of the Nation.

Mr. Chairman, the second thing that brings about inflation and the high cost of living is this administration's spending and giving away more billions each year than we collect in taxes. Then to make up the deficit they turn to the printing press and print billions of dollars worth of Government bonds, as they are doing right now, for which they get dollars which increases the currency of the Nation by billions of dollars.

Since the beginning of World War II, by the use of printing press money, they have increased the volume of currency over 300 percent which has driven the purchasing power of the dollar down to 50 cents.

The cost of living is driven up when the supply of money is greater than the supply of things to be bought. The only way to reduce the cost of living is greater production of things people want to buy whether they be manufactured articles or products that come from the farm. It should be obvious that this OPS price control experiment cannot succeed because it retards production and distribution of all manufactured and agricultural products and livestock.

If this Congress and if the administration which is the worst offender would refuse to extend price controls and release its 13,000 employees so that they could take their place in the production, disband this agency and stop the expense of \$68,420,000 a year, and then insist the Federal Reserve bank use the credit control power it has to reduce the inflationary pressure, we could rapidly reduce the high cost of living and increase the economic strength of the Nation.

TAKE POTATOES FOR EXAMPLE

Mr. Chairman, since the beginning of our country, we have never had a potato famine in our history which item for many years has formed a major part of the substantial diets enjoyed by American citizens.

Because of Government mishandling, an oversupply of potatoes were produced in the last few years. Everyone knows of the scandal connected with the wastage of thousands of tons of good potatoes and of various Government schemes to give them away, and otherwise destroy them.

Now because of Government mistakes, again under OPS, we have what I choose to call the DiSalle potato famine. OPS withdrew price supports from potatoes. Then the OPS established a ceiling below the cost of production. Many potato farmers refused to plant. Those who had potatoes were unwilling to deliver them to the consumer at that price. Thus we have a black market and a potato famine. Then OPS recently lifted controls and potatoes on hand left the black market and are again available in the stores.

Shall we continue controls and this organization and give them the opportunity to continue to disrupt production and the free flow of commodities to meet the needs of the American consuming public?

This administration, which always puts politics first, wants to keep controls on, first, to keep their over 13,000 employees until after the close of the coming campaign; and, secondly, they are trying to make the consuming public believe they are his friend in the hope by this double-dealing policy they can deceive the consumer until after the coming election. The consumer must know that goods that are not allowed to be produced cannot be consumed.

EFFECT ON FARMERS

Mr. Chairman, I should like to point out that Allan Kline, head of the great American Farm Bureau Federation, and Charles Schuman, head of the Illinois Agricultural Organization, both outstanding men, and many other farm leaders are asking the Congress to end price controls now. They have given evidence before the Committee on Agriculture in the House and Senate which plainly shows that price controls on agricultural products cannot work to the benefit of the consumer nor to the benefit of the farmer. That price controls instead of helping to get greater production of agricultural products which would tend to hold the cost of living down discourages the farmer to the point of lower production.

SOYBEANS

I would like to take soybeans for example, because my congressional district in Illinois, I believe, produces more soybeans than any other district in my State. It is a very important crop to our farmers. The OPS control during the past year have had the effect of shutting down 60 percent of the processing industry for soybeans throughout the Nation. OPS controls caused the Staley processing plant at Decatur, Ill., the

largest in the world, to shut down. Anyone knows the shutting down of these plans largely at a time when the greatest production was coming off the farms had the result of driving the soybean price market down to around \$2.70 to \$2.90 a bushel when in a free market the farmer would have had a higher price. At one time OPS fixed the ceiling price 69 cents a bushel below the legal limit established by the Congress. OPS controls have robbed the farmers of the Nation on all products of millions of dollars they could and should have had.

In addition OPS has caused a great loss to the soybean processors throughout the Nation who could not operate under its price controls.

Mr. Chairman, who else wants price controls ended now? The National Milk Producers Association, and every cheese and butter organization in America.

This is the wish and hope the dairy industry composed of millions of farmers through whose long hours of toil supply the people of the Nation with dairy products, the total value of their products ranking second in the agricultural income of the Nation.

Mr. Chairman and Members of the House, why not set the farmers free of these controls? Why not strike the shackles from this great group of men and women who are still willing to work long hours, and let them have the incentive to produce to the limit and thereby make their greatest contribution to the economy of our Nation?

Mr. Chairman, in these critical times when the Federal Government is dependent on a high national income in order to raise sufficient revenue to meet Government expense and build up our Armed Forces it is the duty of the President and the Congress to encourage production and increase our national income. We certainly should not further retard progress with these unnecessary OPS controls.

Mr. Chairman, agricultural production is the "gear wheel" and driving force of the economic strength and the total income of our Nation.

This Nation cannot have good business, full employment, and prosperity unless those engaged in agriculture are fairly prosperous. Billions of new wealth are produced each year in food and fiber from the farms of America. The economic blood transfusion of this new wealth into the financial bloodstream of the Nation keeps our whole economy strong and prosperous. We should encourage and not restrict agricultural production.

Mr. Chairman, I know there are those who believe the farmer is getting rich under current conditions. Let me show you the American farmer is worse off today than he was in 1947. Here are the facts:

Farm net income in 1947 was \$17,073,000,000.

Farm net income in 1951 was \$15,000,000,000.

And it is estimated it will be less than that when the figures are totaled for 1952.

At the same time his net income was going down, the cost of everything he buys is going up.

In 1947 farm production costs were roughly \$13,000,000,000 and in 1951 they were up to \$17,000,000,000. Why continue to add restrictions and burdens to the farmers through OPS controls while he is struggling under the heaviest tax burdens in our history.

Mr. Chairman, it is time to end all price controls affecting business as well as agriculture and return to a free economy. Production from the farms and factories of the Nation is greater today than the demand. If we will end all controls, prices are more likely to seek lower levels than higher ones.

We built the greatest Nation on earth without price controls under a free economy. We cannot keep it prosperous and free if we continue to adopt the socialistic regimentation of price control.

Mr. BUFFETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUFFETT: Page 5, after line 3, insert the following new section:

"SEC. 105. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale. This paragraph shall take effect as of January 26, 1951."

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, this amendment is made necessary by one of these strange and weird definitions by the OPS that we were so familiar with back in the days of the OPA.

The OPS has a definition that effectively decrees that retail sales by a retail dealer of fertilizer to a farmer is not a retail sale. They have a regulation that the sale of fertilizer by a retail dealer to a farmer is a sale to a commercial user and must be treated as a wholesale transaction.

My amendment provides that the retail dealer doing a retail business can sell fertilizer to a farmer as a retail transaction. It does that and nothing more.

The trouble has been that the OPS has set a ruling that a retail dealer selling at retail to farmers who buy at retail is engaging in a wholesale transaction and they have taken at least one small dealer out in my State into court. This dealer was selling at retail, whereas the OPS said their sales should have been made at wholesale. Actually they were making a complete retail transaction to the farmer consumer of the commodity who does not resell it. He simply uses it on the farm.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If the gentleman's amendment should be adopted then such transactions as may have taken place between the inception of the law and the present day will be made legal, is that correct?

Mr. BUFFETT. Yes.

Mr. CRAWFORD. And these cases will be disposed of?

Mr. BUFFETT. Yes. I do not think it was the intention of the Congress to make impossible normal retail transactions in this agricultural field, and I am sure that the correction is most necessary.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from California.

Mr. JACKSON of California. I would like to have this clarified for a city farmer. What is the difficulty involved, what hardship is involved in the manner in which the sales are now conducted?

Mr. BUFFETT. The hardship under present conditions is that a retail dealer, if he sells any amount of fertilizer to a farmer, and if the farmer should use it on his farm, the retail dealer has to sell it as a wholesale transaction; when the whole business is a retail transaction, so regarded by the farmer, and certainly it is retail from the standpoint of the retail dealer.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Illinois.

Mr. YATES. Is that because of the quantity sold?

Mr. BUFFETT. No; it is because the OPS has ruled that the farmer is a commercial user and not the ultimate consumer. The fertilizer is used on the farms, of course, and the quantity is not a determining factor.

Mr. SPENCE. Mr. Chairman, I know of no objection to the amendment.

The CHAIRMAN (Mr. FORAND). The question is on the amendment offered by the gentleman from Nebraska [Mr. BUFFETT].

The amendment was agreed to.

Mr. DEANE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEANE: Page 6, line 11, insert (e): "Subsection 2 of section 402 of the Defense Production Act of 1950, as amended, is amended by adding to the end thereof the following new paragraph:

"(viii) Sales of surplus materials by the States, Territories, and possessions of the United States and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing."

Mr. DEANE. Mr. Chairman, I do not think there is any opposition to this amendment. It simply gives to the various States and Territories and municipalities the right to sell surplus material without complying with any regulations of the OPA.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. DEANE]. The amendment was agreed to.

Mr. HAYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Ohio: On page 7, strike out all of lines 17 and 18, and insert in lieu thereof the following: "by any State law other than any so-called fair-trade law enacted prior to July 1, 1952, or by regulation issued pursuant to such law."

Mr. HAYS of Ohio. Mr. Chairman, this is merely a clarifying amendment to an amendment which was adopted by the committee. Unless there is opposition to the amendment, I do not believe there is any further explanation necessary. I have consulted both the minority and the majority sides.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HAYS].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 8, line 9, strike out all of subsection (b) and insert in lieu thereof the following:

"(b) Section 408 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part the regulation or order or the amendment of or supplement to the regulation or order protested; to make and enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by a preponderance of the evidence on the record shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and there-

upon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to decision the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this act as amended, of which this title is a part and with respect to this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(c) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order issued under this title. Except as provided in this section, no court, Federal State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part any provision of this title authorizing the issuance of such regulations or orders or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(d) (1) Within 30 days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within 5 days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this act or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of

subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 409 or 706 of this act or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this act or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within 5 days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of this act the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this act or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title."

Mr. MULTER. Mr. Chairman, will the gentleman from Michigan yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. MULTER. I am authorized by our distinguished chairman to return the favor to the gentleman from Michigan and say that there is no objection on this side so far as the committee is concerned.

Mr. WOLCOTT. I appreciate that very much.

Mr. YATES. If the gentleman will yield, may we have an explanation of the amendment before we vote on it?

Mr. WOLCOTT. I will be very glad to explain it.

In summary, the amendment puts the Office of Price Stabilization in the same position as any other agency in the Gov-

ernment in respect to the review of its decisions and orders with one exception. Under the Administrative Procedures Act, appeals taken from the various agencies of Government, such as the Federal Trade Commission, Interstate Commerce Commission, and others, are taken to the Circuit Court of Appeals, and the question of the preponderance of evidence is considered. The main difference between existing law and the proposed amendment is merely this, that under the existing procedure if there is any evidence whatsoever upon which to base a finding by OPS, then the Emergency Court of Appeals cannot disturb that finding. There is no review of the sufficiency of the evidence as there is in the case of all these other agencies of the Government.

The Emergency Court of Appeals was set up so that there would not be a multiplicity of opinions, perhaps as many as there are circuit courts of appeals, of which I believe there are 10. So the difference in that respect is that these appeals from OPS are taken to the Emergency Court of Appeals, which stands in the same relation to OPS as the circuit courts of appeals do to all the other agencies of the Government.

Those, I believe, are the major differences.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. YATES. This will amount to a trial de novo in the Emergency Court of Appeals?

Mr. WOLCOTT. No, it is on the record. They take the case directly from the Emergency Court of Appeals to the Supreme Court.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment was agreed to.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: On page 3, after line 18, insert a new section to read:

"SEC. 104. Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is hereby repealed."

Mr. MULTER. Mr. Chairman, I feel a little guilty after the progress we have been making in accepting amendments so readily, to come forth with an amendment so controversial as this one. This amendment very simply seeks to repeal the Capehart amendment. I am not going to argue it at length. I do want to call your attention to this:

Since the Capehart amendment, as a result of that and as a result of the Herlong amendment, too, both together, we now are enjoying 11 percent higher prices than before Korea. As a result of the increases under the Capehart amendment in prices during the last month, 1,300,000 railroad workers are entitled to and will receive a wage increase. One hundred thousand aviation, oil, textile, and aircraft workers will receive an increase in their wages in order to meet the increased high cost of foodstuffs and other commodities. That

means that when those workers get those wage increases, under the Capehart amendment and the Herlong amendment, all the way down the line those increased wages are going to be passed along and up goes the price of everything, including everything that must go into the defense effort.

Let me give you this prognostication as it appears in the June issue of Dun's Review, issued by Dun & Bradstreet, which I received just this morning. Fifty-five percent of business anticipate that sales will be higher in the next 3 months. Thirty-four percent anticipate higher profits. Nineteen percent anticipate higher prices. Twenty-six percent anticipate higher inventories, with 16 percent anticipating higher employment, and 50 percent anticipating more and higher orders.

It is appropriate at this point to again call your attention to the fact that the American public wants controls and they want wage and price controls that will do the job. The results of the following Gallup poll on controls is interesting:

GALLUP POLL RESULTS ON CONTROLS

JANUARY 26, 1951

"Do you think it is more important, or less important, that we have wage and price controls in this country now than it was during World War II?"

	Percent
More important.....	57
About the same.....	28
Less important.....	9
No opinion.....	6

DECEMBER 7, 1951

"It has been suggested that both prices and wages (salaries) should be frozen—that is, kept from going any higher. Do you think this is a good idea or a poor idea?"

	Percent
Good idea.....	53
Fair.....	8
Poor.....	31
No opinion.....	8

MAY 11, 1951

"What is the most important problem that you and your family face today?" Answer: High cost of living, high prices, making both ends meet: 67 percent. On the same issue in 1948 28 percent gave that answer. August 18, 1950: "Do you think the Government should or should not put price controls on meats, butter, sugar, fats, and oils?"

	Should	Should not	No opinion
	Percent	Percent	Percent
Meats.....	74	22	4
Butter.....	70	24	6
Sugar.....	73	23	4
Fats and oils.....	72	24	4

I urge that the Capehart amendment be repealed by adopting my amendment.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was rejected.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER: On page 6, line 11, insert the following:

"Subsection (k) of section 402 of the Defense Production Act of 1950, as amended, is hereby repealed."

Mr. DOLLINGER. Mr. Chairman, this amendment is presented for the purpose of repealing the Herlong amendment.

The Herlong amendment was passed last year to enable a seller to maintain his margin of profit so that if a manufacturer is permitted an increase, then the seller—wholesaler or retailer—can apply to that new invoice price his customary already established mark-up. In other words, it prevents OPS from fixing ceiling prices which allow wholesalers and retailers less than their pre-Korean percentage mark-up.

An illustration of the impact of section 402 (k)—Herlong amendment—was evident when manufacturers' excise taxes were raised several months ago. Ordinarily, it would have been a sound technique of price control to allow wholesalers and retailers a dollars-and-cents pass-through of those increases. However, section 402 (k) required OPS to afford these distributors their regular pre-Korean percentage margins on top of the tax increases. This group obtained, therefore, what amounted to a profit on the tax. Ceilings had to be increased to permit distributors a windfall of about \$140,000,000, over and above the amount of the excise tax increase.

Certainly, it was never our intent to permit sellers to make profits on taxes imposed—but nevertheless, that is what happened under the Herlong amendment.

The amendment, of course, has the further effect of pyramiding the price increases granted at the manufacturing level under the Capehart amendment.

You will find that this bill now amends the first sentence of section 402 (k) of the Defense Production Act of 1950—Herlong amendment—by eliminating the word "hereafter." The effect of this change would be to make a bad matter worse. The pressure to remove the word "hereafter" is simply part of a campaign by big grocery outfits to get higher percentage mark-ups. The pressure does not come from the independent grocers, as I understand it, but only from the chains and supermarkets.

If it is your wish to do away with controls, then be honest enough to say so, but do not saddle this bill with weakening amendments. We cannot have an effective control bill if we saddle it with special exemptions and preferences.

Unless we subordinate our own local interests and work for strong, effective controls, we will weaken our defense mobilization effort. We all admit we are in a period of emergency. These critical times demand that we maintain the machinery for adequate controls.

The Bureau of Labor Statistics announced yesterday another increase in the living cost spiral. Living costs will continue to rise until we stop legislating for the special interests, and begin legislating for the best interests of the people. Let us therefore, get rid of all the

crippling amendments, and the Herlong amendment is one of them, and thereby bring about a strong and effective control bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The amendment was rejected.

Mr. HARRISON of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Virginia: Page 5, line 3, strike out the word "fruit" and the following word "vegetables" and add "in fresh or processed form."

Mr. HARRISON of Virginia. This amendment goes to the question of ceilings on fruits and vegetables. The existing law forbids ceiling on fresh fruits and vegetables. I call the attention of the committee to the fact that fresh fruits and vegetables and processed fruits and vegetables come from the same orchards, the same fields, and the same gardens. The elimination of ceilings is as necessary in the case of processed fruits and vegetables as in the case of the fresh items.

I would like to give the committee some experiences the fruit growers have had under the price regulations putting ceilings on processed fruits and vegetables. In the first place, the law as it now stands on the statute books provides that no ceiling shall be placed on any product unless the price rises, or threatens to rise, unreasonably above the base period level. That is under 42 (b) (2). OPS waited until the prices of processed fruits and vegetables dropped 25 percent below the 1950 base period in a number of cases, and then imposed ceilings at 25 percent less than the 1950 level.

This Congress has always recognized the principle that the farmer is entitled to parity. That may be a sound principle or it may not, but it is a principle that this Congress has always recognized, and it has respected it every time it has acted on the Defense Production Act. We have written into the law that on all products processed wholly or substantially from agricultural products there shall be no ceilings imposed which do not reflect to the grower either parity or the highest price received by the grower during the base period.

The OPS has imposed a ceiling at 41 percent of parity on processed fruits and has imposed a ceiling that yields to growers 25 percent less than the base period. I say that is outrageous.

The object of price control laws is to protect and stabilize the economy and not to take advantage of a depressed industry and drive it out of business.

There is no reason for the ceiling on these products; there is no reason for distinction between fresh and processed fruits.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman's amendment should be adopted; it is logical because if there is no price ceiling on fresh fruits and vegetables certainly there should not be

any ceiling on processed commodities made of fruits and vegetables. I hope the gentleman's amendment will be adopted.

Mr. HARRISON of Virginia. I thank the gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield.

Mr. YATES. Will not the effect of the gentleman's amendment be to raise the ceilings on all types of fruits that are in cans and jars?

Mr. HARRISON of Virginia. Yes; but they are all below the 1950 price. Do you want ceilings below that price?

Mr. YATES. I certainly do not want ceilings that are unfair, but I certainly want stand-by controls under which ceilings may be imposed in the event prices start going up.

Mr. HARRISON of Virginia. I hope the price of canned fruit will rise above 41 percent of parity.

Mr. YATES. The gentleman's amendment would remove all types of control, would it not?

Mr. HARRISON of Virginia. Does the gentleman think there is any conceivable possibility that we would have any such price rise as that?

Mr. YATES. It is possible.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. HARRISON of Virginia. I yield.

Mr. AUGUST H. ANDRESEN. I want to say to the gentlemen that we have the largest surplus of canned fruits and vegetables that are selling at depressed prices, far below ceilings, that we have had in the history of the country; and the prospect for this year is even better than it was for last year.

Mr. HARRISON of Virginia. OPS was supposed to look to parity to fix ceilings. Instead of that, it took a depressed market price and fixed the ceilings on the depressed price in total disregard of the parity requirements of this law.

Mr. YATES. If the gentleman will yield further, what happens to the canners of other products? Would they not be discriminated against by this type of amendment?

Mr. HARRISON of Virginia. If they are selling below parity, they should come in and offer the same amendment as I have offered.

Miss THOMPSON of Michigan. I wish to commend the gentleman for his remarks and introducing this amendment. I think it is a good amendment. Ceilings should be realized on fresh fruits as well as processed.

Mr. DOLLINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not suppose I am going to be able to convince the Committee to defeat the amendment because the Committee has already indicated a little while ago what their feeling in the matter is. I intend to offer an amendment which will seek to reestablish ceilings on fresh fruits and vegetables. The Members of the Committee know that, although there are ceilings on fresh fruits and vegetables, the ceilings have

not been put into effect because of the fact that the prices for such fruits and vegetables at the present time have been below ceiling.

I wonder whether you realize that there were vegetables which were selling for a short period of time at above ceiling prices, like lettuce, cabbage, and onions, yet the OPS did not rush in to control them? I think you are running away with yourselves if you think you can just disregard the necessity for establishing ceiling prices and say there is no need for them. The time might come, yes, due to weather conditions or the international situation might reach the point where there is necessity for establishing ceiling prices. As long as we do not have to use ceilings, they are not being used, but if the time comes when you have to use them, why do we not have them on the books?

Mr. HARRISON of Virginia. Does the gentleman mean to tell us that they have not imposed ceilings on fresh fruits and vegetables?

Mr. DOLLINGER. They have not imposed ceilings.

Mr. HARRISON of Virginia. I have a list of them here.

Mr. DOLLINGER. I have the report from the OPS. They did not impose ceilings on lettuce, cabbage, and onions and other fresh fruits and vegetables. Let me tell the gentleman that if we take away the ceiling on fresh fruits and vegetables the farmers will increase the price. With an increase in such price the farmers would ship more to market and less would be available for canning or frozen foods because there will be no reason to sell them for that purpose.

Do not forget that about 14 cents of every dollar spent goes for fresh fruits and vegetables, and that fresh fruits and vegetables amount to about 5 percent of the consumers' expenditures. If we take into consideration frozen and canned fruits and vegetables and other perishable products they account for 21 cents of our food dollar. That is an important item I think for the housewife and for the consuming public. We have to give them protection. If you take away the ceiling on fresh fruits and vegetables and processed fruits and vegetables, then you will undoubtedly go further down the line and do the same thing with all the other essential items. You will then have no price control. You will wipe it out entirely.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I imagine that the gentleman has heard something of the old-fashioned law of supply and demand. In my own territory, both the producers and the consuming public seem to think there would be more production if the ceilings were removed and that prices under these circumstances would certainly be lower.

Mr. DOLLINGER. If the producer would send all of those products to the market, yes, but the producers would withhold from the market certain items until they become scarce, so that the

public will have to buy at an exorbitant price.

Mrs. CHURCH. In reference to potatoes, however, my district sang the doxology when ceilings were recently taken off of potatoes, and we were at long last again able to find potatoes on the market.

Mr. DOLLINGER. The OPS has not imposed ceiling prices on fresh fruits and vegetables. If they are on the books, we can use them when needed, and if there is no need to use them we do not; yet they are there, no one is harmed, and if we have to use them they are there for any emergency.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from Illinois.

Mr. YATES. Potatoes are in a different category than fruits and vegetables. You do not can or process them. You do not process potatoes.

Mr. DOLLINGER. The gentleman is correct. Of course, the gentleman also realizes that the American people cannot live on only potatoes. There are other necessary products involved.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Let me say to the gentleman about potatoes that we did have a sufficient supply of potatoes produced last year, but when they put on the OPS regulations potatoes were diverted from normal channels of trade and went into the black market. They were taken away from the people. When they took off the ceilings and when the pipelines were filled, which took about a week or 10 days, the people were able to get potatoes again at reasonable prices.

Mr. DOLLINGER. But the American public paid for the potatoes in the form of a subsidy.

Mr. DONDERO. Mr. Chairman, I rise in support of the pending amendment.

(Mr. DONDERO asked and was given permission to revise and extend his remarks.)

Mr. DONDERO. Mr. Chairman, it seems to me that in all the discussion concerning amendments to the Defense Production Act some fundamental considerations may have been overlooked.

I concur with many of the opinions expressed as to past mistakes in administering economic controls and as to the present need for removing from the statute books those direct controls applicable to prices and wages, expressed earlier by my distinguished colleague, the gentleman from Michigan [Mr. WOLCOTT].

It is true, that prices should have been rolled back early in 1951 to balance with wages, instead of increasing wages to balance with prices.

It is true that unwarranted assumption of powers by the purely advisory Wage Stabilization Board in dealing with the steel strike has worked untold harm, not only to the cause of trade unionism, but also to the war effort and the economic welfare of the Nation.

I think, however, that in all this discussion a proper distinction has not been drawn with respect to the manifest need for eliminating consumer credit controls. These controls, such as regulation W and regulation X, it should be emphasized, are not the basic credit controls, which alone, in conjunction with economy in government spending, can put a stop to the inflationary spiral.

The basic controls, of which I speak, are those controls which the Treasury and the Federal Reserve Board are empowered by existing law to exercise in managing the public debt and curbing the volume and velocity of bank credit. These effective means of ending inflation are quite different from the consumer credit controls, which have served of late merely to reduce consumer buying in areas of oversupply in goods and services.

A further consideration, and far from the least important, with respect to the continuance or discontinuance of direct economic controls in the coming year, relates to the subject of labor unrest and the strikes which are hampering the war effort and tending to aggravate the very conditions they seek to alleviate.

Selective price controls, without effective wage controls, have controlled nothing. The dollar today is worth at least 7 cents less than it was a year ago. Food prices, for example, are at an all-time high, in spite of the fact most of them are below OPS ceilings.

Mr. Chairman, experience has shown us that price controls without wage controls control nothing. Food prices have risen almost to an all-time high. In spite of the fact that the prices are now fixed on many foods, they are selling for far below the ceiling prices.

Some 4 or 5 weeks ago at a conference arranged by the gentlewoman from Michigan [Miss THOMPSON], we met with a representative of the canning industry. The reason that Michigan is vitally interested in this particular amendment offered by the gentleman from Virginia is this: Michigan cans about one-half of the cherries of the United States, and that is a large item. At that conference we were told that the canning industry of the Nation each year cans about 300,000,000 cases of fruits and vegetables; but this year they had on hand a little over 100,000,000 cases of fruits and vegetables unsold, or a third of last year's crop, with the crop of 1952 now coming on. At the present time 88 percent of all canned goods on the shelves of the grocery stores of this country are selling below the ceiling prices, and in spite of that fact that the Office of Price Stabilization increased the cost of some canned goods, from 1 to 2 cents per can.

Mr. O'HARA. Just recently.

Mr. DONDERO. Yes; that was done just recently, as indicated by the gentleman from Minnesota. Where is the reason, the logic or the common sense of putting a price on canned goods, canned fruits and vegetables, or on fresh fruits and vegetables when the product is selling far below the ceiling prices now fixed. The law of supply and demand

still wields a tremendous factor in fixing prices.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from California.

Mr. McKINNON. May I point out to the gentleman—and I respect the gentleman very much—that here are some facts which I think bear on the gentleman's statement. According to the Bureau of Agricultural Economics the canned fruit and vegetable index, June 1950 price stood at 142.7; in the past 2 years since Korea, April 1952, the index had risen to 163.6, a rise of 14.6 percent, which is faster than wages have gone up on the general level.

Mr. DONDERO. I appreciate the gentleman's comment, but in spite of that fact, the thing that the gentleman from Virginia is trying to cure, in relation to this particular type of food, canned fruits and vegetables, is that when food is selling below the ceiling prices fixed by the Government itself and up to 88 percent of all such goods, price control is not necessary. Why is that so? Because of the tremendous surplus on hand, namely, one-third of last year's crop with the crop of 1952 facing the industry. If they glut the markets, the price will go down still further, not because of the price ceilings but because of the law of supply and demand.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Illinois.

Mr. YATES. I appreciate the gentleman's yielding to me. Will the gentleman tell the House in what respect the producers are hurt because ceilings are imposed in those cases where the prices are below those ceilings? Suppose there is a short crop—will not the consumers be hurt if there are no price controls? Will not prices go up?

Mr. DONDERO. The consumer is hurt in this particular, where we had the price stabilization agency raising the price of canned goods from 1 to 2 cents a can when 88 percent was selling below the ceiling price. The consumer gets hurt and not the producer, and it seems to me impractical to continue that kind of a thing.

Mr. YATES. Yes; but will not the consumer be hurt much more in the event ceilings are taken off and the opportunity given to the processors to raise prices more than 1 or 2 cents? The possibility of injury is much greater to the consumer than the producer.

Mr. DONDERO. Not in the face of present conditions regarding fresh fruits and vegetables and canned fruits and vegetables.

It is evident that direct controls have failed.

At the same time, inadequate use has been made of the basic controls with respect to management of the public debt and properly cautious reduction of the volume and velocity of bank credit.

It seems to me quite obvious that elimination of direct controls, including both prices and rents, would encourage further productive efforts on the part of

American industry. It would enable the American people to enjoy an even greater volume of civilian goods and services than the 82 percent they now have.

Elimination of direct controls, together with adequate use of the basic controls, to which I have referred, would in no way impede the war effort. On the contrary, it would stimulate the production of war goods. And this for one simple reason.

Stabilization of credit and hence of the Nation's currency, by means of those basic controls which already are embodied in the law of the land, would in turn stabilize prices. Then the reason for the present cost-of-living strikes would largely disappear. And it is those strikes, as we all know, which are contributing most to hamper the preparations for national defense.

Mr. Chairman, I hope the amendment will be adopted.

Mr. KING of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is one of those amendments that the committee members have been asking for in that it is specific as to whether or not we shall have regulation in this particular small segment of our economy.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. KING of Pennsylvania. Yes.

Mr. McDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDONOUGH. Will the Chair please state the amendments that are pending before the House so that we will know who is speaking on what subject?

The CHAIRMAN. The Chair understands that there are some 19 amendments pending.

Mr. McDONOUGH. I do not mean that; I mean in this particular case.

The CHAIRMAN. The Chair does not understand the gentleman's inquiry.

Mr. KING of Pennsylvania. Does the gentleman want to know what we are talking about? This amendment simply provides, on page 5, line 3, that we strike out the word "fresh" and after the word "vegetables" add "in fresh or processed form."

Mr. McDONOUGH. Is there not a substitute amendment pending?

Mr. KING of Pennsylvania. No.

Mr. Chairman, this amendment applies to a very small segment of our economy and a segment of our economy in which there are very exceptional circumstances making price regulations inadvisable because of the impracticability of writing orders which can regulate, and the absolute impossibility of enforcement. The committee has very wisely provided that no ceiling shall be established or maintained on fresh fruits and vegetables. This exclusion is very proper for two or three very good reasons.

In the first place, there is no need in the interest of either the public or the producers for price controls in this seg-

ment of the food industry. The people of our country are eating well, and they have been for many years, even during the all-out war, and, therefore, there is no possibility of a greatly increased demand in this period of so-called emergency. Production of produce generally has kept pace with the growing demand so that consumer prices have at no time been seriously affected by shortages. The rise in consumer prices has been due almost entirely to the increased costs of production and distribution.

This, of course, is not to deny the fact that in this field of produce occasionally some particular item gets very high out of season. Cucumbers can go to \$20 a bushel in the wintertime, but who needs to eat cucumbers in the wintertime?

There certainly can be no justification for the expensive administration of controls in this phase of our economy where general supplies are liberal and moving at prices almost entirely under the point which would be established by ceiling formulas.

Further, there is no need for maintaining that stand-by organization just as a protective measure. As one who is fairly familiar with the produce industry, I can assure you that production increases will be promptly forthcoming any time producers see prices high enough to promise a profit.

It must be apparent to all of you gentleman who observed the workings of the recent potato order that the multiplicity of grades, sources, varieties, packaging practices and merchandising methods in the produce field makes the problem of regulating prices all along the line from producer to consumer beyond the comprehension of man or any group of men. Furthermore, on the matter of enforcement, if we put an OPS inspector in every produce house in the country we could not avoid black marketing and tie-in sales. The policing of controls in the perishable produce fields is simply impossible.

Now, this amendment which strikes out the word "fresh" and adds "in fresh or processed form" simply makes effective the exclusion of fruits and vegetables. The exclusion of fruits and vegetables strictly in fresh form means very little because ceilings on the processed form become effective ceilings on the fresh. Most all growers of fruits and vegetables grow for the best market they can get whether it be in the city wholesale districts or to the processors. In the free flow of produce from the farms, a low cannery price will cause a larger quantity to move into the fresh market thereby effectively limiting the price in the fresh market.

When the spinach packers will pay only 4½ cents a pound, the fresh market is effectively limited to about \$1.10 a bushel because anything higher than that will attract the cannery supply.

There is no need for these controls even on processed produce for current stocks of both processed vegetables and processed fruits are unusually large, with many items in such heavy supply that the Government has been making large price-support purchases.

In this small segment of our economy there is no emergency and there can be no emergency either in the form of abnormal demand or short supply. Surely if we believe in free enterprise and a free market in any degree, we will support this amendment completely excluding fruits and vegetables.

Mr. O'HARA. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia. I think the statement he has made and the gentleman from Michigan [Mr. DONDERO] has made are overwhelmingly convincing as to the need for this amendment.

I call your attention to the fact that this amendment affects three types of people. It affects first the grower, and you have to have growers before you have the products to process. Then you have the processor, and last you have the public.

The statement was made by the gentleman from Michigan that 88 percent of these canned goods are below ceiling prices. So a fourth group are affected, the store operators, the people who run the large or the little stores, are harassed continually by making all kinds of reports upon the overwhelming bulk of the goods upon their shelves below ceiling price levels. I think it is conceded that the 88 percent that is below the price ceilings has been general. During World War II when we had rationing, I do not recall that there was ever any rationing or that there was ever any argument about the matter of the sale of processed fruits and vegetables.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. AUGUST H. ANDRESEN. I point out to my colleagues that last year the production of canned fruits and vegetables was over 300,000,000 cases. As of April 1, more than 100,000,000 cases have remained unsold. The supply has been so great that the Department of Agriculture has recommended a decrease of 15 percent in this year's canning crop. The situation is really intolerable to both the growers and the producers. Those who want to secure abundant production of canned fruits and vegetables would be better off if they let the farmers produce and let the processors can and process the fruit and vegetables, and thus get an abundant supply on the market.

Mr. O'HARA. Yes, and get the food to the consumer at a cheaper price.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. YATES. I respect the cogency of the argument that has been advanced by the gentleman from Minnesota. The question I should like to propound, however, is this: Supposing that we should find ourselves with the crops in short supply rather than abundant supply in many of these fresh fruits and vegetables within the time covered by this act? Would not the gentleman be in favor of imposing price ceilings then?

Mr. O'HARA. I think the thing to do is to encourage production. If we have

the situation, which is admittedly in existence, if you have an overproduction from last year, then we are faced with this situation, that you are going to discourage the producer who is the key individual in this situation, and he is going to say, "All right I am not going to produce corn or I am not going to produce peas, and I am not going to produce the things on which I am not going to get a good return." Does the gentleman recognize that? May I say to the gentleman from Illinois [Mr. YATES] I do not know, and I think probably the contrary is true, that there is an excellent production forthcoming this year on fruits and vegetables both. We are in the production season now. I have not heard of any bad reports. I am speaking now about the growing crop, the crop now in the fields.

Mr. YATES. May I call the gentleman's attention to what happened to the potato crop. As far as I have been able to find out, much of the shortage of potatoes was attributable to the forces of nature, to bad weather.

Mr. O'HARA. No, I disagree with the gentleman.

Mr. YATES. I understood that the potato crop came in late because there was a wet season and the potatoes just did not grow.

Mr. O'HARA. I will tell you why the potato crop situation became serious. It became serious because under the OPS growers shipped 10,000 cars to the west coast and about 14,000 cars to Canada. That is one of the things that seriously affected the potato distribution picture.

Mr. AUGUST H. ANDRESEN. I would like to point out to the gentleman from Illinois that the present crop over which this price control bill will have any jurisdiction, is now being made. The canners have already begun to can their peas and fruits and vegetables.

Mr. O'HARA. That is correct.

Mr. AUGUST H. ANDRESEN. And within the course of the next few weeks, they will be canning the balance of their crops.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. I think it should be of some interest to the Members of the House to know of one factor which is causing the price of canned fruits and vegetables to be maintained even in spite of the fact that the law of supply and demand would provide a lower price if we had a free market. I have the results of a survey on various fruits and vegetables before me. In all instances, it shows where the Government purchases to keep up the price, has maintained a floor on the prices which could be lowered if the market were free and supply and demand was in effect. For instance, up to May 1, 1952, the Government bought \$3,559,000 worth of canned vegetables to support prices, and further purchases are in prospect. Insofar as that applies to certain items, let me read this to you:

The best evidence of the superabundance of the supplies of various processed food items is given by the fact that the Government has been doing some large scale buying to keep prices up, and thereby remove

depressing surpluses from civilian channels. These purchases, however, reveal how inconsistent it is for the OPS to be spending millions of dollars trying to lower prices at the same time another agency of the Government is spending millions to try to raise prices.

I have some further information here which is specific insofar as particular commodities are concerned. Here are the figures on Government support purchases of various dried fruit products during the past year.

Apples, dried: For export \$636,000 purchased by the Government.

Raisins: \$2,912,000.

Prunes: \$1,858,000.

Prunes, dried, for school lunches: \$1,202,000.

The whole thing is one agency working against another in order to deny the opportunity of the consuming public to control the market by the law of supply and demand and to be selective in its purchases so that if the price rises they will not buy, and if it is low enough they will come in and buy. The Agriculture Department on the one hand is purchasing to keep the ceiling price up; the OPS on the other is trying to keep the price down, and the consuming public is the victim. It is time we did something about it and here is your opportunity.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. ARMSTRONG. I would like to ask the gentleman whether this amendment should not be modified to include all foodstuff? The way it is worded it would include soups and cereals and other things processed.

Mr. McDONOUGH. The gentleman means are in abundant supply.

Mr. ARMSTRONG. Yes.

Mr. McDONOUGH. I think that would be in order, but I have not proposed any amendment; I am simply speaking on the one that is before the House.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. YATES. Does not the gentleman believe that in the event we have supports for the prices of agricultural commodities which permit the Government to take off the market commodities which would ordinarily permit the law of supply and demand to operate and lower prices, does not the gentleman believe that in that event we should have ceilings to protect the consumer? The consumer gets it in both directions: In the one case he pays extra in the form of taxes to buy up an overabundant supply, and in the other case he gets in the form of increased prices, particularly where there are no ceilings. He is unprotected in both respects.

Mr. McDONOUGH. I do not know. As a matter of fact, you have two agencies of Government doing this; you have the demand to supply the Armed Forces which is increasing every day, then you have the Agricultural Department purchases for export, for school lunches, for storage, and for other pur-

poses, to prevent the floor going too low on these things.

I do not want to see the farmer go out of business, and I do not want to see the supply and demand market ruined. Here we have another Federal OPS coming along and imposing over both by setting a ceiling that is higher than the market will now support insofar as the purchasing public is concerned in the case of fresh fruits and vegetables which are selling from 3, to 5, to 7 cents per unit below ceiling prices today.

However, if we get into a situation such as the gentleman mentioned a moment ago, where we have an all-out war, you will find the public willing to go along. But you are now imposing upon the grocery, the hardware, the drug store, and on all the small and large retailers and wholesalers the obligation of reporting, under threat of penalty, a whole lot of items and doing a whole lot of unnecessary book-keeping under burdensome regulations, amendments, and amendments to amendments, and overriding regulations.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 2:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair will divide the time equally between the Members standing and this will be approximately 1 minute each.

The gentleman from New York [Mr. MILLER] is recognized.

Mr. MILLER of New York. Mr. Chairman, I rise in support of the amendment. I represent one of the greatest Fruit Belts in the United States, the Niagara frontier of western New York.

We should eliminate fresh fruits and vegetables from price ceilings because of the perishable nature thereof and because in some years their crops are very much larger than they are in other years.

As things stand at the moment in the matter of price ceilings on processed fruits and vegetables—and normally 70 to 80 percent of the crop is processed, they are based upon the prices the processors paid in 1951. This means that the farmers are receiving only 60 percent of parity.

The situation has been taken up with the Office of Price Stabilization and it has been pending there for a long time, but no relief has been given to them. The situation has got so bad that the farmers cannot even get credit at their local bank.

There is no relief except by legislative action. We must eliminate price ceilings on processed fruits and vegetables.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WOOD].

(Mr. WOOD of Idaho asked and was given permission to revise and extend his remarks.)

Mr. WOOD of Idaho. Mr. Chairman, a large percentage of the people in my part of the State of Idaho live on irri-

gated farm land. They live on small farms of from 5 to 10 acres and the people live practically entirely through the raising of fruits and vegetables.

There are also quite large canning factories out there and their warehouses are completely stocked with 1951 products. They are now getting ready to harvest the 1952 crop, which is one of the largest on record.

I have had number of letters from the citizens of my district in reference to this matter. I received three yesterday from cherry growers in the vicinity of Lewiston, one of the largest cherry-growing areas in the West, and they advise me that they are absolutely unable to sell their crop because the warehouses of the canners are still full of cherries that were canned last year. I therefore feel it is quite necessary to adopt this amendment, and I am very much in favor of it.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND].

(Mr. HAND asked and was given permission to revise and extend his remarks.)

Mr. HAND. Mr. Chairman, I want to call attention to just one or two problems that are involved in the canning and the quick freezing industries which makes some relief imperative.

I received a letter today in which I am advised that since 1948 the cost of labor in this industry has increased 50 percent. The cost of fuel and electric power has increased very substantially because the cost of labor to produce fuel has mounted since 1948. The cost of corrugated containers, cartons, and other articles has increased from 20 to 40 percent in that time.

Now, when the ceilings are taken off fresh fruits and vegetables, there is no way for the processors of these commodities to produce at a profit and at the same time pay reasonable wages, unless real relief is granted. I thought this situation would be taken care of by the amendment considered by the gentleman from Iowa [Mr. TALLE]. However, the only thing before us now is the pending amendment by the gentleman from Virginia [Mr. HARRISON].

Let me quote briefly from the letter from a large processing concern in my district, where the processing of food provides a livelihood for thousands of people:

Since 1948 the cost of labor in our industry has increased about 50 percent; the cost of fuel and electric power has increased very substantially because the cost of labor to produce fuel has mounted, which is directly reflected in our costs through an escalator clause which permits the power company to increase user rates in proportion to these increased costs.

Since 1948 the costs of corrugated containers, cartons, and wax wrappers have increased from 20 percent to as much as 40 percent or 50 percent.

Practically all other items that relate to the cost of our operations have increased substantially, yet we are bound under ceilings which provide no allowance whatsoever for these increased costs.

And the message concludes:

It seems to me that everyone who believes that our country should be developed under the free enterprise system, and that our America should be a free America, should wake up and do everything possible to insure that the people who administer restraints should administer them honestly, competently, and have the sole purpose of combating inflation, and not have the purpose of destroying our present way of life, and continuing the present political regime in power.

Mr. Chairman, relief must be granted.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Virginia. I want to take just a moment to commend the committee for having included a provision in the bill eliminating ceilings on fresh fruits and vegetables.

When we discuss the amendment offered by the gentleman from Virginia we should bear in mind that we are discussing and considering perishable commodities. It seems to me that if we limit the ceiling to fresh commodities which must be marketed almost immediately after production and permit ceilings to be placed on such commodities in canned or processed form, we are squeezing the grower to the point where he does not receive a reasonable or proper return for his products and his labor.

Experience during the past year has proven very conclusively that because of the plentiful supply of fresh fruits and vegetables and because of the fact that these commodities rotted on the trees and in the ground, tons upon tons of fruits and vegetables were not harvested and the consuming public was denied the benefit of a healthy yield.

To an extent, we somewhat defeat the purposes of the committee amendment unless we adopt this very wise amendment offered by the gentleman from Virginia [Mr. HARRISON]. Present OPS ceilings on processed fruits are based on the 1951 season, when there was a glut of fruit—to such an extent that a great deal of it was left to rot on the trees because farmers could not afford to have it picked. This year the crop is smaller and the prospects for a normal market for the growers is good, except that the processors are not permitted to reflect increased grower prices in their costs and will therefore offer only what was paid when the fresh fruit market was completely demoralized.

For example, prices on apples in 1951 were at depression lows. The parity price for canning apples, as of April 15, 1952, was \$67.30 a ton. The average price paid growers in the 1951 season was \$27.70 a ton. On a hundredweight basis, the parity price for the best canning apples was about \$3.50 but the apples only brought a little over a dollar per hundredweight.

This amendment should prove beneficial to producers, processors, and consumers and I hope it will prevail.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I do not have any fruit and vegetable growers in my district, no great fruit belt, no processors. But I do have consumers in my district, and those consumers are going to be hurt drastically if this amendment is adopted. Prices are going to go up; they can't miss going up.

A few moments ago the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] pointed out that the pack last year was approximately 300,000,000 cases. He said the processors were able to sell only 200,000,000 cases, that they still have 100,000,000 cases to sell. What happens to prices on those cases? Will not the producers of those cases and the merchants who have stocked their shelves, who have bought these products in anticipation of selling them at a fixed and certain price, sell those products at a much increased price if this amendment is passed?

This amendment is a windfall for those engaged in the processing industry. I can see some sense in not having ceilings imposed on fresh fruits and vegetables in the event you do not have any price supports for fresh fruits and vegetables because you have the usual and normal operation of the law of supply and demand. But when you give the right to the Secretary of Agriculture to put supports under them, you should have ceilings as well, because if you protect producers, it is only fair that you protect consumers.

The price control bill adopted by the committee was a lean and flabby measure. With the Talle amendment already approved, with this amendment accepted, there will remain only a skeleton of price and wage controls, without flesh or muscle. It is too bad. We are still faced with the spectre of inflation and the acceptance of the Talle amendment and this amendment will hurt our economy terribly. I hope this amendment fails.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman, I appreciate that there are a great many issues involved in this matter of price ceilings and price support, and in the very short time allotted to me I want to make an observation from my experience of these past few months sitting here in the House and watching the operation of OPS in relation to the potato industry. Among other great concerns to those of us who have the job of production of these commodities is that these regulatory matters just about ruin the opportunity to bring to the consumers the high quality that the consumers want in these commodities. I think it is a tribute to the American farmer when the consumer can walk down the aisle to the counters of your stores and see the great diversity of

fresh fruits and vegetables and processed fruits and vegetables that are obtainable to him now in high quality. These controls have effectively, and I speak from experience, ruined that quality.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, first of all I wish to say that I heartily approve of the Harrison amendment. I think it will serve a great purpose. Of course, my line of thinking is, perhaps, a little different from that of other Members on the floor. I have always believed that production was one of the answers to inflation. It is not the only answer, and it is also true, and runs through history, that wherever there have been controls you cut down production, and that is one thing we do not want to do. If we are going to keep controls on any of our products it means that we are eventually going to have a shortage of that particular commodity. Now this question of controls goes clear back to the time of Diocletian, and it has come on down through the centuries, and in some cases where they have had controls, they have had to run the guillotine around from town to town and behead the people. Even this failed to control prices. The people would not be controlled, and they are not going to be controlled now. So I am in favor of the Harrison amendment to give the processors and the vegetables growers a chance to produce and to follow the law of supply and demand.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I think it is high time that the Members of this committee stop kidding themselves, because they are not kidding the public. The headlines in the newspapers throughout the country are the same as that which I hold in my hand now. The Washington Daily News has just come out with the headline "House Votes to Kill Controls." That is precisely what you are doing by the adoption of all these amendments, including the amendment you have before you. Why do you not come out in the open and ask for the outright repeal of this law and tell the people that you do not want any controls on anything? You are not going to get away with passing a law entitled "Defense Production Act," which provides no defense and no production. You will in due time have to answer for passing a controls bill without controls. The people are wise to you. Stop kidding yourselves.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, we have had quotes from Alice in Wonderland, and I think there is another statement from that story that has not been expressed. She said, "I see everything I eat, therefore I eat everything I see." Some of the logic we have been using on this bill is pretty much the same as Alice used. I think we ought to realize that

this amendment has only one purpose, and that is to raise prices. If it is not going to raise prices, a lot of people would not be interested in this amendment. Now let us remember that every time prices go up, wages are going to go up, too, and the whole price structure will go up. We all lose by prices going up. It is evident that the farmer loses more than anybody else, because in the past 2 years statistics prove that when prices go up the cost to the farmer is greater than his income, particularly when he is producing on a surplus market. Four cents out of every 5 in a price increase goes to the middleman and the retailer and the merchant, and only 1 penny out of every 5 of the increase goes to the farmer. Let us remember that if you are trying to help the farmer, you can help him more by stabilizing prices than increasing prices.

Mrs. BOSONE. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Utah.

Mrs. BOSONE. Anyone who knows the price of fresh lettuce today, buying for his family, certainly would not want the processed foods taken away from ceiling prices.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I realize the futility of saying anything on this subject. The Committee on Banking and Currency reported a bill that I thought was a fair and reasonable bill, a bill that would protect industry, the producer, and would give them a fair profit. I admit that resistance to the forces is becoming weaker and the bill is becoming weaker every hour. I do wish that somebody, occasionally, would say something in behalf of the consumer. The bill as originally drafted was to protect his purchasing power. That idea seems to be entirely lost. We now do not talk of anything except how we can raise prices on all that is produced and all the consumer has to buy. Maybe in the future somebody will find the answer somewhere. I want to see the producer and the manufacturer and every industry get a fair return for his product, because that means the stability of our institutions. But a price-control bill that is only talked of as increasing prices all the time will certainly be an ineffective measure to accomplish the purposes for which it was drawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARRISON].

The amendment was agreed to.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER: On page 5, strike out lines 2 and 3.

Mr. DOLLINGER. Mr. Chairman, I do not intend to take more than a half minute to tell you what I intend to do by this amendment. This is to reestablish ceilings on fresh fruits and vegetables. I am not going to debate the issues because I have told you before all I wanted to tell you, but I do want to

give you an opportunity to at least vote on the amendment because I think it is important enough to do so. The taxpayers are concerned, and I think we should be, too.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. In keeping with the purpose of the gentleman's amendment, I should like to make this observation: The Talle amendment was accepted by a teller vote here a short while ago, the vote being 146 to 88. I hope there will be a separate roll call on that amendment. If that amendment is adopted by a roll-call vote, this is what will be going on:

Effective on July 1, 1952, the acceptance of the Talle amendment will end price control on, first, all foods; second, all other consumer goods; third, all fuel; fourth, all building materials; fifth, everything that all farmers buy; and, sixth, most things most businessmen buy.

That will leave price control only on steel, copper, aluminum, and some scarce metals not generally used, a very limited number of chemicals, and a few other materials.

That is the situation.

Mr. DOLLINGER. I agree with the gentleman. I am glad the gentleman pointed it out because it gives me the opportunity to tell the Members of the House that I hope the Members will pretty soon use a little better judgment because the taxpayers will demand and expect it and the Members will vote down the Talle amendment and reestablish price control.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. It is a tribute to the American people that they can produce all of those commodities in abundance to take care of the needs of this country.

Mr. DOLLINGER. Yes; but if they put all these crippling amendments in the bill, the American people will not produce those commodities because the consumers will not be able to buy them.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that the purpose in writing this bill should be to see that in this way wage stabilization should also be attained without increasing the inflationary spiral?

Mr. DOLLINGER. That is true, but in effect the consumer is not going to be in position to buy these things if the bill passes in its present form.

Mr. JAVITS. So that the consumer who it now appears may well be the man in the famous barrel replacing the taxpayer, will be the one affected by this?

Mr. DOLLINGER. I think the consumer will indicate his displeasure in the next election unless we get down to business by legislating for his best interests and that means only one thing—a strong and effective control bill.

Mr. BUDGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I listened with a great deal of interest to the remarks of the gentleman from New York relative to this provision as to fresh fruits and vegetables. I am thinking about the consumer, and I think all of the Members of this body are honestly thinking about the consumer as well as the producer.

This amendment applies to the potatoes which are grown in my great State of Idaho. I should like to enumerate just what has happened to potatoes under price control, when there were any potatoes available under price control in the stores in the city of Washington.

The ceiling was 7 cents, and the consumer was paying 7 cents for them. After the ceilings were taken off a couple of weeks ago the price rose very slightly.

Last night I listened to Mr. Edwards, the commentator for the American Federation of Labor. He told the housewives in the Washington area not to be fooled, that the small potatoes, the little ones, he called them, appeared up in the front of the grocery stores, and they were 4 cents a pound, but he said that in the back of the grocery store, "If you will just walk back a few more aisles you can get the large potatoes for 5 cents a pound." Under OPS control, when potatoes were available they never sold at a cheaper price than 7 cents per pound in Washington. I think that story speaks for itself.

(Mr. BUDGE asked and was given permission to revise and extend his remarks.)

Mr. CRAWFORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if I understand the amendment correctly, it will practically undo what the Committee did just a moment ago. I am wondering if that is correct. I was in favor of the previous amendment, so, naturally, I am opposed to this amendment. Our friend, the gentleman from New York, a member of the committee, I believe it was within the last 5 minutes, said something about people not being able to buy the things that they want. It is too easy for us to overlook the fact that wages come out of production and that they do not come out of profits and that they do not come out of capital. Our economic system, fortunately, finances itself. If there is great production there is great ability to pay wages. If there is great production there is great employment. If there is great employment and production you have wages with which to buy goods. That is just as sure as night follows day, and it cannot be denied or refuted by any theory or any controlist or anyone who would argue that that is not so.

Mr. Chairman, here is a powerful fact. In 1943, we had 11,000,000 people producing durable goods. In 1951, the latest figures for that year, the top employment was 9,003,000 people in durable goods. That is 2,000,000 less than in 1943. What happened to us? In 1952, in April, we had only 9,000,000 people producing durable goods, or 2,000,000 less

than in 1943. Furthermore, these producers were working approximately 40 hours per week instead of 44⁹/₁₀ hours in 1943. What has happened to the American productive machine, and especially what has happened after we spent \$30,000,000,000 approximately additional to expand our productive facilities? Is this lack of production due to bad management in the effort to control prices and attempting to control wages? What is it due to?

If we are short of goods, and if we are short of consumer goods to such an extent that there is an insufficient amount of supplies in the market to accommodate the people under competitive conditions at reasonable prices, who is to blame for it? Personally, I think this Congress and the previous Congress is as much to blame as anybody else because we are forever and eternally tinkering with this thing that we call the machine of private enterprise, and with the freedom of the individual worker and the employer to negotiate together. If we are to lead the world, if we are to fill these commitments which we have made through our treaties ratified by the other body, and through the obligations which we have assumed through those side dishes such as mutual aid, which we have taken on in addition to the regular meal or the regular course, we are going to have to get back into production with a capital P. We have an enormous increase in the labor force, but there are 2,000,000 people less in the durable goods production. What is the trouble? We have shortages in Korea. Our allies in Europe claim that we are not sending the goods to them, which we promised to send to them. Of course not, because we are not producing the goods over here. In my district I have three important industrial centers with great unemployment because of the way the controllers down here are handling the supplies and materials and the prices thereof. Other Members have great unemployment in their areas. Here is the Government proposing to spend ten to fifteen billion dollars in excess of the Federal income in the form of a deficit. Have we reached the point where we cannot produce goods in this country, and where we cannot operate our economy without carrying on wars all over the world? A friend of mine said to me the other day, "I do not like the way you fellows cut the appropriations." I answered him and said, "What are you proposing to me now? Are you proposing that you have reached the point where you cannot run your business unless you get war orders? Are we going to tell our young people that we can no longer run this industry of ours unless we have a war which will consume their souls and bodies literally? I hope we have not reached that low in this country. I personally believe that price controls interfere with production, and I am in favor of eliminating this control lock, stock and barrel."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The amendment was rejected.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on sections 104 to 110, inclusive, and amendments thereto close at 4 o'clock.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I think it is a little too early to try to cut off the debate on this. I know of three or four very controversial matters. I think the gentleman will make more rapid progress if he does not try to limit debate until we reach those amendments. We might be able to agree on a time limit on those particular amendments instead of a general time limit to all these sections.

Mr. SPENCE. I would remind the membership that a week from Monday this act dies, the 30th of June; it will be necessary to pass the bill, to let it go to conference, and to act on the conference report. Unless we expedite consideration, we cannot meet the deadline.

Mr. WOLCOTT. I may say to the gentleman that we have given him assurance that we will expedite consideration of the bill as rapidly as possible; and I think in the interest of expediting the bill the gentleman will make more rapid progress, and I am sure he will see the wisdom of it, by asking unanimous consent to limit debate on each of these amendments. I know of at least two which may prove to be very controversial. After the two major amendments are considered, then I think probably that we can agree upon a limitation of time on the rest of the amendments to these sections.

Mr. SPENCE. Why can we not agree to a limitation on all amendments except the two in question?

Mr. WOLCOTT. Because of the very importance of at least two of them which I think the gentleman will recognize as highly controversial; and we have no way of knowing at the present time how long debate should continue to get a clear understanding of them.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HALLECK. I might make this suggestion: The Chair, of course, has been very fair in recognizing Members who had amendments, and that is as it should be. It is no reflection on anyone to say that maybe we wanted to take more time on one than on another, but the gentleman from Pennsylvania [Mr. KEARNS] has an amendment, and I believe a substitute will be offered for it by the gentleman from Texas [Mr. LUCAS]. We have no way of knowing how long they should be debated. Therefore I make the suggestion that the gentleman from New York [Mr. KEARNS] be recognized and that his amendment and the substitute be disposed of, and possibly another one, that we would agree then to some limitation in order to get to a quick conclusion of this matter.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LUCAS. I should like to call to the attention of the chairman of the committee that of all the amendments that have been offered here but two have been from others than members of the Committee on Banking and Currency. I think it is only fair that those who are not members of the committee should have an opportunity to present amendments.

Mr. WOLCOTT. I agree with the gentleman on that.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. POAGE. Some of us want to offer amendments to section 104. I understand that the amendments which are most controversial apply to some of the later sections. But this morning at the chairman's request we lumped all those sections together. I would like to get rid of the amendments to section 104 before we go on to later sections of the bill.

Mr. WOLCOTT. I might say to the gentleman from Texas that under that agreement all these sections are open to amendment. An amendment may be offered to any of these sections at any time. The gentleman can be assured that there will be ample time for a vote on other amendments after the major amendments are disposed of.

I may say further to the gentleman that we would not agreed to cutting off debate on amendments altogether; we will provide some time for the discussion of amendments which are left over after the major amendments are disposed of.

Mr. POAGE. I certainly do not question the gentleman's intention to do that very thing, but it has been my observation that when you get along toward the shank of the evening it does not make any difference what the gentlemen in charge of the bill want to do the cry is "Vote! Vote!" and there is not going to be any time left.

Mr. WOLCOTT. I might suggest to the gentleman that he might avail himself of that situation, for if we are on the upswing the gentleman has a better chance of getting his amendments adopted than otherwise.

Mr. POAGE. That may be all right, but I would rather get these amendments to section 104 disposed of first. I can see no reason for running them in afterward except that you are going to stifle amendments that would normally come before these major amendments.

Mr. WOLCOTT. Mr. Chairman, I am going to object at the present time to a limitation of debate.

The CHAIRMAN. The gentleman from Michigan objects.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on each of the amendments except the two controversial amendments be limited to 10 minutes.

Mr. WOLCOTT. We have no way of knowing that there are only two controversial amendments.

Mr. SPENCE. The gentleman from Michigan referred to the two controversial amendments. The reason I asked that sections 104 to 110 inclusive be read was because I thought we might get to

the controversial amendments immediately.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, I object.

Mr. KEARNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEARNS: Page 7, after line 18, insert the following:

"SEC. 109. Section 403 of the Defense Production Act of 1950 as amended, is amended by inserting before the period at the end of the first sentence thereof the following: 'Provided, That the Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, is hereby abolished'."

And renumber the sections which follow accordingly.

(Mr. KEARNS asked and was given permission to revise and extend his remarks.)

Mr. KEARNS. Mr. Chairman, the amendment I am offering would abolish the Wage Stabilization Board. This opinion has been arrived at by the Committee on Education and Labor after open hearings and deliberation of the Allen resolution since May 6 of this year, and expresses a finality of decision that should be weighed with great consideration by this body.

The Committee on Education and Labor accepted the charge of responsibility of the House of Representatives in a most serious manner.

I am proud to be a member of this committee, and I wish to pay tribute to our chairman, the gentleman from North Carolina, GRAHAM BARDEN, and to each and every member of the committee, and also to the staff and the witnesses—all of whom made a great contribution in this thorough investigation.

The investigation revealed these pertinent facts, namely:

The present Wage Stabilization Board did not confine its functions in accordance with the intent of Congress.

It was obvious that biases existed among the public members—that this Board has proven to be an unstabilizing influence rather than a stabilizing factor.

The Wage Stabilization Board proved beyond a doubt its unstabilizing doctrine in the Steel case.

In my opinion, no person nor no Government agency has the right to order or even suggest that an American citizen must or should belong to a designated church, a fraternal or social organization—or to a union.

Mr. Chairman, I wish to say here and now that I feel everyone in the country who wants to join a union should have the right to do so voluntarily. I have held a card in a union for 20 years, but I joined of my own free will and I am proud of the union, but I do not expect the Government to tell me or to tell anybody else that he must join a union.

The recommendation of this Wage Stabilization Board on union shop is inexcusable—these tactics cannot prevail now or be tolerated in the future.

In my opinion the President of the United States would never have seized the steel mills of this country had it not been for the uncalled-for ruling on steel by the Wage Stabilization Board.

A vote for my amendment approves the action of the Committee on Education and Labor—a vote against my amendment repudiates that action.

I cannot do more than to urge you, my colleagues, to act now—to act with determination and support this amendment—abolish the Wage Stabilization Board.

Mr. LUCAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCAS as a substitute for the amendment offered by Mr. KEARNS: On page 7 after line 18, insert the following new section:

"SEC. 109. Section 403 of the Defense Production Act of 1950, as amended by Defense Production Act amendments of 1951, is amended by inserting '(a)' after '403.' and by adding at the end thereof the following new subsection:

"(b) (1) There is hereby created, in the Economic Stabilization Agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the "Board"), which shall be composed of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order, but the number of members representative of the general public shall at all times exceed the aggregate of the number of members representative of labor and the number of members representative of business and industry. The number of offices on the Board for representatives of labor shall equal the number of offices on the Board for representatives of business and industry. Among the members representative of labor, at least one shall be a person who is not a representative of any organization which is affiliated with either of the two major labor organizations.

"(2) The members representative of the general public shall be appointed by the President by and with the advice and consent of the Senate. The members representative of labor, and the members representative of business and industry, shall be appointed by the President. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall be 1 year, unless sooner terminated in accordance with section 717. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of

sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommended to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise.

"(6) Paragraph (5) of this subsection shall take effect 30 days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order No. 10161, and reconstituted by Executive Order No. 10233, is hereby abolished, effective at the close of the 29th day following the date on which this subsection is enacted."

Mr. LUCAS. Mr. Chairman, this is H. R. 4552 which was introduced last year as the result of about 3 weeks of hearings by a subcommittee of the House Labor Committee and which was approved by the House Labor Committee by a vote of 15 to 7. It is the bill which was offered last year as an amendment to the Defense Production Act, and, if I may be permitted to say so, had it been adopted, we would not be suffering under the present fiasco of the steel case.

I would approve the Kearns amendment if I did not realize that the President most likely, if we did not legislate in this field, would appoint another board similar to the one which we now have, vested with the same responsibilities which are now being exercised by that Board.

I think we must be realistic about this matter and vote to abolish the Board, as my substitute provides, but also recreate a statutory board which will set up a system by which these matters will be handled, and limit the board in its jurisdiction, and provide that these matters shall be handled in no other way.

The bill is very simple. It creates a wage stabilization board, it is true, but it provides for the consumer, which the gentleman from Kentucky [Mr. SPENCE], was so interested in a while ago, in providing that the public members shall predominate in number over the other members of the board. Thus the labor members and management members of

the board will be a lesser number in toto than the public members, and the public members shall be confirmed by the Senate. It also provides for independent union membership on the labor panel. Instances which came before our hearing, pursuant to the Allen resolution where independent unions have been so discriminated against, are rank. I wish you could read our hearings, which show where the independent unions have been treated so roughly and with such discrimination. Thus we provide for representation for the independent unions, this great body of people who are not represented on the present Wage Stabilization Board.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Indiana.

Mr. HALLECK. Would not that provision also include the United Mine Workers?

Mr. LUCAS. It might. If the President chose to appoint a representative of the United Mine Workers on the Wage Stabilization Board, of course it would cover them.

The Wage Stabilization Board under my amendment will be a policy board, it will not a dispute-handling board. We do not need a board, I think, which has a function of stabilizing wages, placing a ceiling over wages, and at the same time being a disputes board, by which unions who are not satisfied with the contracts offered them by management, or management who is not satisfied with the contract it is able to get with labor, may appeal to the same board which stabilizes, and thus have contradictory and conflicting responsibilities. Thus, I divest the Board of its responsibility in disputes matters. I think it is most imperative that this Board not have such function.

I quote to you from Mr. Nathan Feinsinger, Chairman of the Board, when he appeared before our committee just recently. He said:

Unless Congress changes our policy, we will recommend a form of union shop in every case that comes before us in which it is an issue.

Can you conceive of a union seeking a union shop being satisfied with any contract that management might offer if it is able to get a union shop by appealing to the Wage Stabilization Board? Why, of course not. Therefore, every case that comes before the Wage Stabilization Board hereafter, unless Congress adopts my amendment, will have the union shop demanded by the labor union, and before long, and no one denied this before our committee, every man in America will be forced to join a labor union in order to work.

I think it is imperative that the House of Representatives take such action in order to prevent the Wage Stabilization Board from covering into labor unions every man, whether or not he wants to join a union, and making him pay tribute in order to have a job.

That is simply what my amendment provides. I hope you can go along with me and join me in passing this good legislation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Would the gentleman make just a little bit clearer the power, if any, this Board under this proposed substitute would have with respect to determining wages?

Mr. LUCAS. The Board as presently constituted has issued regulations, and those regulations are general in application. I would suppose that the same regulations would be adopted by any statutory board which might be created under this bill. These regulations will be applied generally throughout the country, and we will then be protected from the biased recommendations which have emanated from this Board.

Mr. HALLECK. Mr. Chairman, I rise in support of the Lucas substitute.

Mr. Chairman, this very important matter which we are now considering is before us primarily because of the adoption of the so-called Allen resolution some weeks ago by this House by a vote of 255 to 88. That resolution directed the Committee on Education and Labor to make a study and investigation of the work of the so-called Wage Stabilization Board and its operations under the statutes enacted by the Congress of the United States.

I commend the Committee on Education and Labor on the splendid work it has done and the report it has filed, to which reference has been made by the gentleman from Pennsylvania [Mr. KEARNS]. I think the committee definitely established that the Board has gone far beyond the authority vested in it by the Congress. It has not been a stabilization agency, it has been an unstabilizing agency. That is the reason it is necessary to do something here.

I support the Lucas amendment as against the Kearns amendment for two principal reasons: First, I am for the abolition of this Board as presently constituted. The Lucas amendment provides for the abolition of the Board. But if you just abolish the Board and do not create a new Board, two things result: First, you say by abolishing the Wage Stabilization Board you are against wage control but continuation of price control. I cannot take that position. Secondly, if you just abolish the Board and leave the law as it is, then nothing is established in the law to prevent President Truman from creating an exactly duplicate sort of board which would operate without the restrictions that should be written into the law.

This new board which the gentleman from Texas has referred to is to be composed, in the majority, of public members. That is, there are to be more public members than members representing labor and industry put together. The public members are to be confirmed by the other body. I think that is good. The labor and industry members are not to be confirmed. That is right, because they are there as the special pleaders of the interests they represent, and that is right and as it should be. But in my opinion, the public members being in greater number would not be required,

as they presently are, to go to one side or the other and follow that side clear down the line in order to ever arrive at a decision.

I visualize the operation of this new board as I remember trying lawsuits in court where the plaintiff's counsel and the defendant's counsel argued their respective cases while the jury sat listening to the evidence, so that they could render a final judgment. That is what this board will be permitted to do.

In my opinion, it will make for decisions in the public interest with complete safeguards to protect the interest of both sides of the controversy. And each side will have its spokesmen in the sessions of the board and for statement of position to the public.

What else does the Lucas amendment do? It provides an area within which the Wage Stabilization Board shall operate. This is my second reason for supporting this proposal. The very name Wage Stabilization Board, in my opinion, means it is created to stabilize wages. It is to put a ceiling on wages even as the Office of Price Stabilization was created, not to settle all manner of disputes between wholesalers and retailers or manufacturers and retailers, but to put a ceiling price at given levels on products which are to be sold. That was what the Congress intended when we provided for the creation of such a Wage Stabilization Board.

The unfortunate thing is that the Wage Stabilization Board, instead of confining itself to the determination of these economic controversies, has undertaken to set itself up as the agency to settle all manner of disputes between management and men, which have nothing to do with the wages which we undertook to stabilize in this operation.

For instance, reference has been made to the union shop. Let me tell you what I believe about the union shop. It ought to be a matter of contract between management and men. And if management and men want to agree on a contract for a union shop, I have always said, and I will say again, it is their right to do it. But I do not believe that it is within the province of government to say either that you must have that sort of contract or that you cannot have that sort of a contract.

Mr. KELLEY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

(Mr. KELLEY asked and was given permission to revise and extend his remarks.)

Mr. KELLEY of Pennsylvania. Mr. Chairman, one would think that the recommendation of the Committee on Education and Labor was unanimous. It was not. There are nine members who disagree entirely with the recommendations made by the majority, and the report made by the majority of the members. We think that the Wage Stabilization Board did a good job. It did a good job in thousands of cases which came before it, and because one case failed, that is no reason to condemn it. The new board, as proposed by the gentleman from Texas by his amendment,

creates a bureaucracy which we do not like. It will not do as good a stabilizing job as the tripartite board now in existence. It cannot do it because it would be unbalanced. You will also find that the union members will not be satisfied with that arrangement. I predict that the very nature of its composition militates against any success for the Board. I am one member of the Committee on Education and Labor that does disagree with the majority report.

The minority report criticizes the Board in one instance. It also criticizes the Economic Stabilizer for not keeping a close liaison between the Wage Stabilization Board and the Price Stabilization Board.

Mr. WIER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I have come to the House of Representatives after being in the ranks of the labor movement where I was very actively engaged as an official. I have some knowledge of the reaction of workers. I am one of those who for a period of about 10 days of hearings in the Committee on Education and Labor heard every member of the Wage Stabilization Board including the administrator of the National Defense Production Act, Mr. Wilson, who started off as our first witness. All of the members, representatives of labor, public, and industry were questioned at length on a number of controversial points. The thing that makes this serious, and makes it very controversial at this time comes about by reason of the fact, of course, that there is a presidential election just ahead. The efforts being made through either one of these two amendments are to the great disadvantage of the labor movement and this Nation. They, the workers of the Nation, will be the ones to suffer as a result of putting somebody behind the 8-ball.

What the gentleman from Texas [Mr. LUCAS] said with reference to Mr. Feinsinger and others who appeared before us was not quite a correct interpretation of the statements they really made.

After all of these hearings I am very much convinced by the questions and answers that back of all this so-called collective bargaining that was presumed to have started almost a year ago, or last December—back of all that collective bargaining that we seek between union and management there was no question but what there was a reluctance on the part of the steel industry to bargain in good faith. There were reasons for that. The steel industry was vitally concerned as to what return they would get in the way of price increase to make up for the added cost as a result of a contract to be entered into. Overtures were made as to what it would be possible for them to receive. They were told first that they would be allowed the natural return which was about \$3. Their contention was that it would take about \$12 to make up for the differential between what they offered and what the Wage Stabilization Board offered. Then, of course, in the event that arrangements could not be made to take care of this added cost of this new contract, steel

management knew the next step and that would be what is taking place here today and has been taking place ever since the decision of the Wage Stabilization Board, and that is the Taft-Hartley Act would be invoked into the picture.

I think we have discussed the Taft-Hartley Act well enough to know that there is no part of the act that was ever drawn in the interest or for the protection of the workers. That has been proven in the 3 years in which it has operated. It is, as President Truman said, an act that was drawn not in the interest of protecting any interest of the workers in a dispute, but an act to stalemate them and one which offers no inducement for collective bargaining and has not settled anything to this time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield.

Mr. McCORMACK. The very authors of the bill have recognized that, for it has already been amended and a number of other amendments have been suggested by the authors of the bill.

Mr. WIER. Let me say to the gentleman from Massachusetts that in the closing days of the Eighty-first Congress Senator TART himself submitted 21 amendments in the Senate that he was willing to subscribe to as being remedial.

The full House Committee on Education and Labor has conducted a lengthy investigation of the Wage Stabilization Board, pursuant to House Resolution 532. Originally this resolution proposed an investigation of the Wage Stabilization Board, its regional boards and panels to determine whether they, first, have exceeded their authority and jurisdiction with respect to labor disputes, particularly those involving nonwage or other issues outside the scope of wage stabilization; and, second, have violated or failed to respect the national labor policy as expressed in the Labor-Management Relations Act, the Defense Production Act, and other applicable laws with regard to collective bargaining and the settlement of labor-management disputes, including but not limited to disputes with respect to the union shop.

The amended resolution eliminated the first question. Indeed, there is no evidence in the lengthy record of these proceedings which could have supported an adverse finding on that question. The amended resolution rennumbers the second question (1) and adds the following: "or (2) have adopted policies or made decisions or recommendations inconsistent with the intent of Congress with respect to stabilization and in contravention of the public interest." These are the two questions which were to be investigated.

The scope of the investigation did not stop there, but covered a multitude of irrelevant inquiries.

After the most exhaustive probe into every aspect of the work of the Wage Stabilization Board, I believe that the Board's action has been consistent with the national industrial relations policy and the national stabilization policy.

While some members of the committee might reasonably differ with the Board's exercise of judgment, there is no evidence to indicate that the Board has acted in any way inconsistent with the intent of Congress with respect to stabilization and in contravention to public interest. This is true of the wage regulations and policies, and of the 12 dispute cases, as well as the almost 45,000 voluntary cases handled by the Board.

The record of the hearings contains convincing evidence that the Board has accomplished these multiple objectives with a high degree of success. Indeed, Mr. Charles E. Wilson, former Director of Defense Mobilization, had no criticism of the Board with respect to any of its functions up to the Steel case. As to the Steel case itself, I do not feel that the Board's actions were inconsistent with national labor policies.

I feel strongly, as a result of long and intensive hearings, that the Wage Stabilization Board has done an excellent job both in stabilizing wages and handling labor disputes affecting the defense effort, and that the Board should be continued without change in its functions or organization.

In order properly to evaluate the Board's performance in terms of national labor policy, it seems first necessary to understand exactly what the national labor policy is. I shall discuss that policy as it applies to collective bargaining and as it applies to economic stabilization and then I shall analyze the record and organization of the Board, to determine what changes are called for.

First. The Board's activities have been fully consistent with the national labor policy supporting collective bargaining. The assumption throughout the hearings was that the Taft-Hartley Act was the single statute which most clearly stated the national labor policy. That labor policy obviously has as its primary objective the avoidance of industrial strife leading to interruption of production and commerce. The congressional findings and policies, in section 101 of the Taft-Hartley Act, are summarized in this final paragraph:

It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

This policy was reaffirmed when the Defense Production Act was adopted. In title IV, which provides the statutory authorization for the wage stabilization program, section 401 provides that—

It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: * * * to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; * * * it is the intent of Congress that the authority conferred by this

title shall be exercised * * * in particular with full consideration and emphasis, so far as practicable, on * * * the maintenance and furtherance of sound working relationships, including collective bargaining.

Furthermore, Congress provided that no action should be taken which was inconsistent with the Labor Management Relations Act.

The Board has been careful to observe this national policy. In a unanimously adopted statement clarifying the relationship between collective bargaining and the functions of the Board, the Board emphasized that—

Nothing in the law prevents the parties from making any wage agreement they desire, subject to Board approval, and from submitting their agreements to the Board for approval. Nothing in the law prevents the parties from arguing that the agreement is approvable within existing regulations, or that an exception should be made, or that the regulations should be modified. This is the traditional American concept of due process and one's right to a day in court.

The Board was careful to say that it did "not mean to encourage the making of an agreement which the parties well know exceeds existing regulations, involves no special facts or inequities justifying an exception thereto, and provides no reasonable basis for requesting a modification thereof." The statement did recognize "that effective wage stabilization imposes limitations on the processes of free collective bargaining. Nevertheless, even in this period of wage stabilization, there is a considerable area for genuine collective bargaining. No such bargaining can exist with a representative of the Board sitting at the table to tell the parties what they can or cannot do, should or should not do. The Board, therefore, cannot and will not undertake to prescribe the permissible limitations beforehand within which the parties can or must bargain."

The Board's record has been completely in accord with this statement, which gives full recognition to the national policy supporting collective bargaining. Almost all of the cases coming before the Board, where collective bargaining representatives are involved, are cases where the parties have agreed and are seeking Board approval of the wage adjustment they jointly propose. The stabilization policies and decisions have been made for the most part unanimously and with every possible consideration given to the upholding of the collectively bargained agreement.

So far as the dispute cases are concerned, Executive Order 10233 itself specifies that the Board has jurisdiction only over cases "not involved by collective bargaining or by the prior full use of conciliation and mediation facilities." In accordance with the procedure outlined in resolution 79, the Board accepts a voluntarily submitted case only after it has determined, from a status of bargaining report prepared by the Federal Mediation and Conciliation Service, or appropriate State agency, that collective bargaining has failed. The care which the Board exercises not to interfere with collective bargaining is indicated by the fact that the Board has re-

jected two voluntarily submitted cases on the grounds that the parties had failed to exhaust collective bargaining.

When collective bargaining fails, the Labor-Management Relations Act contemplates utilization of the Federal Mediation and Conciliation Service. As noted above, the Board's disputes jurisdiction and procedures were carefully drafted to adhere to this policy. This policy has been adhered to in practice. In the steel case, for example, the Service certified to the President that its facilities could not settle the dispute, before the case was referred to the Board.

Once the case gets to the Board, the Board makes every effort to assist the parties to arrive at a settlement. This is the almost universal practice in arbitration and similar proceedings and is obviously squarely in accordance with the national labor policy of avoiding interruptions to production and commerce by full use of available public facilities to aid in settlement. In the steel case, the Chairman and Vice Chairman of the Board, pursuant to the instructions of the Acting Director of Defense Mobilization, actively aided the parties in attempting to reach a settlement. Their activities seem to me to be completely in the national interest. The Board has every right to assist the parties to understand the substance and implication of its recommendations, and to answer questions with respect thereto. It would have been a dereliction of duty to have failed to take every effort to avoid a strike which all concede to be a national calamity.

The disputes functions of the Board have not interfered with collective bargaining and use of mediation facilities and the Board has not been flooded with disputes cases. During the 14 months of the Board's existence, only 34 disputes cases have been received. Of these 34, 12 were referred by the President, and 22 were voluntarily submitted by the parties. When one remembers that several thousands of collective-bargaining agreements are negotiated every month, the fact that fewer than three disputes cases a month have been before the Board demonstrates irrefutably that the disputes functions of the Board have not subverted the national labor policy supporting collective bargaining and mediation.

When collective bargaining and mediation fail to insure uninterrupted production, the Taft-Hartley Act national emergencies provision is applicable under certain circumstances. In most of the disputes cases considered by the Board there is no possible inconsistency with these provisions. Taft-Hartley applies only to disputes "affecting an entire industry or a substantial part thereof." In cases like Douglass Aircraft, Borg-Wagner, Wright Aeronautical, Hanford Atomic Energy Project, Todd Shipyard, and similar cases handled by the Board, the statutory provisions are apparently inapplicable. Senator Taft himself said in a Senate Labor Committee hearing on May 17, 1951:

The Taft-Hartley provisions as they apply to a wartime emergency situation are not satisfactory, certainly not to me * * *

here you have a question which may extend to very small plants that have a direct effect on the mobilization of industry that were never intended to be covered by the Taft-Hartley Act.

Furthermore, even in those instances where the LMRA would be applicable because the dispute involves an entire industry or a substantial part thereof, the LMRA provides for only 80 days of uninterrupted production. The board of inquiry appointed by the President merely reports on the facts of the disputes; it may not make recommendations. Thus, after the 80-day period, the LMRA provides no machinery whatsoever for settling a dispute which threatens to interrupt production of goods essential for national defense.

The Board's dispute procedures complement, rather than conflict with, the Taft-Hartley provisions. As the Senate Labor Committee concluded last session, after conducting an investigation very similar to the one we have conducted:

The Executive order, insofar as it is concerned with disputes, neither adds nor detracts from the existing rights of labor and management in collective bargaining; nor does it contravene any law. All the Executive order does is to set up one additional avenue of voluntary settlement if the President believes that an unresolved dispute will adversely affect defense production.

The fact is that in one case, when the employees involved refused to resume production upon referral of the case to the Board the President obtained an injunction under the Labor Management Relations Act.

There is no more inconsistency between the Taft-Hartley Act and the Board's dispute jurisdiction than there is between the Taft-Hartley Act and title V of the Defense Production Act, headed "Disputes settlement." Congress obviously did not regard Taft-Hartley as the sole and exclusive answer to disputes settlement in this emergency mobilization period. The legislative history of title V demonstrates that Congress authorized the President to initiate proceedings which would culminate in the creation of a tripartite agency with broad disputes jurisdiction, like the War Labor Board. In fact, the President gave a much more limited disputes jurisdiction to the Wage Stabilization Board. What is more, the Executive order, like title V, specifies that the dispute agency shall take no action inconsistent with the Taft-Hartley Act.

The Wage Board has scrupulously adhered to this provision and has respected the jurisdiction of the National Labor Relations Board. The Borg-Warner case is the outstanding example. Over the strenuous objections of the labor members, the Board concluded that the basic issue involved was akin to the question of appropriate bargaining unit which was within the exclusive jurisdiction of the National Labor Relations Board; and the Wage Board therefore declined to make any recommendation on the issue.

There have been vague indications that Board actions on the union shop and on industry-wide bargaining are somehow in conflict with Taft-Hartley. On the face of it, these charges overlook

the obvious purpose of the Taft-Hartley Act to protect the entire scope of collective bargaining. If the parties wish to sign a union shop agreement, the act expressly permits it. If the parties wish to negotiate on an industry-wide basis the national labor policy supports their voluntary determination.

Its dispute jurisdiction, like the mediation jurisdiction of the Federal Conciliation and Mediation Service, extends to all issues in dispute, to all issues which could be made the subject of agreement. While the Board, in my judgment, could well have returned the union-shop issue to collective bargaining, the Board has not violated the national labor policy in its union-shop recommendations.

As to industry-wide bargaining, none of the Board's actions has encouraged it. In the Brass case, the Board's recommendations were tailored to fit the different situations of the individual companies involved. In the Oil case the Board deliberately rejected a single hearing for all the companies in the dispute and set up other procedures, which were adopted unanimously.

In summary, the most effective statement of the national labor policy is that it seeks uninterrupted production. The record of the Board in this respect is a good one. In 5 of the 12 cases referred to the Board by the President, and in 7 of the 22 cases voluntarily submitted to the Board, strikes were already in progress at the time the dispute was received by the Board. In every case but one the Board voluntarily secured back-to-work orders. The one case in which the union refused to return to work was returned to the President, who thereupon invoked the national emergencies provisions of the Labor-Management Relations Act.

In the remaining seven cases referred to the Board by the President where strikes were threatened at the time of referral, the Board has secured postponement of the strikes, frequently for periods far in excess of the maximum delay of 80 days insured by the Labor-Management Relations Act. In the Steel case, for example, work was continued for 19 days more than could have been secured under the Labor-Management Relations Act.

Moreover, the Board has assisted in settling disputes. Of the Presidential referrals, two, and all except one issue in a third case, have been settled on the basis of the Board's recommendations. Of the voluntary submissions, three have been settled on the basis of the Board's or panel's recommendation and two others have been settled under Board auspices. Five cases were voluntarily withdrawn by joint action after settlement had been reached upon the basis of the Board's recommendations in a similar case.

In short, the Board has secured voluntary suspension of strikes in progress, has deferred threatened strikes, and has brought settlements of disputes. In 33 of the 34 disputes that it has handled, production has either been continued or resumed. Is this record in conflict with the national labor policy?

Second. The Board's actions have been fully consistent with the stabilization

provisions of the Defense Production Act.

Congress did not establish a simple stabilization program, with only one objective to be achieved and no restriction on the means of achieving it. Much of the questioning during the hearings apparently assumed that allowing any wage increase was a subversion of stabilization. Obviously, the regulation of wage increases is one of the fundamental objectives Congress had in mind in passing the DPA. But Congress intended to pass a stabilization program and not a freeze. Congress intended that the administrative agencies would balance a number of objectives and standards.

While Congress specified in section 401 that the prevention of inflation and similar economic objectives was one of its purposes, it specified also that the powers given by the act should be used "to prevent economic disturbances and labor disputes" and to maintain and further "sound working relations, including collective bargaining." In establishing the standards which the stabilizers had to bear in mind, Congress provided that they must make such adjustments as are "necessary to prevent or correct hardships or inequities." In the face of this language, I cannot conceive how the Board could possibly avoid giving consideration to the equities pleaded by the parties, on a case-by-case basis. More, Congress required that the agencies must respect "the national effort to achieve maximum production."

To sustain a charge that the Board has acted inconsistently in any of its decisions with the stabilization policy, it must be proved that the decision failed to consider all these objectives and all these standards. It is not sufficient to allege that the Board has balanced the objectives and standards in a way that others would not have if they had the responsibility. I see nothing in the hearings and nothing in the majority report which indicates that the Board has disregarded every objective and every standard contained in the act. On the contrary, I conclude that the Board has been mindful of the task which the Congress placed upon it of providing the most reasonable and the wisest balancing of these purposes and policies in the national interest.

While it is impossible to obtain a completely accurate measure of the effectiveness of the Board's work, there is point to reviewing the statistical data presented to the committee by the Board, and not controverted to the best of our knowledge. Those data show that the rate of increase in wage rates has been significantly slowed down since the imposition of the price and wage freeze in January 1951. The record shows that the rate of increase in wage rates has been slowed down at least as effectively as was done during World War II. It also demonstrates that wage increases have followed the same general trend as the cost of living, in about the same statistical relationships as existed in World War II. Of course the Board cannot take all the credit for these results. But they are suggestive of the effectiveness of wage stabilization, and

they stand as persuasive until better tests come along.

It has been charged that the Board gives its approval more or less automatically. The fact is that the Board has modified the proposed wage adjustments in a number of very important cases, such as oil, lumber, shipping, and various new plants, perhaps most prominently that of AVCO. Moreover, the Board has denied or modified 15.4 percent of all the petitions which it has acted upon. When parties decide to file a petition, they have consulted the regulations of the Board to determine whether their proposal fits with stabilization standards. If it cannot be approved under the existing standards, the parties will presumably not file their proposal.

In all of its actions, the Board has achieved a high degree of unanimity among the three sides. Well over 90 percent of the actions in wage stabilization cases, 16 of the 21 general wage regulations, and all but two of the over 90 resolutions have been adopted by unanimous vote. When all three sides of the Board's table, public, labor, and industry, join in reaching a decision or policy, it is impossible to believe that they are all betraying their oath of office and thwarting the stabilization policy of this country. Rather, the opposite conclusion is clear—the unanimity of action demonstrates the complete reasonableness of what the Board has done, and its complete consistency with the national stabilization policy.

The Board's actions in specific cases are equally consistent with the national stabilization policy. In the discussion that follows, no distinction is drawn between voluntary cases and disputes cases, since the stabilization problems in both are identical. That a stabilization issue in a disputes case will receive the same treatment as it would in a voluntary case is guaranteed by the requirement in Executive Order No. 10233 that any wage action in such case "shall be consistent with stabilization policies."

CONCLUSION

The national labor policy is to avoid interruptions to commerce and production by voluntary collective agreement among the parties, supplemented by mediation and conciliation services, and then the use of all public facilities. The national stabilization policy is one of combating inflation while at the same time preserving collective bargaining, preventing industrial disputes, preventing and correcting hardships and inequities, and maximizing national production. The Board's activities have been fully consistent with these national labor policies. The tripartite organization of the Board has brought a breadth of viewpoint and a depth of specialized knowledge which few other Government agencies can boast. These men have served the country well. On the basis of the complete record of the investigation of this committee, we recommend that the functions and organizations of the Wage Stabilization Board should be continued as they are. The problems which the Board faces are real problems. No better solution than the Wage Sta-

bilization Board has been found for them in this time of international peril and domestic mobilization.

MINORITY REPORT

We disagree with the majority contention that the Wage Stabilization Board in recommending a union shop in the steel case, the Boeing Airplane Co. case, and the Douglas Aircraft Co. case failed to respect the national labor policy as set forth in the Labor-Management Relations Act. It is our opinion that this conclusion on the part of the majority, in effect, accuses the Board of violating the Labor-Management Relations Act, 1947, in making this recommendation. It is our position that the Board's action either violated the Labor-Management Relations Act, or it did not violate it, and we believe that the Board's action was not a violation.

Under section 8 (a) (3) of the Labor-Management Relations Act the union shop is clearly a bargainable issue which may be legally adopted. The union shop was an issue in these cases. The most which may be said about the Board's action is that it used poor judgment and that had it returned the union-shop question for further bargaining without recommendations the issue may well have been resolved.

The testimony of Mobilization Director Charles E. Wilson was to the effect that the Wage Stabilization Board on the whole had done reasonably well and had "met this very difficult situation reasonably well." We believe that the Board has done a creditable job, the steel case being the only exception, we feel that the Board should not be condemned on this one issue. If we were to direct criticism against the Board's policies it would be to criticize the Economic Stabilization Director for failure to keep a closer liaison between the Wage Board and the Price Board so as to guarantee a proper ceiling on both wages and prices.

We also believe that the Wage Stabilization Program should be administered by a board tripartite in nature. We believe that it is proper to require Senate confirmation of the public members but we do not believe that Senate confirmation of labor and industry members should be required. We believe that a tripartite board is necessary because it maintains a measure of collective-bargaining procedures in dispute issues.

In conclusion, we believe that the Board has not violated or failed to respect the national labor policy as expressed in the Labor-Management Relations Act, the Defense Production Act, and other applicable laws with regard to collective bargaining and the settlement of labor-management disputes including but not limited to disputes with respect to the union shop nor has it adopted policies or made decisions or recommendations inconsistent with the intent of Congress with respect to stabilization and in contravention of the public interest.

AUGUSTINE B. KELLEY, JOHN F. KENNEDY, CLEVELAND M. BAILEY, LEONARD IRVING, CARL D. PERKINS, CHARLES R. HOWELL, ROY W. WIER, ERNEST GREENWOOD, CARL ELLIOTT.

(Mr. WIER asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at quarter past four.

Mr. McCORMACK. Mr. Chairman, reserving the right to object, how much time will that permit each Member who desires to be heard?

The CHAIRMAN. That will permit about 2 minutes to each Member now on his feet.

Mr. SHELLEY. Mr. Chairman, I object.

Mr. WERDEL. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close not later than 4:45 p. m. today.

Mr. BARDEN. Mr. Chairman, does the gentleman realize these are two of the most important sections in here and that the Members are going to be cut down to a discussion of 2 or 3 minutes only.

Mr. SPENCE. I realize that and I realize also that we are fighting a deadline and that the whole bill will expire shortly. How many amendments are there at the Clerk's desk?

The CHAIRMAN. Approximately 18 amendments.

Mr. SPENCE. Mr. Chairman, I withdraw the motion, but I do think we are hazarding the enactment of this legislation because of the time we are taking.

Mr. VAIL. Mr. Chairman, I move to strike out the last word.

(Mr. VAIL asked and was given permission to revise and extend his remarks.)

Mr. VAIL. Mr. Chairman, several days of the hearings of the Committee on Education and Labor investigating the Wage Stabilization Board pursuant to the Allen resolution, were consumed in examination of board and panel members to whom references were made in the files of the House Committee on Un-American Activities.

These official records indicated that a number of board and panel members had been affiliated or associated with organizations cited as Communist front or had professed sympathy for their objectives. The testimony of these members contributed nothing to disprove the committee records.

The reaction of the committee, as I gaged it, was one of utter amazement that individuals of such dubious background and leaning were selected by the President to serve on as vital a body as the Wage Stabilization Board, the rulings of which could profoundly affect the public interest. We are left to assume that a reservoir of capable and conscientious and available persons, with no tinge of suspicion of underlying motivations, does not exist. It is my belief that the committee felt that clearly indicated fundamental philosophies of Board members to whom reference was made by the Committee on Un-American Activities, precluded an approach by them to issues to be resolved by the Board with full freedom from basic partisanship.

The Chief Executive has indicated unmistakably a bias on the side of the union in the steel case, by far the most important determined by the Board. A logical mind would inevitably tie up his known disposition with his selections for service on the Wage Stabilization Board of individuals to whom the Committee on Un-American Activities makes reference. When such bias has been established on the part of appointive authority it can be reasonably assumed, in the light of its extraordinary recommenda-

tions, that it extended to hand-picking of Board members, thus defeating the proper purposes of the tripartite approach. It is therefore my deep-seated conviction that the Wage Stabilization Board be abolished and I urge your support of the Kearns amendment. This was also the conviction of the Education and Labor Committee by vote of 16 to 5. Should the committee not be sustained I favor the passage of the Lucas amendment.

Now let me cite to you the verbatim content of the files of the Committee on Un-American Activities having reference to nine members of the Board and panel, to which nothing has been added and from which nothing has been subtracted:

MEMBERS OF THE WAGE STABILIZATION BOARD

Public records, files and publications of the Committee on Un-American Activities of the House contain the following references to individuals named in the above subject:

JOHN BROPHY, LABOR MEMBER, CIO

John Brophy was named by the *Daily Worker* of March 2, 1937 (p. 2), as a member of the First American Delegation to the U. S. S. R. In public hearings before the Special Committee on Un-American Activities, September 11, 1939, Benjamin Gitlow, former general secretary of the Communist Party of the United States, submitted the names of the members of the American Trade Union Delegation to the Soviet Union and gave the following information concerning the delegation:

"Mr. GITLOW. * * * In order to win the trade unions' support of Soviet Russia, and particularly to mobilize them behind a campaign for recognition of Soviet Russia, the Communist International instructed the American Party to organize a delegation of trade unionists who would be invited to visit the Soviet Union, travel, and see for themselves, and draw up a report. The report should be used for propaganda purposes among trade unionists, and the trade-union leaders, who would be brought to Moscow, an effort would be made to win them over for the campaign of recognition in support of the Soviet Union. * * *

"And all this preliminary organization work and how to constitute the committee and how to organize it, was done by the Communist Party in the United States. And the money involved for expenses, that was first raised through the furriers' union by having them take \$500 out of their treasury, which was later supplied by Moscow, because the traveling expenses and all of the expenses involved in the organization of this delegation was paid by Moscow, and when its report was printed, the payment for printing the report also came from Moscow. But Moscow paid above five times what it cost to print the report, and the rest of the money went into the party treasury. * * *

"Well, I can say that the delegation was split into three parts, and in 3 weeks' time they had to cover thousands of miles. Every place where they stopped they were met by a reception committee. They were given banquets. They were taken on sight-seeing tours and they had no time to investigate actual conditions * * * at the same time the technical staff surrounding the delegation, the staff of economists, so-called, and experts, who were supposed to advise the delegation on what they were seeing and to explain it to them—these people were all party people. And these were the people who actually wrote the report and when they wrote the report, the report first was O.K'd by the Communist International and later on the American Communist Party again went

over the report with a fine comb to see that nothing detrimental to Russia would slip into the report." (Public Hearings, vol. 7, pp. 4699-4701.)

New Masses of March 2, 1937 (p. 28), named John Brophy as one of the sponsors of the Consumers Union; the same information appeared on an undated circular of the organization; identified with the United Mine Workers of America, he was named in the circular, "Workers as Consumers," as a member of that organization's labor advisory committee; a letter from John Brophy was read at the first annual meeting of the Consumers Union, April 29, 1937, as was shown in Consumers Union reports, June 1939 (p. 19).

Consumers Union has been cited as a Communist-front organization, headed by the Communist, Arthur Kallet (whose party name is Edward Adams); Ben Gold, and Louis Weinstock, both well-known Communists, were also members of the labor advisory committee of Consumers Union. (From Report 1311 of the Special Committee, dated March 29, 1944.)

John Brophy sent greetings to the Second National Negro Congress, October 1937, as shown in the minutes of that congress; he spoke in Washington before the National Negro Congress, according to the Communist *Daily Worker* of March 21, 1938 (p. 5). The National Negro Congress has been cited as "the Communist-front movement in the United States among Negroes." (Special committee, in reports of January 3, 1939; January 3, 1940; June 25, 1942; and March 29, 1944); it was cited as subversive and Communist by Attorney General Clark (press release of December 4, 1947, and September 21, 1948); Attorney General Francis Biddle cited the congress when he said that "from the record of its activities and the composition of its governing bodies, there can be little doubt that it has served 'an important sector of the democratic front.'" CONGRESSIONAL RECORD, September 24, 1942, pp. 7687 and 7688.)

John Brophy contributed to the March 1928 issue of the Communist (p. 180), official monthly organ of the Communist Party (from the special committee's report of March 29, 1944; also cited in report of January 3, 1941; and by the Committee on Un-American Activities in report 209 of April 1, 1947).

Attorney General Biddle cited the All-American Anti-Imperialist League as a Communist-front organization (in re Harry Bridges, May 28, 1942, p. 10); the special committee cited it as a Communist enterprise (report 1311 of March 29, 1944). John Brophy was a member of the national committee of the organization, as shown on their letterhead of April 11, 1928.

Mr. Brophy has contributed to the *Fight* magazine, as shown in the June 1938 issue (p. 5), and in the pamphlet, "7½ million" (p. 41); the *Fight* has been cited as the official organ of the American League Against War and Fascism, later known as the American League for Peace and Democracy. (Special committee in report of March 29, 1944; also cited in report of June 25, 1942.)

A handbill entitled "Hear Tom Mooney Speak on Labor and Civil Rights," June 6, 1939, named John Brophy as a sponsor of the Washington Tom Mooney committee; Tom Mooney was a prisoner in San Quentin who was defended by the International Labor Defense.

The American Federation of Teachers, local 5, was expelled from the American Federation of Labor on account of its blatant Communist character, as reported by the Special Committee on Un-American Activities, March 29, 1944 (Rept. No. 1311, p. 154); John Brophy spoke at a conference of the American Federation of Teachers, local 5, as was reported in the *Daily Worker* of March 31, 1938 (p. 3).

Reference to a speech made by John Brophy, CIO director, was made in *Volunteer for Liberty*, bound volume (1949), June 29, 1937 (p. 3); *Volunteer for Liberty* is a publication of the Abraham Lincoln Brigade, cited as a Communist organization by Attorney General Clark (press release of April 27, 1949); the Communist Party was active in recruiting American boys for the so-called Abraham Lincoln Brigade in behalf of Loyalist Spain. Browder boasted that 60 percent of the brigade was composed of Communist Party members. (Special committee, report of March 29, 1944.)

Mr. Brophy, identified as CIO councils director, signed a statement opposing universal military training, as reported in the *Daily People's World* on January 19, 1948 (p. 1); he protested the arrest of Earl Browder, general secretary of the Communist Party, United States of America, as revealed by the *Daily Worker* on October 1, 1936 (p. 1).

Following are excerpts from public hearings before the Special Committee on Un-American Activities with reference to John Brophy:

Mr. John P. Frey, president of the metal trades department of the American Federation of Labor, August 13, 1938:

"I will give you the names of 185 of the leading Communists in our country, and I will give the committee the names of the new national committee of the Communist Party in the United States. * * * The first one I want to refer to is Mr. John Brophy. He is the director of the CIO. He is the gentleman who was expelled from the United Mine Workers some years ago by Mr. John L. Lewis for disloyal activities inside of the union. Mr. Brophy, so far as I know, is not a member of the Communist Party, but he consorts with Communists continually; and in the dual movement he launched in the Mine Workers Union, he was assisted by such well-known Communists as Pat Touhy, now active in the Communist Party; Tom Myerscough, now active in the Communist Party; and others. * * * Brophy was a member of a delegation to Russia which was sponsored by the Communist Party of the United States, and approved by Moscow (col. I, p. 97).

"I do not believe that John Brophy is an active member of the Communist Party; if he is, he keeps it secret" (ibid., p. 162).

In testimony of Harper L. Knowles and Ray E. Nimmo, October 24, 1938, the following reference was made to John Brophy: "Among the Communist Party leaders and sympathizers in Portland during the convention were the following: John Brophy, at one time accused by John L. Lewis as being a paid agent of the Soviet Government, now officially representing Lewis as managing director of the CIO" (vol. 3, p. 1794).

The following is taken from testimony of Benjamin Gitlow, September 7, 1939:

"At that time John Brophy collaborated with the Communist Party. All the expenses involved in his campaign to be elected president of the United Mine Workers of America were paid—Brophy's expenses were paid by the Communist Party. * * * Brophy was not a member of the Communist Party, but he was a member of the opposition element in the United Mine Workers who were trying to oust Lewis, and was willing to accept whatever financial assistance the party gave him" (p. 4563, vol. 7).

During public hearings, September 8, 1939, Mr. Starnes, member of the special committee, addressed the following remarks to the chairman:

"* * * in view of the fact that at one time Mr. Lewis, John L. Lewis, charged that Mr. Brophy was an agent of Moscow, or of the Soviet Government, seeking to control or to destroy the United Mine Workers, and in view of the sworn testimony before

this committee to the effect that Mr. Brophy had at one time acted as an agent for the Moscow or Soviet Russian Government, in that connection I think Mr. Brophy should be invited to make a statement or that he should be given an opportunity, if he so desires, to appear before this committee and make any statement in denial or explanation. I so move" (vol. 7, p. 4577).

"Brophy was not a member of the Communist Party, but worked with the Communist Party, and received funds from the Communist Party, and his activities later in opposition of the miners' union were financed by the Communist Party" (vol. 7, p. 4579, in testimony of Benjamin Gitlow).

The chairman of the special committee received a letter from Mr. Brophy dated September 11, 1939, which read as follows:

"DEAR SIR: Recently Benjamin Gitlow appeared before your committee and made certain statements concerning me relative to the Communist Party. I deny completely and emphatically that I ever received one penny directly or indirectly either from the Communists or treasury of the Communist Party in my 1926 campaign for the presidency of the United Mine Workers of America. I enter this denial, whether that statement was made by Gitlow or anyone else now or at any other time.

"I am not a Communist, neither am I a Communist agent, as alleged, and never have been. I am and always have been opposed to the philosophy of communism. No one knows this better than the Communists themselves. If at any time they have expressed approval and apparently supported views and policies for which I have stood, they have done so without the advice, consultation, or permission from me.

"If you will have this letter read before your committee and placed in its proceedings, I will consider that some little amends have been made for propagating the wild, lying, and slanderous statements about me which have emanated from your committee room." The letter was signed "JOHN BROPHY."

"The CHAIRMAN. A certified statement from the minutes showing that to John Brophy had been set aside money for the campaign?

"Mr. GITLOW. Yes, surely; and I want to read additional proof of that, of the relationship of Brophy to the Communist Party. * * * I want to point out how closely Brophy worked with the party" (vol. 7, p. 4703).

Mr. Gitlow further testified that he had "minutes of the trade-union committee of the central executive committee of the Communist Party, May 23, 1927," from which he read the following: "Comrade Johnstone reported that in his conference with Brophy he (Brophy) had promised to issue a statement * * * claiming that he was elected president of the union." Mr. Gitlow then read minutes of the political committee of May 5 on the question of mining. "Report by Comrade Foster on the conference held with Toohy, Hapgood, Foster, and Brophy. The election outcome was discussed and Brophy is convinced that he was elected but that Lewis stole the votes. * * * Motions by Foster. * * * (3) That the mining committee immediately begin to conduct an investigation through party and sympathetic sources in the various mining districts to unearth the fraud perpetrated in the elections. * * * That these D. C.'s (district organizers of the party) should immediately elect a committee to investigate the situation in their districts. * * * (5) That the mining committee take up the problem of developing a committee around Brophy to conduct the investigation in the campaign. * * *

"The statements he (Brophy) issued were all worked out, as you see here—all the policy, all the strategy, all the statements were worked out by the central executive committee of the Communist Party. * * *

"Brophy was not, as I told you in the beginning, a member of the Communist Party, and never was a member of the Communist Party, but he was one who worked under the directions of the Communist Party" (vol. 7, pp. 4724 and 4725).

On September 30, 1939, Joseph Zack of the garment workers union testified as follows concerning John Brophy:

When asked by a committee investigator whether he was acquainted with John Brophy, Mr. Zack answered that he knew him slightly and continued: "He was working very closely with the party back between 1925 and 1928. At that time there was an internal fight in the United Mine Workers, and the Comintern invested tremendous amounts of funds to put John L. Lewis out. At one time Brophy was running for president against John L. Lewis. His campaign was organized entirely and directed by the Communist Party." Mr. Zack, who had testified that he joined the Communist Party at the time it was first organized in 1919, further stated that the Communist Party financed that campaign, that it was financed "at least 90 percent out of resources obtained by the party and the Comintern. While I was in Moscow, representing the Foster faction, I was called to the Comintern Building and asked by men then in charge of financial subsidies, one by the name of Melinchansky, whether we would approve the Comintern sending an additional \$50,000 for a campaign inside of the United Mine Workers, in view of the factional situation in the party here. They suspected that Lovestone wanted to use it to bolster up his faction instead of using it for the fight in the United Mine Workers."

Committee Investigator Whitley then asked the question: " * * * you would say that during the period you refer to, Mr. Brophy did follow the party line of the Communist Party very closely?" To which Mr. Zack answered in the affirmative (vol. 9, p. 5457).

On October 13, 1939, Maurice L. Malkin, of New York City, who identified himself as having been a member of the Communist Party since its inception in this country in 1919 testified that John Brophy "was very close to the party but not a member of the party, that I know of, although he received full support of the Trade Union Educational League and of the Communist Party at that time" (vol. 9, p. 5794).

EMIL RIEVE, LABOR MEMBER, CIO

Emil Rieve, president, American Federation of Hosiery Workers, was one of those who signed a letter to the President of the United States, urging that the Neutrality Act be amended so as to render it inapplicable to Spain, as shown in the Daily Worker of February 16, 1938 (p. 2); the letter was prepared and released by the American Friends of Spanish Democracy, cited as a Communist-front organization by the Special Committee on Un-American Activities (Report 1311 dated March 29, 1944).

A press release of the American Youth Congress named Emil Rieve, president, Federation of Hosiery Workers (AFL), as having endorsed the American Youth Act, sponsored by the American Youth Congress, cited as having been formed in 1934 and "controlled by Communists and manipulated by them to influence the thought of American youth." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7685.) The American Youth Congress was cited as a Communist-front organization in reports of the special committee * * *

dated January 3, 1939; January 3, 1941; June 25, 1942; and March 29, 1944. Attorney General Tom Clark cited the American Youth Congress as subversive and Communist in lists furnished the Loyalty Review Board. (Press releases of December 4, 1947, and September 21, 1948.)

Identified as vice president of the CIO and president, Textile Workers' Union of America, Emil Rieve was named as a member of the CIO delegation to the Soviet Union in 1945, according to a report of the CIO delegation to the Soviet Union (pp. 1 and 6); as shown in this report, the delegation of CIO representatives attended the convention of the World Federation of Trade Unions in Paris, and proceeded to the Soviet Union upon the conclusion of this convention, arriving in Moscow on October 11 and remaining there until October 19.

The World Federation of Trade Unions, formed at the Paris meeting in 1945, was cited as Communist-infiltrated by the Committee on Un-American Activities in the pamphlet "100 Things You Should Know About Communism in Labor," released in December 1948. It had previously been cited as an auxiliary of the Communist International in Report 271 of the Committee on Un-American Activities, April 17, 1947. In the report on the Congress of American Women, issued by the committee on October 23, 1949, the World Federation of Trade Unions was cited as part of a solar system of international Communist-front organizations which have been established in recent years.

In connection with his testimony concerning the World Federation of Trade Unions, Mr. Walter S. Steele, in hearings before the Committee on Un-American Activities on July 21, 1947, submitted a list headed "Reds on Labor Front" containing the names of delegates who attended the Paris meeting. Emil Rieve was one of the delegates from the United States who was named on this list. (Public hearings, July 21, 1947, pp. 165 and 166.)

With reference to the affiliation of the CIO with the World Federation of Trade Unions, it should be noted that the New York Times of January 20, 1949 (p. 31), reported that the Congress of Industrial Organizations had abandoned the World Federation of Trade Unions. The British Trades Union Congress and the Dutch Federation of Labor were reported to have taken similar action. The three groups denounced the World Federation of Trade Unions as "a Communist propaganda agency." A formal announcement of the CIO's disaffiliation with the World Federation of Trade Unions appeared in the CIO News of May 23, 1949 (p. 8).

JOSEPH CHILDS, LABOR MEMBER CIO

A statement of the Civil Rights Congress, opposing "red-baiting" and "attacks on Communists," was signed by one Joe Childs, identified as president, local 9, United Rubber Workers, Akron, Ohio (from the Daily Worker of May 25, 1947, p. 10.)

The Civil Rights Congress has been cited as an organization formed in April 1946 as a merger of two other Communist-front organizations, International Labor Defense and the National Federation for Constitutional Liberties. It was "dedicated not to the broader issues of civil liberties, but specifically to the defense of individual Communists and the Communist Party" and "controlled by individuals who are either members of the Communist Party or openly loyal to it." (Report No. 1115 of the Committee on Un-American Activities dated September 2, 1947.) Attorney General Clark cited the Civil Rights Congress as subversive and Communist. (Press releases of December 4, 1947, and September 21, 1948.)

BENJAMIN SIGAL, LABOR MEMBER, CIO

The New York Times of September 21, 1947 (p. 16), reported that one Benjamin C. Sigal was an attorney for the United Shoe Workers, cited as one of the unions in which Communist leadership was strongly entrenched at that time. (Rept. No. 1311 of the Special Committee on Un-American Activities dated March 29, 1944.)

In testimony of Benjamin C. Sigal before the Committee on Un-American Activities, he stated that he was chairman of the Washington Chapter, Americans for Democratic Action. He gave his address as 6301 Sixteenth Street NW., Washington, D. C. He appeared in behalf of the organization to protest against passage of H. R. 7595. (Hearings on legislation to outlaw certain un-American and subversive activities, pp. 2173-2179.)

Benjamin C. Sigal, 1025 Vermont Avenue NW., Washington, D. C., appeared before this committee August 9, 1949, as counsel for Charles Edward Copeland, William Henry Peeler, Blair Seese, and Stanley E. Glass, who were members of Local 601, United Electrical, Radio, and Machine Workers of America, CIO. (Hearings regarding Communist infiltration of labor unions, pp. 580-595.)

NATHAN P. FEINSINGER, PUBLIC MEMBER

The Newsletter of the National Lawyers Guild for July 1937 (p. 2) named N. P. Feinsinger, of Madison, Wis., as a member of the guild's committee on civil rights and liberties. The Lawyers Guild Review, volume VII (pp. 19-22) contains an article by Nathan P. Feinsinger.

The National Lawyers Guild was first cited as a Communist-front organization by the Special Committee on Un-American Activities in its Report No. 1311 of March 29, 1944 (p. 149). The Committee on Un-American Activities in 1950 issued a separate report on the National Lawyers Guild, citing it as a Communist front which "is the foremost legal bulwark of the Communist Party, its front organizations, and controlled unions," and which "since its inception has never failed to rally to the legal defense of the Communist Party and individual members thereof, including known espionage agents." (H. Rept. No. 3123, September 21, 1950, originally released September 17, 1950.)

ELI L. OLIVER, LABOR MEMBER STEEL PANEL, AFL

International Labor Defense. Vito Marcantonio was president of the organization in 1939. Oliver sent individual greetings to national conference in July 1939, held in Washington, D. C. His name was thusly listed among others that sent similar greetings and included Harry Bridges, Ben Gold, Dave Lasser and Johannes Steel and Col. Vladimir S. Hurban, Czechoslovakian Minister to the United States.

Special committee report of 1939 states, "According to documents published by the International Labor Defense, it is the American Section of the MOPR or the Red International of Labor Defense." (Reference House Rept. No. 2, January 3, 1939, p. 75.)

The ILD rallied to the defense of Mrs. Earl Browder when she was scheduled for deportation for entering the United States as a Soviet agent by use of a fraudulent passport.

"The International Labor Defense * * * was part of an international network of organizations for the defense of Communist lawbreakers." (Committee on Un-American Activities, Rept. No. 1115, September 2, 1947, pp. 1 and 2.) It was cited as the "legal arm of the Communist Party" by Attorney General Francis Biddle (CONGRESSIONAL RECORD, September 24, 1942, p. 7686) and was similarly cited by the Special Committee on Un-American Activities (Reports, January 3, 1940, pp. 75-78; also cited in Reports, January 3, 1940, p. 9; June 25, 1942, p. 19 and March 29, 1944,

p. 69). Attorney General Tom Clark cited the International Labor Defense as subversive and Communist. (Press releases of June 1 and September 21, 1948.)

HARRY SHULMAN, PUBLIC MEMBER STEEL PANEL, CHAIRMAN 4 PANELS

A 1939 membership list of the National Lawyers Guild contains the name, Harry Shulman, Yale School of Law, New Haven, Conn.

The National Lawyers Guild was first cited as a Communist-front organization by the Special Committee on Un-American Activities in its Report No. 1311, March 29, 1944 (p. 149). The Committee on Un-American Activities in 1950 issued a separate report on the National Lawyers Guild citing it as a Communist front which "is the foremost legal bulwark of the Communist Party, its front organizations, and controlled unions" and which "since its inception has never failed to rally to the legal defense of the Communist Party and individual members thereof, including known espionage agents." (H. Rept. No. 3123, September 21, 1950, originally released September 17, 1950.)

The call for a National Emergency Conference lists Prof. Harry Shulman as one of the signers of the call for that conference which was held in Washington, D. C., May 13 and 14, 1939.

Report No. 1115 of the Committee on Un-American Activities (September 2, 1947, p. 12) states: "It will be remembered that during the days of the infamous Soviet-Nazi pact, the Communists built protective organizations known as the National Emergency Conference, the National Emergency Conference for Democratic Rights, which culminated in the National Federation for Constitutional Liberties." The National Emergency Conference had previously been cited as a Communist front by the Special Committee on Un-American Activities. (Rept. No. 1311, March 29, 1944, p. 49.)

RALPH SEWARD, PUBLIC PANEL MEMBER, STEEL CASE

A letterhead of the International Juridical Association, dated May 18, 1942, shows Ralph Seward, District of Columbia, as a member of the organization's national committee. An undated leaflet, What Is the IJA?, issued by the organization, lists Ralph Seward, New York, as a member of its national committee. The Daily Worker, July 13, 1936 (p. 4), reported that Ralph Seward was an International Juridical Association representative on the Rakosi defense.

The International Juridical Association was cited as a Communist front and an offshoot of the International Labor Defense by the Special Committee on Un-American Activities (report, March 29, 1944, p. 149), and as an organization which "actively defended Communists and consistently followed the Communist Party line" by the Committee on Un-American Activities. (Rept. No. 3123, September 21, 1950, originally released September 17, 1950, p. 12.)

THOMAS COMAN, PUBLIC MEMBER

According to Mr. Coman's testimony before the House Education and Labor Committee, he was at one time a member of a union affiliated with the CIO.

RALPH SEWARD, PUBLIC PANEL MEMBER, STEEL CASE

Testimony of Ralph Seward, public member, before the House Committee on Education and Labor, also established his membership in the National Lawyers Guild, cited as Communist front.

JOSEPH CHILDS, LABOR MEMBER, CIO

The statement of the Civil Rights Congress described in the reference to Joe Childs, labor member, consisted of a petition to abolish the House Committee on Un-American Activities.

(Mr. SHELLEY asked and was given permission to revise and extend his remarks.)

Mr. SHELLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Lucas amendment will destroy that which is a contribution toward labor stability and industrial peace. Labor always resents intervention by Government in labor relations, but in times of emergency and national stress has agreed to Government intervention and has participated and joined with Government and management in setting up bodies or formulas for guaranteeing to the public and to the country production of those materials which are necessary for the security of the country. Consequently a tri-partite board was set up during World War II, the War Labor Board, and again under Executive order there was set up the Wage Stabilization Board as authorized by the Defense Production Act.

It was stated on the floor that the abolition of the present board and the adoption of the proposal made by the gentleman from Texas [Mr. LUCAS], would guarantee a better formula in that the public members would outweigh those of labor and industry. What you would actually do—and this was admitted by one of the Members who spoke previously in support of the proposal—you would have special pleaders sitting on the Board. Under a tri-partite arrangement you have the public, with equal representation; you have labor, with equal representation, and you have management, with equal representation, listening to the case, exchanging ideas, and arriving at a decision. With a Board out of balance by a majority of public members, you would have partisan people, just simply special pleaders sitting on the Board for labor and management, and the entire case would be decided by the public members who would write a policy representing Government views, and then you would have Government really running the labor relations in this country. In effect you have established, whether you recognize it or not, a form of compulsory arbitration—something which neither labor nor management wants or will accept.

The very proponents of this measure outside of this hall and some inside of this hall, I recall, have argued over the years against Government intervention in handling labor disputes. However, we are faced with a national emergency due to a threat to our existence as a country and therefore the responsibility is on the Congress to continue a fair formula which, without injuring labor or management will insure a continuous flow of goods necessary for the security of the country.

Now let us look at the other formulas proposed. Simply because the Wage Stabilization Board arrived at a decision in the steel case, which is distasteful to the steel companies, and to those who do not want to see labor have any security clause in any of their agreements, a renewed and intensified effort to use the Congress of the United States to further handcuff and strait-jacket labor

on its side of the bargaining table is being made. The proposal advanced by my friend the gentleman from Texas has been before the House twice before and refused passage. Since the decision in the steel case the drum-beaters have gone to work using every trick known to make the Wage Board impotent or to abolish it.

Now let me tell you some few things about collective bargaining. You do not proceed just on the wage issue. The minute you set aside the wage issue, and the Board's right to determine the dispute is narrowed to that single feature, you have destroyed collective bargaining. You may have vacation issues, you may have holiday issues, you may have various seniority issues, you may have rehiring issues under seasonal lay-offs, you may have your grievance board procedure as an issue, and you may have starting time issues. In some industries some of the greatest issues arising, in the distribution of milk for example, are whether the men shall start at 4, 5, or 6 a. m. I have sat in bargaining and negotiating meetings where they argued for weeks trading off and bargaining between the management and the labor men as to whether a wage increase might be granted if their starting time was left as is or whether the wage increase asked for should be compromised and cut back if the starting time, for instance in the distribution of milk or bread or such products, was changed from a 4 a. m. starting time to a 6 a. m. starting time.

When you say this Board shall simply be a board that shall decide what the wage shall be, you destroy the efficacy and the efficiency of collective bargaining around the table between the parties.

The whole idea behind the Wage Stabilization Board and the wage-stabilization program is a recognition of the need for insuring the flow of goods needed by the country in this time of danger. If it were not for that need, labor would never accept a Government stabilization system. But labor is now assuming its responsibility to the country and has cooperated with the Board. The Board was set up to provide a medium for preventing strikes—to give labor and management a medium through which they could work out the disputes which arise in every collective-bargaining situation. Up until now it has effectively served to eliminate or reduce the possibility of strikes in critical situations.

But with the Lucas amendment the Government will decide the wage issue and leave it up to the parties to decide all other issues. Labor's best bargaining point has always been its ability to trade wage concessions against concessions by the employers on other issues. When you take that power away from labor, you leave it no other alternative than to resort to the strike weapon to gain what it wants in any situation.

Oh, yes. Some gentlemen may say that in that case the President may or must use the Taft-Hartley Act. The answer to that is that Taft-Hartley does not solve anything and never will. All that it does is, by the injunctive process,

force labor to stay on the job under duress and by process of law for 80 days. In the meantime, a fact-finding board has studied the situation and reported the facts. They can report the facts from now till doomsday, and they will not solve a thing if they have taken away from the parties the main method of coming to agreement—to give and take of the bargaining table and the trading of wage concessions and noneconomic concessions against each other. No, gentlemen, the Lucas amendment is not the answer.

Let us look at the Kearns amendment for a minute. The gentleman's amendment would simply abolish the Wage Board and leave a vacuum. Now, that is fine. It is exceptionally fine for labor. Labor does not want any wage board. It can get more without one. But the good, thinking people in labor know that you cannot have price controls and anti-inflation controls if you do not have wage controls. You cannot have one without the other, and the labor movement has accepted its responsibility to the country in the emergency and gone along with the whole stabilization program. Again you are going to have strike after strike, and you will have Taft-Hartley boards on top of Taft-Hartley boards reporting facts but coming to no conclusions.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SHELLEY. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. The chairman of the committee has served notice on all Members that he will object to any extension of time.

Mr. MULTER. By direction of the chairman of the committee, Mr. Chairman, I must object to this extension. I am sorry.

Mr. VELDE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Kearns amendment. I shall also support the Lucas amendment, although I want to point out to the Members that if the Lucas amendment is adopted we shall not have a chance to vote on the Kearns amendment by itself, of course. If the Lucas amendment is adopted we will still have the taxpayers of this country paying some \$15,000,000 to pay the salaries of the Wage Stabilization Board and all of the expanses that go with it. I think the taxpayers are also paying another debt when we consider all the trouble the Wage Stabilization Board has fomented to this day. So for that reason I do hope we are given an opportunity to vote on the Kearns amendment, which would abolish the board altogether.

Perhaps there are many motivating forces which cause a Member of Congress to vote a certain way. I suppose the most active motivating force behind my vote in committee to abolish the Wage Stabilization Board was the revelation by my good colleague from Illinois [Mr. VAIL], when he listed the Communist and left-wing affiliations of several members of the Wage Stabilization

Board in testimony before our committee.

As a member of the Un-American Activities Committee I have come in contact with, and heard testimony from a great many Communist Party members and fellow travelers. A great many of the witnesses who come before the Un-American Activities Committee have affiliations with many different Communist-front groups as designated by the committee or the Attorney General. While it is true that a person may belong to a Communist-front group innocently, and while it is true that these front groups use names of prominent people as sponsors without their permission in many cases, it is likewise true that those who knowingly belong to Communist-front groups and further their philosophies do just as much damage to our free American institutions as the out-and-out Communist himself. I do not claim that any of the Wage Stabilization Board members are deeply enough involved in Communist activities to warrant an extensive investigation, but I do know that these members affiliating with left-wing and Communist-front groups are indoctrinated with a line of thinking from which they seldom deviate even though they have given up actual membership in a Communist organization. Let us take, for example, the association of the Board's Chairman, Mr. Nathan Feinsinger with the National Lawyers Guild. This organization has long been known as the legal arm of the Communist Party of the United States. The philosophy nurtured through the National Lawyers Guild certainly has come to the attention of Mr. Feinsinger and apparently Mr. Feinsinger has been greatly impressed with the guild's philosophy. He was so greatly impressed that he voluntarily served as a member of the guild's committee on civil rights and liberties. Sometime ago Mr. Feinsinger resigned from the National Lawyers Guild and is not now active in its work, but I believe that his past activities with, and on behalf of the guild, and the philosophy espoused by the guild has left an indelible impression upon him which still remains. In other words, the song is ended, but the melody lingers on.

The Communist-front affiliations of other members of the Wage Stabilization Board have likewise created in their minds, I am sure, a tendency in thinking that is certainly not in line with good sound principles of labor management relationships which has been established in this Nation today. It is regrettable that the President in selecting members of the Board did not first consult files of the FBI or the Un-American Activities Committee to ascertain the fitness of his Board members to carry out the work assigned to them in the American way. There certainly are thousands of men and women throughout this Nation who would be qualified to serve on such a Board and would not have any tinge of disloyalty such as has been brought out by our committee hearings.

I do believe that the vote of 16 to 5 to abolish the Wage Stabilization Board in our Education and Labor Committee is a

clear-cut expression of no confidence in the Board.

Actually the Board has stimulated inflation and fomented labor disputes rather than preventing or settling them. While we have separate agencies charged with the respective responsibilities of stabilizing wages and prices they have been in "cahoots" with each other in a scheme to spring the spiral of inflation higher and higher.

First, the Board stirs up industrial strife by encouraging union leaders to make excessive demands. Then the Wage Stabilization Board comes up with a recommendation meeting these demands to the letter. The pattern is then set and collective bargaining is thrown out the window. And finally, to complete the vicious cycle, the Office of Price Stabilization gets ready for a deluge of requests for increase in prices, makes a token effort to depress the requested increase, but gives in just about the time the Wage Stabilization Board across town is ready to make another recommendation in some other industry's wage dispute.

Abolishment of the Wage Stabilization Board altogether will certainly strike at the very heart of the Nation's most serious domestic problem of the day. Collective bargaining would again be brought into play, and I am confident that labor and management can work out their differences amicably around the bargaining table with no Federal interference, if only given a chance to do so.

Personally, I am for throwing off the shackles of both wage and price controls. This country did not rise to a position of world leadership when it was hog-tied with Federal controls and regulations, or subject to the whims of boards, bureaus, commissions, and agencies. It made its greatest and most notable growth when the individual citizen was allowed to produce and work where he wanted for what he wanted in a free competitive market.

We owe it to our country and our fellow men to put the Congress on record as favoring a return to the truly American system of doing things. Away with the WSB, the OPS and all the rest. Join with me in a vote for freedom.

Mr. EBERHARTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have the definite conviction that the adoption of the Lucas amendment will surely tend to increase disputes between management and labor, definitely promote strikes, definitely upset the economy of the country, and definitely have a very harmful effect upon the good relations that may have been established between management and labor, a goal toward which all have been working for the last few years.

Since the establishment of the present Wage Stabilization Board, we have not had in the Congress of the United States, or in the newspapers, magazines, and other media of communications, any great objections to anything that the Board has done. It seems to me that the country as a whole felt that the Wage Stabilization Board, by its settle-

ment of thousands and thousands of disputes without a strike, was well satisfied with the way they were operating, and that complaints about the Wage Stabilization Board came only after it rendered one decision which happened to be against the interest, perhaps, of the management of the steel industries.

Mr. Chairman, I have read this so-called Lucas amendment very, very carefully. I want to say to you that there are very many issues just as important which cause strikes as the issue of wages alone. Aside from the matter of the union shop, there is the question of paid vacations, and the question of differentials in pay for night work and day work, and the question of how many paid vacations there might be during the year, and the question of a welfare or pension plan. Many of the workers, in fact a majority of them, care more about a pension plan, which will take care of them in their old age, than they do about a little difference in wages. It is doubtful to me, under the wording of this Lucas amendment, whether or not the Board could take cognizance of such disputes because it does not say so definitely. If you read it carefully, you will find this provision as to what the Board is to do. Recommend to the Economic Stabilization Administrator and formulate such general policies and general regulations relating to the stabilization of wages. They are to recommend to the Wage Stabilization Administrator; but, it does not say what shall be done in case their recommendations are not followed. It gives no authority to anybody to really do anything worth while. In addition to that, Mr. Chairman, just imagine this: The term of the public members is only 1 year. Where are you going to get reliable and able, efficient, and honest members to serve on a board to leave whatever positions they now have in life for the uncertain term of 1 year at a salary of \$15,000? Then at the end of 1 year, they would have to come before the other body for confirmation again. We realize the difficulty this Government is having right now in obtaining efficient administrators. Why, we will have a board which few people would have any respect for, in my opinion. Perhaps there might be enough patriotic citizens who would stand the abuse that would naturally come to them if they failed to decide and recommend what some Members of the Congress, or some editors of some newspapers, would think was a correct decision. I do not know many Members of Congress who would want a position like that; some might take it as a patriotic duty, but I do not think we ought to put ourselves in a position of asking persons to accept a salary of \$15,000 and be subjected to the abuse they would naturally be subjected to.

My idea, Mr. Chairman, is very definitely that the Lucas amendment if adopted will contribute to unsettled labor conditions and strikes in this country.

Mr. FORAND. Mr. Chairman, I move to strike out the last word.

We cannot discuss the question of a tripartite wage board in a vacuum, and expect to arrive at a result which will work under present conditions. Let us, therefore, examine the issue in the proper frame of reference.

We have recognized collective bargaining as a means of dealing with labor-management problems. It is the law of the land, and we have machinery under the National Labor Relations Board to facilitate negotiations. However, under normal circumstances when collective bargaining fails, the parties use the economic weapons they command to enforce their demands. Whether it is a strike by labor or the employer's lock-out, it results in an interruption of production. It is precisely this interruption which we must avoid during the critical period facing us today.

The law of supply and demand is not equitable or workable when we are producing arms for the whole free world. We accept the necessity of some regulation on our economy when we enacted the Defense Production Act, and we expect our citizens to live and work under this regulation for the duration of the emergency.

I am convinced that public acceptance, insofar as wage stabilization is concerned, must be attributed in large measure to the labor and industry members of the Wage Stabilization Board. The parties most affected know that they can expect not only fair treatment, which would, of course, also be accorded by an all-public member Board, but a practical examination of their problems and workable solutions by men personally experienced in dealing with the same problems. The result is that both labor and management will accept WSB decisions and cooperate in carrying them out. This is true even though lots of those decisions say to the boss, "You cannot give the wage increases you want to," and to the worker, "Your Government will not let you receive a wage increase even though your employer wants to give you one." Without a tripartite board we might have seen a lot of strikes against unpopular Board decisions, and a lot of employers paying more than the law allows.

The primary responsibility of the Wage Stabilization Board is, of course, wages, which we may, in the heat of this moment, overlook. On the question of wages the tripartite character of the Board shows to best advantage. The Chairman of the Wage Stabilization Board, a most respected public member, Nathan P. Feinsinger, in discussing the disadvantages of an all-public board, said:

Perhaps even more important is the risk that public members, acting without the guidance of labor and industry, will make rulings which may be more academic and theoretical than realistic, either on the up side or the down side.

His argument in favor of a tripartite board as a method of stabilizing wages is emphasized by the statement of CIO President Phillip Murray in a letter to Senator McFARLAND, in which he states:

It must be remembered that the principal function of the Wage Stabilization Board is not to settle disputes but to determine whether wage increases which employers have agreed to pay can be put into effect consistently with our stabilization policy. Such a program is difficult for labor to swallow at any time. It will be virtually impossible for unions to cooperate in such a program if they are to be denied any voice in the discussion and decision of stabilization issues. Even the industry members of the present Wage Stabilization Board have recognized, in a public statement issued on June 27, 1951, that a tripartite system is a highly desirable system of administering wage stabilization.

The AFL's executive council has likewise informed Congress that it would find it impossible to cooperate in a stabilization program on which labor was not represented.

This is the frame of reference I referred to at the beginning of my remarks—a board which functioned well for more than a year, was respected by the public, and was effective in its work. Opposed to this is the proposal for an all-public board which we already know will incur the animosity of labor, and will probably therefore be unable to accomplish its job. The choice, if there is a choice at all, is plainly one in favor of the present tripartite Board.

(Mr. FORAND asked and was given permission to revise and extend his remarks.)

Mr. McCONNELL. Mr. Chairman, I rise in favor of the Lucas amendment.

(Mr. McCONNELL asked and was given permission to revise and extend his remarks.)

Mr. McCONNELL. Mr. Chairman, I rise in support of the Lucas amendment, and in doing so I wish to commend my colleague the gentleman from Pennsylvania [Mr. KEARNS] and what he is attempting to accomplish.

I think the present Board should be abolished, but I also wish to be realistic. I realize that Congress may in its wisdom decide to continue price and wage controls, and, therefore, there will be an agency to deal with wages; and I wish to be sure that that agency is restricted in certain ways.

This debate has a very familiar ring to me. I am not a recent convert to the idea of throwing out the present type of Wage Stabilization Board, or depriving it of its rights to settle labor disputes. A year ago I supported the Lucas amendment and predicted many things which have since taken place.

One objective of the Lucas amendment is to abolish the present Board and reestablish another Board; instead of an equal tripartite board we provide in the Lucas amendment for an unequal tripartite Board; in other words, we have representatives of industry, labor, and the public on the Board, but we say that at all times the public members should exceed the combined total of labor and industry representatives.

We also say that the Board shall not have the power to make recommendations in labor disputes; we restrict them entirely to the promulgation of policies and regulations dealing with wage matters, and if labor disputes arise which do not involve wage regulations we also say

that the President shall use existing laws or laws hereafter enacted by the Congress for the settlement of labor disputes.

We also say that the public members of the Wage Stabilization Board shall be confirmed by the Senate.

Mr. Chairman, I have always contended that it is impossible to have an existing Board settling labor disputes and at the same time handling real stabilization of wages and of our economy in this country; I also say that if the Board has the power to make recommendations in the settlement of labor disputes and that Board is a permanent Board set up in advance so that each party can know the membership and the type of thinking of that Board it will definitely weaken collective bargaining and weaken the efforts of the Mediation and Conciliation Service of this country. It is very possible that you will have strikes under such a set-up, but as long as they are strikes that do not affect the health, welfare, or safety of the Nation I see no reason why they should not continue, for the simple reason that they provide a very powerful incentive for the parties to settle their differences themselves. If they know there is a Board waiting at the end both parties will have a tendency to hold off on collective bargaining until they get the decision from that Board.

Summing it all up, I think we should vote for the Lucas amendment. That will be the first vote. If you decide to vote against the Lucas amendment with the thought that you will eventually get to the Kearns amendment, we may very easily end up with both amendments being defeated. It seems to me very logical that if we are going to have prices and wage controls continued in this Nation—and it looks as though that might occur—then we should have certain provisions set up ahead of time for the new agency.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. KERSTEN of Wisconsin. I would like to ask the gentleman if in the provision for union representatives there is also provided representation of independent unions?

Mr. McCONNELL. Yes; the Lucas amendment provides for representation on the tripartite board among the labor representatives for a representative of the independent unions.

Mr. MADDEN. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Chairman, I rise in opposition to the Kearns amendment or the Lucas substitute. This legislation will cripple and in effect abolish the Wage Stabilization Board.

I want to touch on something that occurred to me in the last day or two when the gentleman from Virginia [Mr. SMITH] and the gentleman from Texas [Mr. LUCAS] served notice that they were going to offer these amendments. I reflected back to the spring of 1947 when I was a member of the Labor Com-

mittee. I spoke on the floor of the House at that time against the Taft-Hartley law and called the attention of the Members to a well organized propaganda program that was being led by the forces behind the Taft-Hartley law.

When our committee met and held hearings on the Taft-Hartley Act for several weeks we had moving-picture cameras, klieg lights, and dozens of newspaper reporters present each in order to build up sentiment and excite public opinion all over the country for the passage of the Taft-Hartley law. I am not going to review what that law has done. I remember Members on the floor of the House at that time stated that if the law were enacted we would go into a real millennium in labor management relations. All labor management disputes would be immediately settled or never arise.

What has happened? We have had more strikes and more disputes and more work stoppages under the Taft-Hartley law than we had in any year before the Taft-Hartley law with the exception of the year 1946 when all labor union contracts came up for negotiation after the shooting war stopped.

When President Truman vetoed the Taft-Hartley law he stated it would lead to confusion, chaos, and cause bitterness between management and labor. What he said has proven to be an absolute fact.

Examine the reason for these anti-labor amendments.

The reason this legislation is on the floor of the House is because of the fact that the steel mills are tied up. I made a remark the other day on this floor that steel management has made no effort whatsoever to honestly bargain collectively. There is no doubt in my mind but what steel management, and maybe other interests, have for 5 months carried out a well-thought-out plan. To my mind the program called for delay and stalling in the collective bargaining and eventually close the mills. Steel management has spent hundreds of thousands of dollars in full-page newspaper advertisements and radio to build up public opinion for antilabor legislation.

I see in this morning's Washington papers full-page ads regarding the steel dispute, paid for by steel management. Incidentally, these ads, as you know, are deductible from Uncle Sam's tax and most of the cost paid for by the American taxpayers. They are building up this propaganda in the same manner as the propaganda was built up for the Taft-Hartley law. Let me say to the gentlemen on the left side of the aisle that it took only until the presidential election following the Taft-Hartley law for the people of America to place their stamp of disapproval on shackling labor legislation. Millions of men and women are working in this country trying to win the war, millions of men and women are being penalized by the Capehart amendment and the Herlong amendment that were tacked on to the stabilization law last year. With industries making terrific profits, the Capehart amend-

ment and the Herlong amendment had to be attached in order to get additional profits out of the millions of consumers in this country. To my mind that is one of the main reasons why we are having the steel labor trouble today. To my district, before the strike, and more so now, steelworkers with families would not have enough money to pay rent, buy groceries, clothing and have the ordinary necessities of life. Now why capitalize on this steel strike in order to shackle union labor with this kind of legislation?

Mr. Chairman, there seems to have been general agreement that the record of the Stabilization Board, both in stabilizing wages and in resolving labor disputes, was very good prior to the steel case. For my own part, I am not convinced that the Board's recommendations in the Steel case do not offer a sound basis for settlement of the present steel controversy. However, even if I thought otherwise, I would still be unwilling to discard the accomplishments of this Board because of its failure in a single case.

After all the Steel case is only one of many which have come to the Board. In other cases, the Board has succeeded in bringing about settlements of disputes, and it has succeeded in securing an immediate resumption of production while the cases were being considered. If the Board were designed to provide the final answer in all cases, it might be reasonable to urge its abolition because of its failure in a case as important as the Steel case. However, the Board's procedures are not exclusive, but are intended merely to provide an additional means for assisting disputants voluntarily to settle their differences. I have heard no one urge that we abolish the Federal Mediation and Conciliation Service because it sometimes is unable to prevent a break-down in negotiations. Why then should anyone urge that kind of treatment for the Board?

This Nation is presently in a period of defense mobilization. It is extremely important, therefore, that every effort and every means be exhausted to prevent or forestall strikes or lockouts which would interfere with vital defense production. If the WSB does fail in a particular case, I am not opposed to invoking the extraordinary remedy of injunction under the Taft-Hartley Act where it is applicable. But because I consider the injunction an extreme remedy, I do believe that it should be utilized. As long as the parties either with or without Government assistance are willing to postpone the test of economic strength and attempt to continue their efforts at negotiating a settlement, I think an injunction would be unwise and unproductive.

Mr. Chairman, I do not believe that what I have just said is inconsistent with the intent of the Taft-Hartley Act. That act is specifically limited to cases in which there is a threatened or actual work stoppage which creates national emergency. As long as the parties agree that there shall be no work stoppage while they are engaged in efforts to settle their differences, the Taft-Hart-

ley Act should not be utilized. But once the work stoppage becomes inevitable, because the recommendations of the Board are unacceptable or the parties do not wish to refer the dispute to the Board for its consideration, then of course the Taft-Hartley injunction can be obtained. It is no more inconsistent not to invoke the Taft-Hartley Act while the WSB is assisting the parties in the solution of their disputes than it is not to invoke the Taft-Hartley Act during any other stage of collective bargaining.

The Board's record in dispute cases, as well as in stabilization cases, reveals a high regard for the principles of free collective bargaining, which is also one of the primary objectives of the Taft-Hartley Act. The Board recently decided a case which I think is indicative of its intention not to interfere with national labor relations policy. In that case the Board refused to issue a recommendation on the demand of the union for a multiplant or master agreement with a parent company on the ground that a WSB recommendation on this issue would be action inconsistent with the provisions of the Labor-Management Relations Act.

If the nature of the Board's dispute functions is understood, it will be evident that the Board is performing a very useful function, which is directly assisting our defense efforts. I don't see why there should be any pressure for abolition of the Board because of a disagreement with some of its recommendations. Its actions are purely advisory. Its authority is entirely supplementary to other means of settling labor disputes. It represents an extension of the method of collective bargaining which is necessary because of the necessity of uninterrupted production during this critical period. Until something better is suggested, it would be dangerous not to provide the parties with this additional assistance in their efforts to voluntarily settle their disputes.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not expected to speak until I heard the last speaker. It is true we had a lot of strikes, prior to enacting the Taft-Hartley Act but they were brought about largely by the labor leaders, and conditions that forced the people of the Nation to appeal to the Congress of the United States to try to stop them and carry on a Government of the people, by the people, and for all of the people.

Furthermore, if there has been any failure of the Taft-Hartley law, in justifying its enactment by the Congress, and I think there has not—but, if there has been, it has been because of the misrepresentation from the first day it was passed by the labor bosses who did not want to see some of their power taken away from them that they exercised over the laboring man, and they did not want to see some of that power given to the Federal Government so that strikes could be legally delayed until a fair agreement and settlement could be made while the men had a right to continue to work if they so desire and not suffer financial loss. Their leaders mis-

represented the Taft-Hartley law through their magazines. They never told them that there were 23 provisions in that law that were placed there for the very purpose of protecting millions of splendid men in the ranks of labor.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Indiana.

Mr. HALLECK. Since this question has arisen, and it has nothing to do with the pending amendment, but will not the gentleman agree with me that it is a fact that since the Taft-Hartley Act was enacted, there are a million more men in labor unions today than ever before? Wages have steadily increased; working conditions have been constantly improved; pension plans have been secured in abundance, and at the same time work stoppages have decreased as against the time before the act was passed. No workman has been enslaved. On the contrary, they have had their right to strike and have exercised it and have used the right to strike as is protected by the Taft-Hartley Act to improve their conditions.

If the gentleman will permit me one further moment, reference has been made to the steel controversy and to collective bargaining. I believe in collective bargaining. My friend, the gentleman from Indiana [Mr. MADDEN] believes in collective bargaining, but I say what sort of collective bargaining is it when Mr. Murray, representing the union, says "I want to sit down and bargain collectively" and then in the next breath says, "But you have got to take the recommendations of the Wage Stabilization Board without dotting an 'i' or crossing a 't'." To my mind that is not a genuine, honest effort to sit down and bargain collectively to settle a dispute. It is rather an acceptance of governmental decision and edict forcing compulsory arbitration on the parties, which it was never intended to be.

Mr. VURSELL. The gentleman is correct; and may I point this out, that the President joined with the labor bosses to use this law politically by helping to misrepresent this law from one side of this Nation to another.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I shall not yield. I know it is a little tough for the gentleman to take, but it is a fact that the President joined with the labor bosses to discredit this law apparently for political benefit and has continued to do so. They have not been able to destroy it. It has proved itself at long last as of great value to the rank and file of labor and to the Nation. They know that it is the best law that has been passed for labor in many years. Look at the election in Ohio where Senator TAFT won by 430,000 votes against the combined opposition of the labor leaders. The laboring men who had learned the facts about this law voted for TAFT.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Ohio.

Mr. VORYS. In that referendum of the Taft-Hartley law in Ohio, although the administration and labor bosses shot the works, TAFT not only carried the State by over 400,000 but he carried the great labor centers in Ohio. So the working people voted for TAFT.

Mr. VURSELL. All of the Members on both sides of this House want the laboring men and women to have steady employment, good working conditions, and wages as high as can possibly be justified. I realize, as do all Members of this House, the great and necessary contribution they make to the general welfare and the economic progress of our Nation.

None of us want any injustice done to those who make up the rank and file of labor. They are as fine American citizens as we here who make the laws.

I, for one, do not want to see them misled as to our purpose here or the laws we enact in their interest and the interest of all our citizens.

You may deceive them for a while, but they will finally learn the truth. That is what has happened about the Taft-Hartley law. They know it is meant to protect their every legitimate right. That they can no longer be pushed around or coerced by labor management or by union management. They are free men now, and are an important cog in the wheel of free enterprise in a Nation that provides the highest standard of living in the world. Let us keep it that way.

Mr. BARDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to attempt to change the subject a little if the House can stand it at this moment.

Mr. Chairman, we have under consideration here two amendments: One offered by the gentleman from Pennsylvania [Mr. KEARNS] and one offered by the gentleman from Texas [Mr. LUCAS]. The one offered by the gentleman from Pennsylvania embodies the recommendation of the Committee on Education and Labor which was the result of a resolution by the House directing and authorizing the committee to investigate the Wage Stabilization Board. I wish at this moment to report to the House that a thorough job was done.

It was not a biased investigation. One side was subjected to just as many questions as the other. Every member of the committee was extended the privilege of questioning without limit. There was no limitation on questions or the time for questioning.

We did the writing of the report in executive session. I would make no reference to the vote by which the report came out except for the fact that reference has been made to the nine Members who signed the minority report. In view of that, I will have to report to the House that there were not nine members who voted against the report when it was reported out. That is all I wish to say about that.

We inquired into the operation of the Wage Stabilization Board. I hope you have read the conclusions the committee reached. Many of those conclusions

were not unanimous in the committee, so far as that is concerned, but if I gather the sentiment of the majority of the committee, and I can certainly speak as to my own sentiments, that Board did not render much service toward stabilization or in the interest of the promotion of collective bargaining.

The Kearns amendment says abolish it. The Committee on Education and Labor said abolish it. I think it ought to be abolished. I do not think anyone could sit down and read the some 5,000,000 words entered in the hearings and not reach that conclusion. But we are up against the very patent and practical proposition that if you abolish the Board and leave it blank you simply leave the door wide open for any kind of board that might be set up. I do not think it ought to be left that way. Personally, I am allergic to tripartite boards. I do not know where or why the idea originated. At the same time, I think the most practical solution of it, and the solution that is more acceptable to those who are familiar with the situation, would be the solution offered in the Lucas amendment.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Minnesota a very fine and useful member of my committee.

Mr. WIER. I would like to ask our chairman just one fair question.

Mr. BARDEN. And I will give the gentleman one fair answer.

Mr. WIER. The question I wanted to ask my chairman was one we debated at quite some length after the hearings were over and we went into executive session. I think it was universally accepted in our committee on both sides that in reality the Wage Stabilization Board violated no law, no rule, or no regulation of government. Is that a correct statement?

Mr. BARDEN. I am sorry the gentleman brought that up. The thing that puzzled the gentleman was to try to find some language that would describe what they did do without using the words "violate the law." Is not that correct? That was our problem. You did not want to find the Board guilty of a crime.

Mr. WIER. My answer is no, they did not.

Mr. BARDEN. I wish the gentleman had not said that.

Mr. MULTER. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, it is really unfortunate that the Lucas amendment did not prevail and become part of the law when it was submitted to us last year, because if it had there would be no excuse left for those who are opposed to the Wage Stabilization Board today.

The Lucas amendment changes the equal tripartite structure of the Board. It does not eliminate, but seeks to limit the disputes jurisdiction to economic issues. That is the only real change in the Board's present operations.

If you adopt the Lucas amendment as it is given to you now, when you put more public members on the Board than labor and management together you will still have the public members control-

ling and giving a decision just as they did in the Steel dispute case.

I was brought up in the atmosphere of American fair play. Nothing ever turned my stomach so much as to be at a ball game and hear the mob rise up and yell, "Kill the umpire," because they did not like his decision.

That is what steel management and most of the members of this House are doing today. They are crying, "Kill the umpire," and that umpire in this instance is the Wage Stabilization Board. Why? Because the Wage Stabilization Board made the recommendation that the union shop clause should be part of the contract. Who started this cry of kill the umpire? The steel mill owners and managers who lost the decision. Did you hear one word from them against the jurisdiction of the Board on that issue when they went there and were discussing it and were presenting their case? Of course, you did not.

Let me call to your attention the testimony before our committee on the subject. Our very distinguished chairman asked the representative of the steel mills a question. I am quoting the chairman of our committee:

They say that the steel companies waited until the decision came down before they made an objection; that they presented their case, but that they did not object to the jurisdiction of the Wage Stabilization Board until the judgment was rendered. Is that true?

The gentleman who was sent in by the steel mills to present their case to our committee said, "I do not know, but I will find out."

And he found out. Here is his answer as submitted after consulting with all of those representing the steel industry, and I now quote from his answer as it appears in the record of our hearings:

No useful purpose would have been served if the companies had questioned the jurisdiction of the Board to consider the union shop issue in the steel case. Moreover, the companies knew that the recommendation of the Board on the union shop issue would not be binding. For both these reasons, Mr. John C. Gall, in his presentation of the companies' position on the union shop issue to the steel panel on February 8, 1952, stated, in response to a question, that the Wage Stabilization Board had jurisdiction to consider the issue.

Of course, the gentleman is right, who said there was no violation of any law, rule, or regulation by the Wage Stabilization Board in hearing the dispute and hearing both sides fully and fairly and then making their recommendation as they saw that the case demanded and required.

I think it was hitting rather low for at least one gentleman to rise on this floor and insinuate that the loyalty of some of the public members of the Board was questionable.

Mr. Chairman, it seems to me extremely appropriate at this time to clarify the record once again, with respect to the six public members of the Wage Stabilization Board and how they vote in Board decisions. These men—all of them—came to Washington at great personal and professional sacrifice to serve in the interest of their country. They

are men of experience, skill, and judgment in the field of industrial relations. Yet, in the face of their unquestionable sincerity, their decisions have been greeted with base and baseless charges, rumors, and whispering campaigns to the effect that these men are pro-labor to the extent that they vote solidly with the labor members of the Board, against the industry members.

Let us look at the record. Malicious reports, without the slightest foundation in fact, have been circulated conveying the impression that the public members were biased because some of them—who have served in prior years as neutral arbitrators, referees, umpires, or chairmen in the private settlement of grievances or other disputes between labor and management—received one-half of their fees and expenses from labor unions. These reports failed to point out that the other half was paid by the employers concerned. These reports also failed to point out that arbitrators are jointly selected by the employers and unions concerned because of their joint confidence in the experience, fairness, and impartiality of the persons so selected.

One of the Board's newest labor members, Mr. Joseph Childs, vice president of the United Rubber, Cork, Linoleum, and Plastic Workers of America, testified before the House Committee on Education and Labor a few days ago that—

The Public-Labor alliance never has, does not now, and never will exist on this or any other tripartite wage board.

Mr. Childs testified also that as a reader of our daily press he had been informed that the Board was tripartite only in name, since the public members were really labor members in disguise. He then added:

I found that a little hard to swallow, inasmuch as I had worked with some of these men on the old War Labor Board and there are limits to changes that can take place in grown men within a period of seven short years.

Let us look at the record again. The CIO Marine and Shipbuilding Workers had asked the Todd Shipyards Corp. of San Pedro, Calif., for 22 cents an hour increase in wages. The company offered 5 cents an hour. The Board, by an 8 to 4 vote, with labor members dissenting, recommended 5 cents an hour, hardly a pro-labor decision.

In another disputes case handled by the Board, some 17,500 members of the UAW-CIO were asking 13 copper and brass companies for 15 cents an hour wage increase, plus an escalator clause, an annual improvement factor of 4 cents, and fringe benefits. A panel appointed to study the facts came up with a recommendation of a flat 15 cents. When the Board voted—8 to 4, labor again dissenting—the public members and the industry members recommended an 11-cent increase.

By taking only these two cases—and there are others, I might point out—we could draw the same erroneous conclusion that the critics of the public members have done, but this time the shoe would be on the other foot. We could

deduce—albeit erroneously—that there is collusion between industry and public members to gang up against labor. Of course, nothing could be further from the truth.

The facts are available for anyone to see, if they are interested in facts. The votes on policy regulations and resolutions of the Wage Stabilization Board, votes in the Board's review and appeals committee, votes on other disputes cases, and various other kinds of data which can be obtained from the public record, do show that public and industry members have voted together many times.

But this is not to say that any collusion or solid voting alliances exist. What these facts do is not only to throw the lie in the teeth of the public member critics but, at the same time, demonstrate the absence of any alliance between any two groups on the Wage Board. The Board's voting record shows labor-public majorities, industry-public majorities, and even labor-industry majorities, but the overwhelming number of the Board's decisions are unanimous. This is how the tripartite system works—the system that some people are trying to abolish.

Let us look at the record again. Well over 99 percent of the cases which come before the Board are voluntary petitions, in which the employer, or the employer and the union jointly, seek approval of a wage increase. In these cases, the Board has been unanimous in over 90 percent of its rulings. Of the 21 regulations adopted to date by the Board, 16 were adopted by unanimous vote. The record is replete with further evidence of cooperation among the labor, industry, and public members of the Board. But you must go to the record to find it. It will not be found in the public statements made by critics of the Board. From my point of view, the record of the Wage Stabilization Board, despite the uncertainty and unrest of the times and the extreme pressure of partisan groups, is one of which we can all be proud, and the facts support my sentiments.

[Mr. WERDEL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude at not later than quarter of five.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. FULTON. Mr. Chairman, I object; rather, I reserve the right to object.

Mr. SPENCE. Mr. Chairman, I move that all debate on this amendment and all amendments thereto conclude at not later than quarter to five.

Mr. FULTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON. Mr. Chairman, I believe I had been recognized on my reservation of objection.

The CHAIRMAN. The gentleman from Kentucky can make a motion any

time he desires. The Chair recognized him for that purpose.

The question is on the motion made by the gentleman from Kentucky.

The motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. How much time will that allow each Member desiring to be heard?

The CHAIRMAN. Approximately 2 minutes each.

(Mr. RABAUT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RABAUT. Mr. Chairman, I desire to raise my voice in behalf of the disputes functions of the Wage Stabilization Board.

It seems to me that the arguments raging over the disputes function of the Wage Stabilization Board ignore some very fundamental issues. I would like to bring these to light.

The WSB has done a fair, equitable and stabilizing job day in and day out, despite the critics of its steel recommendations, despite the absence of the patriotic stimulus of an all-out war, and despite the absence of subpoena powers, powers to issue directives instead of recommendations, and a no-strike, no-lock-out pledge on the part of labor and management. These assets once belonged to the World War II War Labor Board, yet the stabilization record of the present Board is as good as that of its predecessor for comparable 6-month and 12-month periods.

If the disputes functions are removed from the Wage Stabilization Board, to whom will dispute cases then be referred? To another agency? If so, what purpose does this serve other than to bring about more instead of less governmental interference in collective bargaining and destroy the principle of "voluntarism" by which parties accept the Board's recommendations in disputes cases. In the Board's current handling of dispute cases you see no case of forced acceptance, no evidence of compulsory arbitration.

I might remind my colleagues in the House that the President has never invoked the authority conferred on him by title V of the Labor Disputes Section of the Defense Production Act, which provides for an agency with the full powers of the old War Labor Board. Instead, the President chose to act on the advice and recommendations of the National Advisory Board on Mobilization Policy and confer a limited disputes jurisdiction upon the Wage Board.

The Board can only make recommendations in disputes cases, and then in only two situations. It can hear disputes cases when the parties jointly agree to submit their case to the Board and when the President certifies the dispute to the Board because it threatens the progress of national defense.

Proposals before the Congress now tend in the direction of compulsory arbitration, extended use of injunctions, and the use of seizure. It is difficult for me to understand how the supporters of

such bills can criticize the Board in the conduct of its disputes authority. Until the Board's recommendations in the steel case, the record of the Board was satisfactory to all concerned. Then, overnight, the Board grew horns. Is the Board to be condemned for its integrity in facing up to its responsibilities because a major segment of American industry was hostile to the Board's recommendations?

I would like to summarize, for emphasis, the Board's position with respect to disputes cases. The Board cannot act on its own motion but only in cases certified by the President or voluntarily submitted by the parties. In cases certified by the President, the Board can only make recommendations for a fair and equitable basis of settlement. In cases submitted by the parties, the Board can make recommendations or decisions, as the parties wish. The Board has no subpoena powers and its recommendations are not legally enforceable. In addition, the Executive order conferring disputes authority on the Board also prohibits the Board from taking any action inconsistent with any applicable laws, including the Taft-Hartley Act, and requires that any wage action taken by the Board "shall be consistent with stabilization policies."

The transfer of the disputes function of the Board could only lead to delay, confusion, duplication, and unrest, if for no other reason than the fact that eventually and inevitably a separate disputes agency—probably an ad hoc board—would have to submit its recommendations to the Wage Board. And inevitably there would come a time, or times, when the Wage Board would have to modify the ad hoc board's recommendations. The result almost certainly would be some sort of unfavorable reaction, probably a strike.

The record of the Wage Board with respect to its handling of disputes cases merits nothing but praise. The tensions created by the Board's recommendations in the steel case have tended to obscure this record. Here is the record. As of April 30, the Board had received 34 disputes cases—22 voluntarily submitted by the parties and 12 referred by the President. Of the voluntary submissions the Board rejected six, either because the parties had not exhausted the other machinery available to them, or because the case was not sufficiently significant from the point of view of the defense program. One case was returned to the President because the Board was unable to receive assurance that production would be resumed. In this case, an injunction was obtained. In all the other cases, the Board was able to secure a resumption of production where a strike was in progress or to avoid an interruption to production where one was threatened. In many of these cases, the dispute was finally settled—thanks to the Board's action.

I do not think this is the kind of record, Mr. Chairman, that can be or should be ignored.

(Mr. HAYS of Ohio asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HAYS of Ohio. Mr. Chairman, I would like to refute some of the erroneous conclusions of the House Education and Labor Committee.

First, Mr. Chairman, the charge that—

The policies and regulations of the WSB have been unusually liberal in an emergency period. As applied to petition cases (where there is no dispute over wage increases) they have been extremely liberal and as interpreted and modified in dispute cases they have been highly unstabilizing and inflationary.

The answer is simply this:

When we tamper with the machinery which has given us better wage stability than we have known since Pearl Harbor and has kept American workers producing with less time lost in strikes than in any other recent years, we are doing nothing else than putting our national security in grave peril.

During 1950, working time lost due to strikes amounted to forty-four one-hundredths of 1 percent. In 1951, when the WSB was stabilizing wages and assisting the settlement of important labor disputes, the time lost due to strikes figure was less than half of the 1950 experience, or twenty-one one-hundredths of 1 percent. These figures compiled by the Bureau of Labor Statistics are from the Monthly Labor Review.

Without the reasonable control we have had over wages and without the very effective assistance of the Wage Stabilization Board in getting production to continue after collective bargaining, mediation, and all else have failed, we will inevitably lose still more of what precious time remains to us to achieve a level of armament that will assure us and the free world against the extension of aggression.

Our national peril should bring us to our senses. There is no good reason for taking the contemplated action to dismantle the machinery that has kept wages, prices, and continued production remarkably steady. What are the actual facts?

It has been alleged that the Wage Stabilization Board has been too liberal in its approval of wages and that its operations have been unstabilizing and inflationary. Just a single moment's reflection will reveal how far this remark is from the truth. The people who have been charging the Board with having unstabilized the economy are usually the very same people who claim that the economy is no longer under inflationary pressure and that price and wage controls are no longer needed. These are the same people who point to the soft spots in the economy, who point to the pronounced leveling off of consumer price increases and to the drops in wholesale prices, who talk of problems of overcapacity of consumer goods in relation to consumer purchasing power. Is it not singularly remarkable that in a period of full employment and armament buildup, we have been able to have wages and

prices flatten out to a rate of increase very much less than in World War I, less than in World War II, and less than during the post war years, and far less than during the inflationary surge that was quickly taking a choking grip on this country before wage and price controls were put into effect?

Here are the comparative figures setting forth the rates by which prices and wages have moved upward in several periods of recent history:

	Annual rate of increase (percent)	
	Prices	Wages
During United States participation in World War I.....	+17	+23
World War II (including period of price-wage controls).....	4	8
Postwar-pre-Korea.....	5	8
Post-Korea, precontrol (June 1950-February 1951).....	12	11
Stabilization controls (since January 1951).....	(¹)	(²)

¹ Less than 3 percent.

² Less than 5 percent.

I challenge anyone to point to a parallel experience in all history of a people arming itself with less damage to its civilian needs and with less inflation than we have had since January 1951.

As this point in history we continue the machinery that gave us these results or add—perhaps fatally—to the burden of getting ready in time by smashing that machinery in ill-considered and unfounded pique.

Now, Mr. Chairman, as to the charge that—

Recommendations by the Board in dispute cases have been made without consideration of their effect on prices and have thereby contributed to the failure of the stabilization program to hold the line against inflation.

In reply to this may I say that I was shocked by the suggestion made in the committee's report that wage actions should somehow be made dependent on price increases in individual cases. Every well-informed observer of American economic trends knows that such a policy as that which the committee suggests the Wage Board should have adopted would have these effects:

First. Looking to price consequences would upset the labor market as we have always known it. The value of an hour's work at a given level of skill can't be jacked up or down among different employers any more than the value of a ton of steel. Who would think of asking the steel companies to sell to company A at lower than the going price simply because company A's accountants have figured out that the company will need price relief if it pays full price? It would be equally senseless to provide a stabilization policy under which a class A machinist in a plant not subject to price control, or where the existing price is sufficient to cover all costs, could get a wage increase; a class A machinist in the plant across the street could not get a raise because there the mate-

rial costs are higher or investments are being depreciated at a higher rate.

Second. The suggestion that wages and prices are interdependent in individual plants would, if adopted, mean the end of free enterprise as we know it. Collective bargaining would inevitably extend into the area of price and sales policy, management efficiency, and other areas where the union today have no need to get into. If, in individual situations, wages and prices must depend on one another, then the labor leader is going to want to look at books, study costs, and become interested in management functions generally.

Now there is a proper area for wage and price coordination and that is being handled by the Economic Stabilizer, as it should be. Wages have been in fair relationship to prices generally as a result of fair wage and price policies whereby the consumers price index has become the chief factor in the general wage movement. But individual wages and individual prices simply cannot be tied together mechanically and the Wage Stabilization Board is to be congratulated in following the invariable American precedent of deciding each case in relation to wage equities and not bringing management policies and functions into the arena of collective bargaining.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, if we are going to have continuation of price controls, even the rather feeble controls that the committee seems to be bent on enacting at the present time, we will have to have an agency to deal also with wage controls. The kind of an agency we have currently, even in the estimation of a man like Charles Wilson, former Defense Mobilizer, has done a good job, at least up until the steel case. The steel case was the thing that agitated a lot of controversy and caused the adoption of the Allen resolution and the attendant investigation that our committee had made of the Wage Stabilization Board.

In the steel matter, if the companies could have been assured of the kind of price increase they sought on steel, we would not have had all of the furor we have had. I do not agree thoroughly with the wisdom of the Wage Stabilization Board in reference to its recommendation of the union shop. It might have been better to have referred this issue back to the parties, for further bargaining. That is one of the main points of controversy. I do contend, however, that certainly it was legal for them to recommend it. It was one of the items in dispute, and certainly if it was thought to be one of the important recommendations to settle the strike, they were fully within their rights in making that recommendation.

Mr. Chairman, in the brief time I have I want to attempt to eliminate some of the distortions that have been cast about in this matter. It has been contended that labor got everything it asked for. That certainly is far from the truth. If labor had been granted every request

they made in this dispute the cost of the entire package would have been somewhere between 50 and 60 cents an hour instead of the present 20 cents for 1 year and 26 cents over an 18-month period. I believe the present Board, or one very similar to it, should be continued, perhaps with Senate confirmation of the public members.

(Mr. HOWELL asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I have inserted in the RECORD just previous to the remarks of the gentleman from New Jersey an answer to some of the erroneous charges, as I see them, that have been made by the House Committee on Education and Labor against the Wage Stabilization Board. I put them in the RECORD because of the time-limitation factor and because it is obvious this committee is going to go over until sometime next week before finally disposing of the bill. I hope those who are sincerely interested in the Wage Stabilization Board will take the time to read my remarks in the RECORD.

Mr. HOWELL. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from New Jersey.

Mr. HOWELL. I would like to ask the gentleman if he thinks a tripartite type of board is the fairest kind of board to deal with these things?

Mr. HAYS of Ohio. As an individual I feel it is, and I will go further than that. I felt it should have equal representation. I do not think the Board should be loaded in any specific manner.

Mr. HOWELL. Does not the gentleman agree it continues a measure of collective bargaining?

Mr. HAYS of Ohio. I most certainly do.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, as far back as 1940 the political platforms of both major political parties guaranteed to the workingmen of this country their right to bargain collectively. A year ago this month, when we faced the proposition of whether we would have a Wage Stabilization Board, the thing that concerned me most was that in that kind of a board set-up, or even an ad hoc board, that fact-finding board would interfere with the very collective bargaining idea to which most political parties were pledged. The only reason why that board could be sustained and justified was that it had equal representation of labor, industry, and the public. The board proposed by the gentleman from Texas [Mr. LUCAS], on which the public members would exceed the number of labor-industry members, becomes a compulsory arbitration board. No group of labor wants compulsory arbitration.

The fact of the matter is that our deliberations in the committee have been bantered around considerably as to what happened and did not happen. Let me

say to you that when our committee voted against continuation of a tripartite board with equal rights to continue collective bargaining in that board because of the presence there of both labor and industry, that preserved a certain part of your idea of collective bargaining. When you get away from that kind of a board I feel that I am voicing the sentiments and the feelings of all of the labor groups that they do not want the type of board proposed by the gentleman from Texas [Mr. LUCAS], and in preference to that kind of a board that they would prefer no board at all.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MACHROWICZ].

(Mr. MACHROWICZ asked and was given permission to revise and extend his remarks.)

Mr. MACHROWICZ. Mr. Chairman, before we make far-reaching decisions on these amendments, I think it would be wise to examine honestly and fairly the situation with respect to the wage picture. When the Defense Production Act was originally passed in 1950, we could plainly see the need for dealing with the inflation which was attacking our economy. Subsequently, under that legislation, various agencies were set up with a job to do. The Wage Stabilization Board was charged with the responsibility of dealing with inflation as it related to wages, and had the daily task of an equitable solution to the wage problems of some 60,000,000 working Americans. When we discuss the public interest, as we must in this case, let us remember what proportion of the public is represented by those 60,000,000 presently employed. Part of that job which the Wage Stabilization Board has been doing for a year has been the keeping of the labor peace, which means keeping the goods flowing from the factories, keeping us producing in high gear in very unstable times, and frequently under adverse conditions. The record of achievement of the Board in that job is excellent.

A close examination of the record will show that wages have been kept at reasonable levels, which was not the case before the freeze date. Labor disputes which were submitted to the Board, either by the President or voluntarily by the parties to the dispute, were heard fairly, and the recommendations of the Board frequently were the basis of an agreement. We know for a fact that strikes in defense plants have been kept to the barest minimum, and probably a greater number than we realize were averted by the intelligent and rapid action of the Wage Stabilization Board.

The situation of a year ago, when the present 18-member tripartite Board was named, has not changed substantially. By our very agreement with respect to most of the Defense Production Act, we recognize the continued need for a guiding hand on the economy. We are still building our defenses. Our men continue to fight in Korea. Our demand for war goods is increasing and this is hardly the time to deprive ourselves of an effective agency for keeping the wheels turning.

Now, what actually should we seek to do in extending the Defense Production Act? Should we change the tripartite character of the Wage Board? The record the Board has built in the past year certainly does not justify such a change. The industry and labor members of the Board have served ably and devotedly, and we cannot overestimate the value of their special experience in dealing with these problems. Surely the men who have met the payrolls and conducted the negotiations for large numbers of workers are all but irreplaceable in dealing with complicated wage matters and labor problems.

Should we substitute some method for dealing with disputes other than the effective machinery which has been in use for a year under the Wage Stabilization Board? This change would probably be the most destructive of all. The disputes function of the Wage Stabilization Board was designed to fill a gap left by all existing machinery for dealing with labor unrest. It was easy enough where mediation or conciliation effected a solution. It was possible under the Taft-Hartley Act to deal with an industry-wide strike affecting the Nation's health or safety, although that act has not solved all the disputes handled under it.

But what was, in fact, the usual case? The great proportion of strikes occur in a single plant and affect a very small portion of an industry. We must admit that a strike in one aircraft plant can be exceedingly damaging; but under the Taft-Hartley Act we would be unable even to touch it. The Wage Stabilization Board receives such a dispute from the President of the United States, and we have evidence of how effective its recommendations have been in exactly such cases. The disputes function of the Wage Stabilization Board does not supersede any other law, but is, in fact, an additional means of controlling the labor relations of this country.

The problems which will be created by any such changes will be numerous and complex. We now have an agency which was created to serve a special function, which has served ably, and which should continue in its present form and with its present duties for so long as there is need for wage controls of any kind in our economy. I oppose the Kerns and the Lucas amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BARRETT].

(Mr. BARRETT asked and was given permission to revise and extend his remarks.)

Mr. BARRETT. Mr. Chairman, under leave to extend my remarks in the RECORD, I wish to include an address I gave before the Sixth Annual Convention of the Pennsylvania State Council of Machinists in Philadelphia on May 18, 1952.

Developments in the steel dispute since that time have proved that the Taft-

Hartley Act only serves to hinder the peaceful settlement of labor disputes and that the only hope of avoiding strikes in industries vital to the national defense is an entirely new labor relations law. Until such time as the working man is backed by legislation to assure him proper recognition at the bargaining table, we cannot expect to avoid repetitions of the current deadlock in negotiations to settle the differences between labor and industry:

Mr. Chairman and delegates to the Pennsylvania State Council of Machinists, it is always a pleasure and a privilege to meet with members of your organization. But today I am especially honored and proud to accept your invitation because your Sixth Annual Convention comes at a time when you are standing in the forefront of the battle to preserve and protect the rights of laboring men everywhere.

That battle has been joined on the issue of industry's refusal to accept the findings of the Wage Stabilization Board in the Steel case. What you have here is the simple case of one team quitting the ball game because they did not like the decision of the umpire—because it went against them.

Although the International Association of Machinists is affiliated with the American Federation of Labor, and the steelworkers are CIO, it was a thrilling and inspiring example of labor unity for your parent organization to be the first to announce its support of the steel strike. Each of you should be proud that the officers of the International Association of Machinists practice the type of unity which has carried this country through previous crisis.

The whole-hearted pledge by your international president, Albert J. Hayes, was a recognition that this case is crucial, the showdown which will determine whether all of labor's gains over the past 20 years are to be lost and thrown overboard and big business is to move back into the saddle in domination of the economic affairs in this Nation.

Industry's outright refusal to accept the recommendations of the Wage Stabilization Board is a move not only to increase its already excessive profits, but also to destroy the effectiveness of labor organizations and scuttle the administration's complete control program. It is a defiance of the philosophy of collective bargaining and an attempt to intimidate the working people.

The big business managers have tried through their various channels of propaganda to give the American public the impression that the Wage Stabilization Board was stacked with labor representatives and that its conclusions were sheer guesswork. This is ridiculous. Everyone who reads the daily newspapers and listens to the radio knows that the Board deliberated for many weeks and made a comprehensive study of all of the factors involved on both sides. The figures were all there and computations were made in accordance with the general rules and standards for determining wage and price controls, which were established long before the steel controversy arose.

In my mind there is no doubt as to who holds the responsibility for the crisis in the steel industry. And I have no doubt as to how the industry leaders mustered the audacity to defy the findings of the Wage Stabilization Board. The answer is the Taft-Hartley law. They both have the same purpose, and AFL President William Green long ago gave the answer: "To make strong unions

weak and weak unions weaker." They both overlook the rights to which labor is entitled and place management in a privileged class. They make demands of the employee and exempt the employer from similar obligations.

Just as this antilabor law has served to place all unions under a cloud of suspicion, the steel magnates are capitalizing on the just demands of the steelworkers by dragging their "dog-and-cat" fight to the courts and using this means of airing their accusations against labor.

The Taft-hostility act has resulted in greater strife between employers and employees because it weighted the scales at the bargaining table in favor of management. This act of legislative hypocrisy has destroyed one of the basic principles upon which our democracy is built—voluntary cooperation. It strengthened the hand of the employer so immeasurably that there is no longer the free and easy exchange of ideas which prevailed under the Wagner Act. In fact, it has had such a psychological effect on the employer that he now even disregards the legalistic and factual analysis of the issues concerned as determined in accordance with this lop-sided legislation. We cannot have good labor relations unless we have voluntary cooperation between management and labor for their mutual benefit and for the public good. And because the Taft-Hartley Act restricts and imposes upon organized labor and "coddles" management, the entire atmosphere of labor relations has been changed.

The attitude and action of the steel industry in the present dispute should be considered as the opening gun to wage the battle for repeal of the Taft-Hartley law. It would be futile to attempt to eliminate only the trick phrases; there are too many of them and the task would be a long-drawn-out one. Only outright repeal can undo the damage this legislation has already brought.

The American public must realize the importance of seeing that there are not a sufficient number of Republican and antilabor southern Democratic Representatives and Senators in Congress to combine to defeat the efforts of the friends of labor to wipe this undemocratic law from the slate permanently. The Southern States have become increasingly industrial and I believe that this fact will open the eyes of their Representatives in Congress to the imperativeness of this action.

It is time for more people to realize that the spiral of inflation cannot be stopped so long as manufacturers continue to increase their prices. And unless the working people come out as the victors in the current steel controversy, there will be no end to the dominance of big business over the workingman. Labor unions must not be hampered in their efforts to strengthen and secure the individual employee in his job and his future welfare. And that is why I again express my deep admiration of the National Association of Machinists in announcing to the United Steelworkers of America its "full moral and financial support in their strike against one of the most grasping and heartless group of employers in the entire country."

This is the type of pulling together which has made America great. And it is the type of unified, democratic action which the Taft-Hartley Act was designed to destroy.

I fervently hope that this same type of cooperation and sympathetic understanding will win for all labor organizations the place of dignity and respect at the bargaining table which they deserve.

I fervently hope that this same type of cooperation and sympathetic understanding will win for all labor organizations the place of dignity and respect at the bargaining table which they deserve.

(Mr. PERKINS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I rise in opposition to the Lucas amendment.

Mr. Chairman, the record speaks well of the present arrangement of the Wage Stabilization Board. Charles Wilson, ex-Director of Defense Mobilization, stated that the present tripartite arrangement of the Board had done a reasonably good job up until the decision in the steel case.

I feel that we should all take a look at the record before we vote here today to destroy the present tripartite arrangement of the Wage Stabilization Board. I am also fearful that this body has severely crippled this legislation by the amendments already adopted. It seems that the way has been paved for runaway or unreasonable price increases on the necessities of life that are in scarce supply.

The House Committee on Education and Labor, after weeks of most intensive investigation, with full opportunity for critics of the Board to speak their piece, in effect exonerates the Board from the charges made by its critics. If this Board had violated any law or committed some outrageous act in violation of a law, it certainly would have been brought to the attention of this committee.

The first conclusion of the majority of the committee is that the Wage Stabilization Board has failed to respect the national labor policy as expressed in the Labor-Management Relations Act, the Defense Production Act, and other applicable laws with regard to collective bargaining and the settlement of labor-management disputes.

The first point made in support of that conclusion is that in the steel case and two aircraft cases the Board recommended that the parties negotiate some kind of a union shop provision in their new contracts, the exact form and condition thereof to be determined by them in forthcoming negotiations.

The Taft-Hartley Act has nothing at all to do with the question of whether or not the parties should negotiate a union shop agreement. In these cases the parties were in dispute on this issue. The union was free to strike. Neither side objected to the Board's taking evidence and argument on the issue.

It is my conclusion that the Lucas amendment should be voted down and that the present tripartite arrangement of the Board should be continued without any change in its organization, functions, or procedure.

[Mr. HOLIFIELD addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. FULTON addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, the justification for the wage stabilization provisions originating in the Defense Production Act of 1950, was that they should be parallel to the control of prices. But if the amendments already adopted in this bill remain in the law as enacted there is virtually no protection for the consumer in regard to price control. Hence, I would urge that, as between these two amendments, it would be better and fairer to adopt the Kearns amendment eliminating the Wage Stabilization Board than to eliminate, as we have by amendments already adopted, the price control features of this bill and then impose a Wage Control Board by statutory enactment as provided in the Lucas amendment.

I agree with the previous speakers that this amounts to compulsory arbitration. Possibly it is not constitutional. Certainly it is a very radical step, strange to anything we have taken in labor management relations up to this date. It is a form of state socialism, where the Government enters into control of the free operation of labor unions and their relations and dealings with employers, with management.

I urge that it is entirely unfair to control wages and leave prices uncontrolled. It is something that is repugnant to the free enterprise system of America, to create what amounts to a compulsory arbitration board for wages by statutory enactment.

Mr. Chairman, I urge that the Lucas amendment be defeated.

[Mr. FISHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, the Lucas amendment should be supported because it treats with one of the causes of the present strike. The union demanded a closed union shop, which, of course, means that we would have a new tax-collecting agency, which would require payment of a fee or a tax before a man could go to work. The Stabilization Board, though it had no authority to do so, recommended the adoption of that policy by industry. That recommendation was endorsed by the President. The industry refused, saying that it would not force anyone to join any organization and pay a fee as a condition precedent to obtaining work.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. HALLECK. Since the gentleman has yielded to me, I would like to point out to the membership that the Lucas substitute and the Kearns amendment provide for the abolition of the Wage Stabilization Board. So does the Lucas substitute. I think that is clearly what the majority want to do. If you do not set up a new board, you will be doing two things. If you just abolish the Board, you are cutting out wage control, but you are keeping price controls. I do not think anyone can sustain that position. Secondly, if you just abolish the Board now and leave the law as it is, there is nothing to restrain the President from creating an exactly duplicate sort of board with the same powers and we would be right back in the same trouble that we are in now. Certainly, I think the Lucas substitute should be adopted by the committee.

Mr. HOFFMAN of Michigan. I agree with that view. The situation at the present time is this. The President of the United States said we are short on steel, and that unless the strike was ended, we would not get steel for either domestic use as of far more, yes, of vital importance, for the men he sent to Korea. The steel strike is on because the President himself is on strike, a sit-down strike, against the Taft-Hartley Act. He has refused to use the law which the Congress has enacted. There is no question about the cause of this strike. The President is backing the demands of Phil Murray, for a union shop. That demand was endorsed by the Wage Stabilization Board and the President is attempting to impose his will upon industry. His effort to seize and operate the industry was blocked by the Court. Now he tries to circumvent that decision by his sit-down strike against law enforcement. The steel strike exists—steel is short because the President is on strike.

To show that others are of like opinion, I read today's Star editorial:

ASKING FOR MORE TROUBLE

Shocking is a greatly overworked word, but no softer adjective is adequate to describe Mr. Truman's whole course of conduct in the steel dispute.

A President's highest duty, specifically entrusted to him by the Constitution, is to take care that the laws are faithfully enforced. Yet Mr. Truman has done, and is still doing, everything in his power to nullify and violate the only law on the books that might be used effectively in the steel strike.

From the very beginning of this dispute he has been an extreme and unfair partisan. He said that the recommendations of the Wage Stabilization Board, which included the union shop, were fair and that the union should get what was recommended. He implied that the steel operators could easily afford the proposed increases because they were already making too much money. He dredged up every argument he could think of against using the Taft-Hartley Act. It would be unfair to the union. It would take too long. I wouldn't do any good, etc., etc.

Now the hard facts of the situation are catching up with him. The strike—the President originally said that even a brief strike

would cripple national defense and betray our troops fighting in Korea—has moved into its eighteenth day. A few defense industries are closing down or curtailing production for lack of steel. And the President, having just about reached the end of his rope, now says that he is considering the use of the Taft-Hartley Act.

But even in this extremity he is still trying to destroy the effectiveness of the only legislative weapon at his disposal. Yes, he told reporters, he is thinking about invoking the law. But he doubts that the steel strikers would work under a Taft-Hartley injunction.

It is hard to know what to think about a President who operates in this fashion. What is he trying to do? This is the second time he has indicated doubt that the workers would obey the law. Is he hoping that they will not? Or, even worse, is he trying to encourage them to defy an order of the court? It is difficult to believe that this is the case. But Mr. Truman makes it easier to believe it every time he comments.

His duty in this situation is perfectly clear. He ought to invoke the Taft-Hartley Act and do everything in his power to see that it is obeyed. Possibly the men will not work under an injunction. It is not unlikely that the 80-day period of the injunction's effectiveness would pass without a settlement, and that the strike would then lawfully be resumed. Either of these, or various other things, might happen. In such event responsibility for further action would rest with Congress. The President would have done his duty. But he most certainly is not doing his duty while he refuses to invoke the statute and persists in making statements which can only tend to destroy its effectiveness if, at the eleventh hour, he finally should be compelled by impending disaster to attempt to enforce the law.

(Mr. CHUDOFF asked and was given permission to revise and extend his remarks at this point.)

Mr. CHUDOFF. Mr. Chairman, I do not believe that a single Member of this Congress doubts the necessity for our maintaining peak production during our rearmament period, and yet I am not sure that as many Members of the Congress realize how detrimental it would be to our efforts to maintain production if the disputes functions were removed from the Wage Stabilization Board. I should think it would be clear to everyone that during an emergency period we must have some means for settling labor disputes. Reflection will show, I believe, that the national emergencies provisions of the Taft-Hartley Act are inadequate to deal with labor disputes during the mobilization period. In the first place, these provisions are applicable only to a dispute affecting an entire industry or a substantial part thereof. Senator TAFT, himself, has recognized this and has stated that the act is applicable only to a Nation-wide strike and would not cover most of the disputes likely to arise in the emergency period. Furthermore, even in those cases where the Taft-Hartley Act is applicable, if no settlement has been reached after the end of the 80-day period there is no means whatsoever for settlement of the dispute. Presumably the dispute would have to run its course until Congress enacted new legislation or the parties came to some sort of an agreement. In the meanwhile, a resulting loss of pro-

duction might well be disastrous to our rearmament program.

If you will turn to title V of the Defense Production Act, you will see that Congress has already recognized that additional means for settling labor disputes are needed during the emergency period. Congress there provided that the President might call a labor-management conference and put into effect the recommendations of such a conference. It was apparently Congress' expectation that, as a result of such a conference, a no-strike, no-lock-out pledge would be given and an agency similar in power to the War Labor Board would be created. The President, however, has not believed that such an extreme step was needed in the present limited emergency. I hear very few of the Members of Congress criticizing him for not calling such a conference.

To provide disputes-settling machinery suitable for the present limited emergency, and to remedy the deficiencies of the Taft-Hartley Act, the President, by Executive Order 10233, conferred disputes powers on the Wage Stabilization Board. These disputes functions were carefully limited. In the first place, the Board can issue recommendations only unless the parties agree to be bound by the Board's decision. Secondly, the Board's jurisdiction extends only to cases affecting national defense, where collective bargaining and the prior full use of mediation and conciliation facilities have failed to reach an agreement. Under these limitations the Board exercises its jurisdiction in two instances: First, where the parties voluntarily agree to submit the dispute to the Board; and second, where the President refers the dispute to the Board after finding that it substantially threatens the progress of national defense.

If the Members of Congress will take the brief time required to study the Board's record in dispute cases, I believe that they will realize that there is a definite need for disputes-settling functions during an emergency period. I believe that they will also see that the Board has established an unsurpassed record in its handling of labor disputes. The Board has secured voluntary suspension of strikes where they were in progress, has deferred threatened strikes, and has brought about final settlement of disputes.

In 5 of the 12 cases referred to the Board by the President, and in 7 of the 22 cases voluntarily submitted to the Board, strikes were already in progress at the time the dispute was received by the Board. In every case but one the Board voluntarily secured back-to-work orders. The one case in which the union refused to return to work was returned to the President, who thereupon invoked the national emergencies provisions of the Taft-Hartley Act.

In the remaining seven cases referred to the Board by the President where strikes were threatened at the time of referral, the Board has secured postponement of the strikes, frequently for periods far in excess of the maximum

delay of 80 days insured by the Taft-Hartley Act. Even in the Steel case the union stayed at work for 19 days more than could have been secured under Taft-Hartley.

The Board's record in effectuating settlements of disputes is equally commendable. Of the 12 cases referred by the President, 2, and all except 1 issue in a third case, have been settled on the basis of the Board's recommendation. Recommendations have been issued in another case and seven additional cases are still pending before the Board.

Of the 22 cases voluntarily submitted, some were rejected by the Board. Of the others, three have been settled on the basis of the Board's or the panel's recommendations. In addition, two other voluntary cases have been settled under the Board's auspices. Four additional voluntary cases are still pending before the Board, and one submission has not yet been accepted or rejected. Five cases have been voluntarily withdrawn by joint actions of the parties after settlement has been reached, based upon the Board's recommendation in a similar case. Can anyone quarrel with this contribution to the defense effort?

I want to conclude, emphasizing that, first, we must have continued production during our period of rearmament; second, we must have some machinery adequate for dealing with labor disputes during this period; third, the disputes functions of the Wage Stabilization Board provide that machinery; and, fourth, the Board's record shows how much it has contributed to the preservation of industrial peace during this period of emergency.

(Mr. GRANAHAH asked and was given permission to revise and extend his remarks at this point.)

EFFICIENCY AND TRIPARTITISM

Mr. GRANAHAH. Mr. Chairman, I rise in opposition to proposals to have an all-public Wage Stabilization Board, or one in which public members have majority representation.

I hear a great deal around the Halls of Congress about the inefficiency of our Government agencies. If these proposals are adopted, I will be forced to agree. However, I will not place the blame for inefficiency on any Board appointed in accordance with such proposals. To be fair, I would have to place the blame squarely on the shoulders of my fellow Congressmen for creating an organization ill suited to the problems of labor-management relations.

Why do these proposals warrant this criticism? Simply for this reason: In place of a tripartite voluntary organization, adapted to the voluntary solution of wage stabilization and labor-management dispute problems, the proposals would substitute an all-public Board, or a tripartite Board, dominated by public members, untrained in labor-management relations, uninformed about wage-stabilization problems, and unlikely to develop policies and procedures which will be voluntarily accepted by both labor and management. In short, these

proposals substitute the unwise and the unworkable for the tried and tested.

The billions this Congress is appropriating for defense will not help this country much if the Congress, at the same time, takes action which is bound to interfere with production. This proposed legislation cannot help but induce strikes and work stoppages. Even assuming that we can keep men on their jobs by the use of injunctions, what effect do you think this compulsion would have on their morale, on the productivity, on the efficiency, on the willingness to give their all in this time of great need? These proposals deprive labor of any effective role in the formulation of a wage-stabilizing policy, and in the resolution of labor-management disputes. Organized labor has publicly gone on record as saying that it will not cooperate with a Board of this kind. Why, then should we jeopardize the entire stabilization program by a move of this kind?

The objections to the present Board really have nothing to do with its tripartite organization. The public members of this Board have never, in a stabilization case, voted on an issue of significance. In effect, this means that the public members have favored, in the end, every policy and every decision which this Board has issued. The charge sometimes made that labor and industry will out-vote the public has proven to be unfounded.

Since the public members of this Board do hold the balance of power and, in effect, control the acts of the Board, the objections really are to the personalities and particular policies which this Board has adopted, and not to its tripartite organization. I do not have to go beyond the Steel case to prove my point. Supposing in that case the public members had cast their votes with the industry members on all issues. Is there any doubt that those who now volubly attack tripartitism would appear as its staunch defenders?

The Wage Stabilization Board has been created to carry out the policies and intentions of the Congress with respect to wage stabilization. If it is the judgment of Congress that this Board has violated congressional intentions or failed to perform congressional mandates, the Congress can easily rectify the situation by legislation establishing unambiguous standards and policies. I am certain that the members of this Board, loyal, patriotic Americans, as they all are, would carry out as effectively as possible all of the Congress' instructions. Indeed, if there is any question about the ability of the present members of the Board to carry out the policies of Congress, I have no objection to requiring that all appointments to the Board hereafter made be subject to Senate approval. But neither of these measures would require the scuttling of the present Board. We can alter its policies where we feel it has been remiss. We can appoint new members if we have lost confidence in the old. We should not, however, destroy by any of these acts the equal participation of labor, management, and the public, which is essential

to a voluntary system of labor-management relations.

Mr. President, I urge all who are interested in good government—efficient government—to vote against these anti-labor, antiproduction proposals.

(Mr. MITCHELL asked and was given permission to revise and extend his remarks at this point.)

Mr. MITCHELL. Mr. Chairman, these amendments continue the questions raised in recent weeks about the tripartite structure of the Wage Stabilization Board. It seems to me an objective study would support this organizational concept as being the most effective means of carrying out the intent of the Congress as expressed in the Defense Production Act.

Under title IV of the act, the Congress provided that wage and price stabilization should be carried out in a manner designed not only to preserve the value of the dollar but also to maintain sound working relations, including collective bargaining; to preserve industrial peace, and to foster maximum defense production.

The proposal now advanced provides that the public members be given majority representation. This ignores one vital fact—that is, the high degree of acceptance of the stabilization rulings of the present tripartite Board by employers and workers affected by these rulings. In only isolated instances has there been resistance or strikes against rulings of the present tripartite Board. This is a remarkable record in view of the fact that there have been over 40,000 decisions by the national Board or its regional boards on the voluntary wage agreements negotiated in free collective bargaining and submitted to WSB for action.

I wonder whether anyone would seriously expect the same high degree of acceptance from either employers or unions if agreements which they negotiated are turned down or modified by a public-dominated board.

I cannot concur in the motion that the interests of labor and management are somehow inconsistent with the public interest. If we are to consider the impact of Government controls on collective bargaining, on industrial peace, and on defense production, we most certainly need the help of people who are able to represent adequately and vigorously the point of view of both labor and management. The best results, under our philosophy of government, can always be obtained through the democratic process of debate and persuasion, where all points of view can be thoroughly explored before a decision is reached.

The substance of tripartitism is equal participation and responsibility for the adoption and enforcement of stabilization policies and decisions. Without equal representation, labor and industry representatives cannot carry on equal responsibility with the public members. Equal representation promotes voluntary cooperation and compliance with the wage stabilization program. Those who are responsible for a policy are willing to enforce it. The present tripartite

structure of the Board is the product of a determination to fully maintain democratic procedures in time of emergency; the strength of tripartitism lies in equal participation.

A common allegation against tripartitism in the Board is that the labor and industry members may outvote the public members. This has never happened in any significant stabilization case yet before the Board. None of the 21 general wage regulations, ninety-odd resolutions, tens of amendments, and thousands of case decisions, have been adopted without the support of the public members. Indeed, the great majority of all Board actions have been taken by unanimous vote.

It has been argued that the public interest cannot be truly represented by the public members of a tripartite board, since they must inevitably seek the middle ground of compromise between extremes. But the public interest means the interest of all segments of the public. As labor and industry are a part of the public, so do their views constitute a part of the public interest. Inevitably, different groups will interpret the public interest in their own particular way. But the history of the Wage Stabilization Board actions shows that all of the industry and labor Board members have recognized their dual roles as representatives of special groups within the economy and, above all, as public officials.

There is another value of equal tripartitism which is overlooked by those who attack the present Wage Stabilization Board. This is the greater support inevitably due a decision arrived at with the participation of all concerned parties. Even a decision reached without the support of either industry or labor would be more readily accepted by both parties than one arrived at by an all-public board. Thus, by maintaining an equal tripartite board, we preserve the active role of management and labor in the stabilization of wages and their consequent support of wage stabilization policies.

These advantages are greatest, as I have said, under a formula of equal representation and responsibility of labor and industry with public members, as at present. The public interest would suffer a greater loss from abandoning this formula than it would ever gain by simply increasing the number of board members representative of the public, or by having an all-public board.

I urge that the Lucas amendment be defeated.

(Mr. LESINSKI asked and was given permission to revise and extend his remarks at this point.)

Mr. LESINSKI. Mr. Chairman, the action of the House today is to destroy all controls. Yes; we are in the midst of plenty in most items. What will happen if this present situation in steel continues? Many manufacturers are already cutting production.

We have got to realize that if during this emergency we have to swing to full war production the balance of this so-called surplus stock will skyrocket in price. Where will we be at? We have

to have a strong price-control law that can be used when the need arises.

The destruction of the price-control law as has been done by the House today nullifies any need for a Wage Stabilization Board.

I want to warn the Members of the House that if prices get out of hand the Members of my side will not be blamed.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, in opposing both the Lucas amendment and the Kearns amendment, I address my remarks particularly in the limited period I have to the Kearns amendment. It seems to me above all that that amendment should be defeated because, if the amendment is adopted, by wiping out the Wage Stabilization Board, it leaves no governmental machinery for the purpose of stabilizing wages, and it places the Congress in the ridiculous position of controlling prices with no agency to stabilize wages. I recognize the cogency of what my friend, the gentleman from Indiana [Mr. HALLECK] said, that the President could establish another board, and my remarks are not to be construed that that could not be done. But, if the Kearns amendment is adopted, it would seem to me that that would be action on the part of the Congress which might well constitute an instruction that no other board of similar character should be established by Executive order or otherwise, and that the only way that it could be done is by act of the Congress itself. While I do not think such an argument would be sound, some persons may advance the same. So that while I oppose both amendments, I particularly call attention to the weakness of the Kearns amendment in that if it is adopted and the Board is completely wiped out, we are put in the ridiculous position of having no governmental agency in existence to pass upon the question of wage increases in connection with the stabilization of our economy.

(Mr. GREEN asked and was given permission to revise and extend his remarks at this point.)

Mr. GREEN. Mr. Chairman, I want to speak on a matter which I consider of the utmost importance to our national defense effort. I want to urge the Members of the Congress to oppose any change in the disputes functions of the Wage Stabilization Board. I think it should be obvious that, no matter how much faith you have in collective bargaining—and I, for one, have a great deal—inevitably a certain number of labor disputes will occur, whether in war or in peace. Congress has recognized this and has instituted measures for the settlement of these disputes. Congress has created the Federal Mediation and Conciliation Service, which extends its aid to the parties in reaching a satisfactory settlement. Congress has also enacted the national emergencies provisions of the Taft-Hartley Act, which, when applicable, insure 80 days of uninterrupted production. But if a dispute is not settled through collective bargain-

ing and through the use of the measures which Congress has provided, the dispute must run its course until, eventually—we always hope—the parties will come to a settlement. This may be a satisfactory method for peacetime but in a period of national emergency, when we must obviously have no loss in production, the inadequacies of such a method should be apparent.

In the first place, the Taft-Hartley Act applies only to labor disputes affecting an entire industry or a substantial part thereof. Senator TAFT himself has recognized that these provisions apply only to a Nation-wide strike. He has said, in reference to the act and the type of labor dispute likely to arise in an emergency period:

That only attempts to cover a Nation-wide strike anyway. It does not attempt to cover the kind of thing most of which you will be dealing with.

The great majority of labor disputes arising in a period of emergency will involve a single plant or, at most, a single company. Though, during peacetime, we may be able to stand the loss of production due to a strike at such a small unit, yet in time of emergency, if the unit is producing vital military parts, we simply cannot tolerate a loss in production. A plant producing parts for jet airplanes, a plant producing an important type of military transport, a plant producing specialized parts for Army tanks, a plant producing jet engines, all these units, though small, are vital to our defense effort. Loss of production at these plants can slow up our entire rearmament program in some of its most important phases. And yet, the national emergencies provisions of the Taft-Hartley Act would not apply to such disputes.

Furthermore, even at the end of 80 days, when the national emergencies provisions of the Taft-Hartley Act have been used and a labor dispute has not been resolved, there is absolutely no other means provided by Congress for settling the dispute. This is certainly a dangerous situation.

The Congress itself has recognized that during the period of national emergency there should be additional means for settling labor disputes. In title V of the Defense Production Act of 1950, it empowered the President to call a labor-management conference and to put into effect the recommendations of such a conference. The legislative history of this section of the act reveals that expectation of Congress was that a no-strike, no-lockout pledge would be given by the representatives of industry and labor, and that the President would create an agency similar to the War Labor Board.

Instead of this, however, the President, by Executive Order 10233, conferred disputes functions on the Wage Stabilization Board. These disputes functions are carefully limited. They may be exercised only in cases affecting national defense and only where the parties have been unable to resolve their disputes through collective bargaining and through the prior full use of mediation

and conciliation facilities. This insures that there will be no bypassing of the Federal Mediation and Conciliation Service. There are only two types of these cases to which the Board's disputes jurisdiction extends: First, cases where the parties voluntarily agree to submit the dispute to the Board for recommendation or decision, and second, cases referred to the Board by the President after he has determined that the disputes substantially threaten the progress of national defense.

Now many of my colleagues in the Congress who realize that, because of the inadequacies of the Taft-Hartley Act, we must have additional means of settling labor disputes during the present period have suggested that, instead of conferring disputes functions on the Wage Stabilization Board, we should provide for ad hoc boards to be established for each dispute case. By such a means, they contend, the parties to a dispute will not know until the board has been appointed, just who will be on the board. Thus, because of uncertainty as to the views of the board, the parties will be more anxious to resolve their disputes through collective bargaining. Secondly, argue the proponents of the use of ad hoc boards, these boards will be much less likely to compromise wage stabilization policies. A wage stabilization board with the disputes functions, they contend, is always under pressure to compromise its stabilization policies.

I believe a closer examination of the problem will reveal the serious disadvantages of having ad hoc boards for disputes cases. In the first place, since the personnel of the boards will vary from case to case, it is quite likely that, in similar cases, different recommendations will be issued. This is an unfortunate result since, when the issues are the same, the recommendations should be the same if we are to be fair to all parties. Furthermore, these boards, far from being less likely to compromise wage stabilization policies, will be more likely to make recommendations which exceed the limits of the stabilization policy. This is for the reason that these boards will not be concerned with stabilization policy. Their job—and the means by which their success is measured—is to resolve disputes. Consider now the pressure which will be brought on a wage stabilization board to compromise its stabilization policy when an ad hoc board brings before it recommendations which are unstabilizing. In addition to the pressure brought on the board by the parties, there will be the pressure of the ad hoc board itself.

In an effort to overcome these disadvantages, some have suggested that the ad hoc boards should confer with the wage stabilization board to determine what are the permissible recommendations under stabilization policy. This suggestion ignores the fact that a wage stabilization board would be deciding an issue without the parties having a chance to appear before the board itself. I do not believe that the Congress wishes to enact a provision which is, on its face, a denial of due process. The Congress

certainly does not wish to contravene our established principles of fair play—that every man shall have his day in court and his opportunity to be heard.

Nor would it even be satisfactory for the parties to petition the wage board as to the maximum permissible increase at the same time that they present arguments before the ad hoc board. Frequently an ad hoc board's recommendation would be in a different form from that in which the parties petition the Wage Stabilization Board to determine the maximum permissible increase. For example, in the steel case the Wage Stabilization Board recommended an 18-months' contract, although neither party had specifically requested such a contract. In view of the stabilizing effect of this long-term contract the Board recommended an additional 2½ cents' increase for the last 6 months of the contract. If the case had been before an ad hoc board and the board had issued such a recommendation, there would have been no means whereby the parties, prior to the recommendation, could have petitioned a wage stabilization board on the question of whether such a recommendation was unstabilizing.

In conclusion, I believe the Congress itself has recognized that in an emergency period additional means of settling labor disputes are necessary. I believe the best hope of resolving labor disputes in our emergency period is to continue the present disputes functions of the Wage Stabilization Board. I urge the Members of Congress to vote accordingly.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE], to close debate on the pending amendment.

Mr. SPENCE. Mr. Chairman, it may be logical to abolish the Wage Stabilization Board. We have practically eliminated price control, and I suppose that would be the logical consequence of that act. I want to say just one thing in regard to the present Stabilization Board. It has been the most maligned board that has ever sat in Washington. It did not usurp the powers they say it usurped. When Mr. Feinsinger was on the stand in our committee, I asked him how they happened to decide the question of the open shop. He said, "We decided it as a court would. We sat as a court and we decided it according to the pleadings. The labor organizations asked for a decision with reference to closed shop. The steel interests made no complaint." They decided it as a court would decide a question on the basis of the pleadings. They decided against the steel companies. After the decision was the first time any objection was made as to its jurisdiction.

Yet throughout the land has gone the statement that the Board arbitrarily usurped the authority to decide that an employee should be a member of a union. Mr. Feinsinger impressed me as a public-spirited fine gentleman who tried to do his full duty. He certainly had great experience in that line of work. Furthermore I want to say that I do not believe in any compulsory settlement of

labor disputes; I think these questions must be settled by collective bargaining, and that in no other manner can you obtain the production you desire, because an unwilling worker will not produce.

Yesterday a manager of a steel company which employs about 4,000 men called to see me. I asked him if any satisfactory settlements of labor disputes as to wages and working conditions could be made in any other manner than by collective bargaining. He said in his opinion they could not, that the rebellious and unwilling worker would not produce; and it is production we need at the present time.

Why impose upon labor the measures they detest, not only the leaders but the employees generally. I hope the steel strike will be settled in the way that will be most beneficial to the stability and the economy of the Nation and to the satisfaction of both parties.

The Lucas amendment prevents any decision by the Wage Stabilization Board provided by it of wage disputes between management and labor. A Wage Stabilization Board without this function to decide such disputes voluntarily submitted to it would be a nullity.

The CHAIRMAN. The time of the gentleman from Kentucky has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. LUCAS] as a substitute for the amendment offered by the gentleman from Pennsylvania [Mr. KEARNS].

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Is my understanding of the parliamentary situation correct that if the Lucas substitute should be adopted question would then come on the adoption of the Kearns amendment as amended by the Lucas substitute?

The CHAIRMAN. The gentleman has correctly stated the parliamentary situation.

The question is on the Lucas substitute.

Mr. ALLEN of Illinois. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. LUCAS and Mr. MULTER.

The Committee divided; and the tellers reported that there were—ayes 176, noes 61.

So the substitute to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KEARNS] as amended by the substitute.

Mr. MORTON. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MULTER and Mr. KEARNS.

The Committee divided; and the tellers reported that there were—ayes 176, noes 73.

So the amendment, as amended, was agreed to.

Mr. MARTIN of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of securing information of the majority leader as to the program for next week.

Mr. McCORMACK. Tomorrow is primary day in Connecticut. They have conventions, and nominations for candidates to Congress are made in convention, so the same situation prevails as on primary day. Consequently we will adjourn over until Monday.

Monday is District Day, and there are three bills: H. R. 7502, National Capital Park and Planning Commission; H. R. 7380, judges retirement bill, and S. 1283, remove limitation on strength of White House police.

Mr. MARTIN of Massachusetts. Is that retirement bill just for the District?

Mr. McCORMACK. Yes, that is my understanding.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Arkansas.

Mr. HARRIS. It affects the municipal court judges of the District of Columbia.

Mr. McCORMACK. Tuesday is North Dakota primary day. However, there is scheduled S. 2198, making mail theft a felony, and House Resolution 653, authorizing the Committee on Interstate and Foreign Commerce to file reports with the Clerk when the House is not in session. The understanding is that if there are any roll calls on that day, they will go over until Wednesday.

For Wednesday and the balance of the week the program is as follows: Continuation of the present bill, H. R. 8210, until completed. Thereafter there will be a conference report on H. R. 7072, the independent offices appropriation bill. I cannot definitely state, but I have been informed that there is a likelihood and a good probability of a supplemental appropriation bill being reported next week, so I will put that on the program in the event it is.

Mr. MARTIN of Massachusetts. Is that the last appropriation bill the gentleman expects?

Mr. McCORMACK. Whether they will all be bracketed into one bill or not, I am unable to state. I think that question is under consideration in committee. That is a matter within the committee and subcommittees of the Committee on Appropriations.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The independent offices bill, I believe, contains an appropriation for the agency we are now discussing. If it is not continued, I presume there will be some adjustment made in the conference report.

Mr. McCORMACK. I personally cannot answer the question of the gentleman from Nebraska.

Mr. MILLER of Nebraska. I thought it was a little premature to bring up that

appropriation bill until we had disposed of this agency, which has a considerable appropriation.

Mr. McCORMACK. I have stated that the conference report on the independent offices appropriation bill will follow further consideration of this bill on Wednesday.

There is a long-range shipping bill that is reported out, and then there is a judgeship bill. A rule has not been reported on either. I do not know whether the legislative situation will be such next week, even if a rule is reported out on either or both of them, that they can be brought up, but I refer to that so that I can be protected in case rules are reported out and either one or both can be considered.

I make the usual reservation that any further program will be announced later, and that conference reports may be considered at any time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mrs. ROGERS of Massachusetts. Will there be any record votes on Monday?

Mr. McCORMACK. If there are any roll calls on any of the District bills, yes.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. JAVITS. What is the leadership's intention with respect to the Agriculture bill to which I objected when request was made for its consideration?

Mr. McCORMACK. I have no personal knowledge as to that. The matter has not been addressed to me as yet. The gentleman objected to its consideration. I assume they will have to resort to getting a rule. I would rather not pass on it at this time. In a day or two it may become an active question if a rule is reported out on it.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. GAVIN. I wonder whether my distinguished and able friend can tell me whether we will recess or adjourn on July 3?

Mr. McCORMACK. I wish the gentleman from Massachusetts could answer that question for himself.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Mississippi.

Mr. COLMER. I wonder if the distinguished majority leader can tell us what day next week he can program the consideration of the bill H. R. 7888, on the Joint Committee on the Budget.

Mr. McCORMACK. The legislative program for next week is such that the gentleman from Massachusetts cannot give it any consideration.

Mr. COLMER. Do I correctly understand by that that the program is all filled up for next week?

Mr. McCORMACK. Yes. The gentleman from Massachusetts just announced the program, which is a very busy one and a full one.

Mr. COLMER. I am just wondering if the gentleman cannot give us some assurance as to when we can get that bill up for consideration.

Mr. McCORMACK. I am sorry, but I am not in a position where I can do that at this time.

Mr. COLMER. We are very anxious that that bill be considered. Then I will have to confer with the distinguished majority leader on that?

Mr. McCORMACK. I am always glad to confer with my friend from Mississippi. He certainly ought to know that, because throughout the years he has been here any conference he has had with the gentleman from Massachusetts has been productive of very good results for the gentleman from Mississippi. Am I not right?

Mr. COLMER. And always most pleasant.

Mr. McCORMACK. Always most pleasant, but also most productive of good results.

Mr. COLMER. I hope this will be no exception.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. HOFFMAN of Michigan. Can the gentleman tell us whether there is any prospect of a recess so that Members on this side can attend the nomination of a President in Chicago?

Mr. McCORMACK. We all know that we have to take either a recess or an adjournment in order that the two conventions can take place. The Republican Convention takes place on July 7. We can argue and fight among ourselves, but we have to have a profound respect for each party. The answer to the gentleman's inquiry, of course, is that there is going to be either an adjournment or a recess. I cannot tell the exact date. I will say off-hand it will be either July 3 or July 5. If we can close up business so that we can take an adjournment, and if not that, a recess, by July 3, I think we ought to do so. I think we ought to get through by July 3. That is my opinion.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 9, after line 10, insert the following new section:

"SEC. 111. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: It is the sense of the Congress that by reason of the work stoppage now existing in the steel industry, the national safety is imperiled and the Congress therefore requests the President to invoke immediately the national emergency provisions of sections 206 to 210 inclusive of the Labor Management Relations Act of 1947 for the purpose of terminating such work stoppage."

Mr. FULTON. Mr. Chairman, I make a point of order against the amendment. I make the point of order, first, that the amendment is not germane to this section, nor is it germane to the title of the bill. Secondly, it is an amendment

aimed at encroaching upon the functions of one of the three separate branches of this Government, and it is as much out of order to instruct the Executive as to what laws to administer and how to administer them as it would be to instruct the courts of this country, a separate branch of this Government, as to what the sense of the Congress is on any court decision.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Virginia [Mr. SMITH] on the point of order.

Mr. SMITH of Virginia. Mr. Chairman, it will be noted that the amendment which I have offered is offered to title V of the bill, and I address myself to the questions first of whether it is germane to the section to which it is offered. It is added to section 503 of the original bill, and the sentence to which it is added reads as follows:

No action inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, other Federal labor standards statutes, the Labor Management Relations Act of 1947 or with other applicable laws shall be taken under this title.

Mr. Chairman, all this amendment does is to merely amplify the language that is already in the law, and to say to the President that we request that you use the Taft-Hartley Act in the present instance.

We do not undertake to enlarge upon existing law. We do not endeavor to change existing law. We merely add to the section that is already in the law a very mild sort of emphasis.

Now, Mr. Chairman, as to the question of encroachment upon the executive department of the Government, over the history of the country, the Congress has from time to time advised the President as to the sense of the Congress. In this particular instance, it should be remembered that just last week, the President appeared before the Congress in person and asked this Congress for advice on whether to use the Taft-Hartley Act or to use some other act, and what this amendment proposes to do is to merely answer the request that the President made of the Congress.

Mr. FULTON. Mr. Chairman, if I may be heard further, the gentleman from Virginia has said that this amendment is for the purpose of amplifying existing law. If it is for the purpose of amplifying existing law, then the objection which I have raised is valid on the basis of the gentleman's own statement, and secondly, unless his amendment changes existing law, it is no amendment.

Mr. SMITH of Virginia. Not amplifying, but emphasizing existing law. That is the term that I believe I originally used, or at least intended to use.

Mr. McCORMACK. Mr. Chairman, if I may be heard on the point of order. I think the RECORD should show that the amendment offered by the gentleman from Virginia is an affirmative proposition. The question of requesting the executive branch is something that the Congress can do, but it should be done by separate legislation. The Chair, I trust, will keep in mind that this is a bill which relates to the control of

prices and wages to stabilize our industry in an emergency against inflation.

The provision to which the gentleman from Virginia refers is a negative one in the organic law, with the understanding that nothing inconsistent with this act be done. The amendment offered by the gentleman from Virginia is an affirmative proposition requesting the President to use the provisions of a certain law. It seems to me that is entirely different than the provision of organic law to which the gentleman from Virginia referred. That law relates to an entirely different subject and was in there simply incidentally in a way and to exclude the operation of the act in relation to certain laws mentioned therein.

But the amendment offered by the gentleman from Virginia is an entirely different proposition; this is not negative, this is affirmative; it imposes additional responsibility. This could be done by a separate bill out of a committee, but this is an amendment proposed to the bill that is before the Committee of the Whole at the present time.

While I recognize that the question is a rather close one, and with all respect to the ruling which the Chair may make, which I shall accept, I think the RECORD should show that this question was not fraught with the possibilities of doubt one way or the other.

Mr. FULTON. Mr. Chairman, may I be heard for one further observation?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FULTON. May I ask the gentleman from Virginia an inquiry, because if he used the phrase "amplifying existing law" inadvertently I do not want to press it. Does the gentleman mean, then, by this amendment that it in no way increases or adds to existing law nor in any way limits the discretion of the executive department so that it has no effect on the executive administration of the particular law the gentleman cites?

Mr. SMITH of Virginia. I think I have made that perfectly clear, but I will repeat it again. The point I made before was that the President in effect wrote us a letter and said: "Shall I do this? Shall I use the Taft-Hartley law? Or shall I do something else?" And we write him a letter back and say: "We think you ought to use the Taft-Hartley Act"; that is all.

Mr. FULTON. Is this just in the nature of a letter and not an amendment?

Mr. McCORMACK. Mr. Chairman, I desire to be heard for a further observation on that.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. McCORMACK. That is not exactly the situation that presents itself to the Committee now. If a bill came out of a proper committee requesting it that would be one thing, but this is an amendment offered to another bill that is pending before the Committee of the Whole, and it is not just quite as simple as my friend from Virginia says, I want the RECORD to show the fact that the President came up here in person and delivered a message. This bill is

before the Congress; this amendment is to the pending bill.

The right and the power of Congress to make a request exists, of course; the question is whether or not this bill can be used as a vehicle for that purpose.

Mr. SMITH of Virginia. Mr. Chairman, I do not wish to prolong this discussion, but I think I should have the right to reply to what the gentleman from Massachusetts has said. What I want to say is this: While this may be somewhat informal, nevertheless that message has been here 10 days. The gentleman from Massachusetts is the majority leader of this House. Had he wanted to answer the letter I am quite sure arrangements could have been made for us to do it in a more formal manner in the nature of a resolution.

The CHAIRMAN. The Chair is interested in hearing any Member who desires to be heard on the point of order, but it seems to the Chair that we are getting a little far away from the question before the Chair.

Mr. McCORMACK. The majority leader cannot act until a committee reports a bill out and a rule is reported on it.

Mr. EBERHARTER. Mr. Chairman, I desire to be heard.

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania.

Mr. EBERHARTER. The question has come before the House as to what was contained in the message of the President; that has been brought up in the discussion. I just want to say that the President requested a statute with respect to the present controversy in the steel industry; he did not request instructions; he requested a statute, and that is the question for the Congress to decide.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule. The gentleman from Virginia [Mr. SMITH] offers an amendment to the bill at page 9 after line 10 which adds additional language to the Defense Production Act of 1950 as amended under title V, section 503.

The gentleman from Pennsylvania [Mr. FULTON] makes a point of order to the amendment that it is not germane to the bill before the Committee.

The only question before the Chair in considering the matter is whether or not the language contained in the amendment is germane to the bill presently before the Committee. The Chair has had an opportunity to study very carefully the language of the proposed amendment, and an opportunity to reread title V of the Defense Production Act of 1950 as amended.

The gentleman from Virginia referred to the language of section 503 which he seeks to amend. The title of title V is "Settlement of Labor Disputes." The gentleman from Virginia proposes in his amendment that the President be requested to invoke the provision of an existing law in the settlement of a labor dispute. It should be pointed out that the amendment does not propose any change in any existing law.

The Chair feels that the language of the amendment is germane to the bill, that the gentleman from Virginia has

offered it at the proper point in the bill, and, therefore, overrules the point of order made by the gentleman from Pennsylvania.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. WIER asked and was given permission to include a minority report with the remarks he made this afternoon.

SPECIAL ORDER GRANTED

Mr. MITCHELL asked and was given permission to address the House for 45 minutes on Tuesday next, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. SIEMINSKI asked and was given permission to extend his remarks in the RECORD immediately prior to the vote on the Potter amendment.

ADJOURNMENT OF THE HOUSE UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

IMMIGRATION INSPECTORS AND OTHER EMPLOYEES OF THE IM- MIGRATION SERVICE

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1539) to amend an act entitled "An act to provide extra compensation for overtime service performed by immigrant inspectors and other employees of the Immigration Service," approved March 2, 1931, with House amendment thereto, insist on the House amendment and ask for a conference with the Senate.

The Clerk read the title of the bill.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 26, 1952
For actions of June 25, 1952
82nd-2nd, No. 112

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HIGHLIGHTS: House debated defense production bill. Senate passed Interior appropriation bill. House received conference report on independent offices appropriation bill. Senate committees reported resolution to extend CCC storage investigation and GI bill for Korea veterans. Sen. Ellender (for himself and Sen. Aiken) introduced bill to make FCA independent, etc. House agreed to conference report on Treasury-Post Office appropriation bill. House sent to conference bill for foot-and-mouth disease laboratory appropriations. House received veto message on immigration and naturalization bill. House committee was authorized to report supplemental appropriation bill today for debate Friday.

HOUSE

1. DEFENSE PRODUCTION. Continued debate on H. R. 8210, to amend and extend the Defense Production Act (pp. 8161-207, 8213).

Agreed to the following amendments:

By Rep. Barden, to end wage and price controls July 31, 1952, by a 118-87 vote (pp. 8204-7).

By Rep. Dague, to modify price control on services of food-locker plants (pp. 8199-200).

By Rep. Cole of Kans., to permit wholesalers and retailers to have their historical and individual mark-ups, by a 105-83 vote (p. 8196).

By Rep. Wolcott, to make clear that the period before June 24, 1950, is the base period (pp. 8202-3).

Rejected the following amendments:

By Rep. Poage, to decontrol the price of any commodity when it remains as much as 2% below the ceiling price for more than 30 days; by a 22-82 vote (pp. 8189-95).

By Rep. Javits, to strike out the provision for price supports at 90% of parity on basic commodities (p. 8195).

By Rep. Rogers of Tex., to provide that farm labor while an employee is not legally required to attend school shall not be deemed to be oppressive child labor, by a 10-97 vote (pp. 8197-9).

By Rep. Multer, to restore the original credit control provision (pp. 8203-4).

2. APPROPRIATIONS. Agreed to the conference report on H. R. 6354, the Treasury-Post Office appropriation bill for 1953 (p. 8160).

Received the conference report on H. R. 7072, the independent offices appropriation bill for 1953. The conferees restored the Thomas leave rider but added a provision to the effect that the provision shall not be applicable to leave accumulated prior to Jan. 1, 1952. (pp. 8207-12.)

Reps. Cannon, Bikes, and Taber were appointed conferees on H. R. 7860, the urgent deficiency appropriation bill which includes appropriations for a foot-and-mouth disease laboratory and flood rehabilitation (p. 8222). Senate conferees were appointed June 19.

The Appropriations Committee was authorized to report a supplemental appropriation bill today for debate tomorrow (Fri.) (p. 8161).

3. IMMIGRATION. Received the President's veto message on H. R. 5678, to revise the immigration and naturalization laws (H. Doc. 520) (pp. 8225-8).

4. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 8341, providing that deposits of sand, stone, gravel, pumice, cinders, etc.; when situated on national forest lands, shall not be subject to acquisition under any other law (H. Rept. 2299) (p. 8231).

5. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 554, recognizing rights of officers and representatives of Government employees' organizations to present employee grievances and to confer with administrative officers on matters of policy affecting working conditions, etc. (H. Rept. 2311) (p. 8231).

6. PUERTO RICO. House conferees were appointed on H. J. Res. 430, approving the Puerto Rican Constitution (p. 8222). Senate conferees were appointed June 23.

7. ELECTRIFICATION. The Public Works Committee reported without amendment H. R. 6436, to change the name of the Bonneville Power Administration to the Columbia Power Administration (H. Rept. 2313) (p. 8231).

SENATE

8. INTERIOR APPROPRIATION BILL, 1953. Passed with amendments this bill, H. R. 7176 (pp. 8100, 8102-23, 8125-40). Sens. Hayden, O'Mahoney, McCarran, Chavez, Cordon Young, and Knowland were appointed conferees. Agreed to all committee amendments (some with amendments). Amendments rejected included: Douglas amendment reducing by \$31 million funds for construction and rehabilitation, Bureau of Reclamation (pp. 8119-23, 8125-30); on points of order Douglas amendments earmarking \$181,000 of funds for Fish and Wildlife Service for education of children of migratory workers (pp. 8133-7), and barring funds for reclamation projects unless provision was made for revenues therefrom (p. 8139).

9. GRAIN STORAGE. The Agriculture and Forestry Committee reported without amendment S. Res. 338, authorizing a 2 months extension of the investigation of storage and processing activities of the CCC (S. Rept. 1808) (p. 8090); referred to Rules and Administration Committee. The "Daily Digest" states that the extension "is for the purpose of writing a report."

10. VETERANS' BENEFITS. The Labor and Public Welfare Committee reported with amendments H. R. 7656, the GI bill for veterans of the Korean conflict (S. Rept. 1824) (p. 8090).

11. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 2720, approving contracts with the Gering and Fort Laramie, the Goshen, and the Pathfinder irrigation districts, and authorizing execution of contracts with

individual water-right contractors on the North Platte Federal reclamation project and with the Northpost irrigation districts (S. Rept. 1809) (p. 8090).

12. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) S. 2918, to prohibit movement in interstate commerce of highly flammable wearing apparel and fabrics (p. D641).
13. SOIL CONSERVATION. The "Daily Digest" states that the Agriculture and Forestry Committee, in executive session, "indefinitely postponed further action on H. R. 3011, to provide for payments under the Soil Conservation and Domestic Allotment Act for conservation practices carried out on federally owned noncropland for the benefit of privately owned adjoining lands" (p. D640).
14. NOMINATIONS. Received the nomination of Jonathan Bingham as Deputy Administrator of Technical Cooperation (p. 8158), and the Interstate and Foreign Commerce Committee ordered reported the nomination of Charles Mahaffie, Anthony Arpaia, and Martin Elliott as members of the ICC (p. D641).
15. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1953. This bill was made the unfinished business for today (p. 8140).

BILLS INTRODUCED

16. FARM CREDIT. S. 3388, by Sen. Ellender (for himself and Sen. Aiken), to increase farmer participation in ownership and control of the Federal Farm Credit System; to make the Farm Credit Administration an independent establishment of the Federal Government; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm credit institutions; to Agriculture and Forestry Committee (p. 8090). Remarks of author (pp. 8091-4).
17. TUNA FISH INVESTIGATION. S. 3389, by Sen. Knowland, to direct the United States Tariff Commission and the Secretary of the Interior to make certain investigations with respect to the United States tuna industry; to Finance Committee (p. 8090-1).
18. HOLIDAY. H. R. 8355, by Rep. Battle, to establish a legal holiday to be known as American Management Day; to Judiciary Committee (p. 8231).
19. WEED CONTROL. H. R. 8357, by Rep. Lovre, to provide for the control of noxious weeds on federally owned or controlled lands, to Agriculture Committee (p. 8231).

ITEMS IN APPENDIX

20. SCHOOL-LUNCH PROGRAM. Rep. Kluczynski inserted a Chicago Back of the Yards Council ^{resolution} commending Congress for the school-lunch program (p. A4188).
21. TAXATION. Extension of remarks by Rep. Simpson in favor of H. R. 7255 and H. R. 8270, the purpose of which is to correct inequities in Federal income tax laws (pp. A4189-90).
22. FAIR EMPLOYMENT PRACTICES. Rep. Aspinall inserted a newspaper editorial on the establishment of a Fair Employment Practices Commission which concludes that "Passing a law cannot erase overnight an evil which has existed for centuries" (p. A4190).

23. PUERTO RICO. Sen. Lehman inserted New York Times and Washington Post editorials criticizing the Senate for adopting an amendment to the bill to approve the Puerto Rican constitution which would prevent amendment thereof without prior approval of the United States Congress (p. M4198).

24. DEFENSE PRODUCTION. Rep. Multer inserted a Journal of Commerce editorial criticizing the Ramsay amendment to the Defense Production Act, which would limit imports of all products in whose manufacture materials are used which are under priorities or allocation controls in this country (pp. M4200-1).

Rep. O'Neill inserted a Philadelphia Evening Bulletin editorial opposing House action in adopting amendments to the Defense Production Act which would "cut the heart out of price controls" (p. M4220).

25. ELECTRIFICATION. Rep. Miller (N.Y.) inserted two newspaper editorials and an International Brotherhood of Electrical Workers (Liberty, N.Y.) resolution favoring the further development of hydroelectric power from the Niagara Falls and River by private enterprise (pp. M4214, M4215, M4218).

26. FARM INCOME. Rep. Cannon inserted a Missouri Farmer editorial which states that the average American has gained a false impression about the well-being of the farmer and compares the farmers hourly income of \$0.69 with other workers having a much higher income (pp. M4214-5).

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COMMITTEE HEARING ANNOUNCEMENTS for June 26: Agricultural appropriation bill, conference (ex). Supplemental appropriations, full H. Appropriations (ex). Minimum Burley tobacco allotments, H. Agriculture. Consolidated insect-research laboratory in Calif., H. Agriculture. Increased retirement annuities, H. Civil Service (State to testify).

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 105A.

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GOWANUS CREEK CHANNEL, N. Y.

Mr. LARCADE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7855) for improvement of Gowanus Creek Channel, N. Y., and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is a so-called emergency measure, that it applies to the port of New York, and will be very helpful in the defense effort.

Mr. LARCADE. That is correct; it is absolutely essential to clear the harbor. There is a bar that has to be taken out that is impeding navigation.

Mr. MARTIN of Massachusetts. And it is a unanimous report of the committee?

Mr. LARCADE. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following improvement is hereby adopted and authorized in the interest of national security, to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans recommended in the report hereinafter designated:

Gowanus Creek Channel, N. Y., in accordance with the report submitted in House Document No. 318, Eighty-second Congress, and subject to the conditions set forth in said document.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING EXCESS PROFITS TAX LAW

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8271) to amend section 457 of the Internal Revenue Code.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this a unanimous report of the committee?

Mr. BOGGS of Louisiana. It is.

Mr. MARTIN of Massachusetts. Just what does it do?

Mr. BOGGS of Louisiana. The bill came out of the Ways and Means Committee unanimously. It corrects a provision in the excess profits tax law which was corrected in the Senate in 1950 when the act was passed. This was left over in conference for further study; this is the result of the further study.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, effective with respect to taxable years ending after June 30, 1950, section 457 of the Internal Revenue Code, as added by section 101 of the Excess Profits Tax Act of 1950, is hereby amended by changing its heading to read "Corporations completing contracts or making deposits under Merchant Marine Act" and by adding to said section 457 the following new subsection:

"(c) Base period earnings credit for deposits under Merchant Marine Act, 1936: The excess profits net income computed under section 433 (b) for any base period year shall be increased by the amount, if any, by which (1) the taxpayer's tax-deferred deposits of earnings, made in or accrued to reserve funds under section 607 of the Merchant Marine Act, 1936, in respect of such base period year, exceeds (2) the amount of such deposits of earnings for the taxable year. The Secretary shall provide, by regulation, for proper adjustment of the deposits made in or accrued to the reserve funds for any taxable year so as to exclude therefrom any amount payable for such year as reimbursement of operating-differential subsidy."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

Mr. ROGERS of Texas asked and was given permission to address the House for 40 minutes on Thursday, June 26, after the legislative business of the day and any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

Mr. JAVITS asked and was given permission to address the House for 10 minutes on Thursday, June 26, following any special order heretofore entered.

(Mr. THOMPSON of Texas asked and was given permission to extend his remarks at this point.)

[Mr. THOMPSON of Texas addressed the House. His remarks will appear hereafter in the Appendix.]

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 110]

Aandahl	Case	Gamble
Abbitt	Coudert	Gore
Abernethy	Cox	Gregory
Addonizio	Dawson	Hall,
Albert	Dempsey	Edwin Arthur
Allen, La.	Dingell	Hand
Bates, Ky.	Doughton	Herlong
Beckworth	Eaton	Hollifield
Bennett, Mich.	Evins	Horan
Burdick	Fenton	Jackson, Calif.
Carlyle	Fisher	Johnson
Carnahan	Frazier	Kean

Kearney	Pickett	Steed
Kennedy	Powell	Stigler
Kilday	Redden	Stockman
McDonough	Reece, Tenn.	Sutton
Mitchell	Richards	Tackett
Morris	Robeson	Taylor
Morton	Roosevelt	Vinson
Moulder	Sabath	Vorys
Norblad	Sasser	Welch
O'Brien, N. Y.	Scott,	Wickersham
Patman	Hugh D., Jr.	Wood, Ga.

The SPEAKER. Three hundred and fifteen Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATIONS BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any rule or rules of the House to the contrary, that it may be in order for the Committee on Appropriations to file a supplemental appropriations bill on Thursday and for the same to be considered in the House on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8210, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, June 20, there was pending an amendment offered by the gentleman from Virginia [Mr. SMITH].

Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 9, after line 10, insert the following new section:

"SEC. 111. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: 'It is the sense of the Congress that by reason of the work stoppage now existing in the steel industry, the national safety is imperiled and the Congress therefore requests the President to invoke immediately the national emergency provisions of sections 206 to 210 inclusive of the Labor Management Relations Act of 1947 for the purpose of terminating such work stoppage.'"

Mr. SPENCE. Mr. Chairman, in the interest of the expeditious consideration of this bill, which is essential, I shall insist on the rules of the House being followed and shall object to any extension of time under the 5-minute rule.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, 2 weeks ago the President appeared in this Chamber before a joint session of the Congress and at that time he asked the advice and assistance of the Congress in bringing about termination of the disastrous steel strike that now afflicts the country. At that time the President asked the Congress to make a difficult decision for him, namely, whether he should use the law of the land, the Taft-Hartley injunction provision, or whether the Congress would give him further authority for seizure which had been denied by Supreme Court decision.

The President was opposed to the use of the Taft-Hartley Act and the President very cogently in his message stated that from his standpoint he was against the use of that provision. At the conclusion of the President's argument on the subject he said:

Consequently, I feel that I should put the facts before the Congress, recommend the course of action I deem best, and call upon the Congress which has the power to do so to make the choice.

The choice lay between use of existing law and the enactment by the Congress of other laws. There have been a number of bills introduced. I know that bills are pending before three committees of the House of Representatives to enact other law. None of these committees have acted, the Congress is about to adjourn or to recess; so the question is plainly up to the House, what answer are you going to make to the President's request, or are you going to entirely ignore the responsibility of the Congress and do nothing?

That is the plain choice, that is all there is to it.

Some of us think that the President should use the law of the land, and all we are saying is that in response to your request for advice on this subject, we say to you: Just use the law of the land, we are not going to enact any other law. That is all there is to it.

I do not see why anybody should get excited about it, why anyone should get excited about suggesting to the President that he use the law of the land and that is all this does.

Some folks say, well, the law of the land will not be effective, the Taft-Hartley amendment is not any good. But what has been the experience? The Taft-Hartley feature of the law has been invoked on nine occasions. Of the nine times that the Taft-Hartley injunction was used only in one case has there been a work stoppage after the 80-day period. In three of those cases they did not even have to get the injunction. When the President appointed the board the thing was settled before injunction was applied for. In five cases there were injunctions and in all of those cases there was not an hour's work stoppage. The whole thing was settled before the injunction was over. In one case, that involving the maritime union, it did not work. I would say that when a law

works in eight out of nine cases it is a pretty good law.

Some people say, well, the unions will not work under the law. Well, if there is any labor union, or if there are any other minority groups in this country, that today say they are bigger than the law and refuse to observe the law, the quicker this Congress and the country knows about it, the better it is going to be both for the unions and for the country.

Now, my friends, I do not want to prolong this discussion. I do not want to get into any controversy about it. It is a simple thing. We ought to do something before we adjourn this Congress, and if we are not going to enact a law, then we ought to say to the President, "Go ahead and use the law that we have."

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we all agree that the proper settlement of the steel strike is essential to the stabilization of our economy and the defense production of our country. This is a very important matter, but it will never be settled unless it is settled right.

Mr. Chairman, we cannot approach this measure with hostility, either to management or to labor. The proper way to settle the strike is by mediation and conciliation or by collective bargaining, and it cannot be settled satisfactorily in any other way.

It has been said that under the Taft-Hartley Act there will be a cooling off period of 80 days. There has already been a cooling off period of 154 days. The men stayed at work, and then at the expiration of that time they proceeded to strike again. I think we all know that those men who are involved in this strike are hostile to the Taft-Hartley Act. Proceeding under that act rather than cooling off will throw additional fuel upon the flames. You cannot change the bent of men. I have no quarrel with labor because they organize. They have but one thing to sell, and that is their labor, the earnings of which support them and their families. It clothes them and houses them and they are dependent upon it for all they have. The industrial producer has many things to sell. He may have a loss on one article and make it up on another. Labor cannot do that. You cannot be hostile to labor because it attempts to assert its rights.

I think it is very unfortunate that this steel strike has occurred. I hope it can be settled amicably. When you send men back to work under injunction, they have not the same spirit that they would have if they went back voluntarily. I think that is a human characteristic. Of course, it is more pleasant for men to work under agreements, to have friendly association with employers, and that is the way it ought to be. Men who are working under those conditions will work better and produce more than working under the compulsory processes of the courts.

There is a practical question here. I think we all want this strike settled, but here by your request you are limiting

the President on the methods he may use. Whether you like the President's views or not, I am sure we all know that he wants to see the strike settled. The President is the Chief Executive of this Government. He is just as supreme in that department as we are in ours. He has a powerful position with great responsibilities, and why do you want to tie his hands as to the methods that shall be pursued? I do not know the status of the steel strike at the present time; I do not know how near they are to a settlement. I hope it can be settled soon. But, suppose they were just on the verge of settlement, the use of the Taft-Hartley Act might prevent the settlement and prolong the dispute.

This amendment is but a request. The Congress recognizes the fact that they can tell the President what methods he shall pursue in his discretion as the Executive head of the Government, but he can use them or not as he pleases. The amendment has no merit. We have not the information with reference to the condition of the strike that the President has. I do not know how near it is to settlement, but let us do nothing that will prevent its speedy settlement under proper circumstances, and with the good will of all.

I hope the amendment will be defeated.

Mr. MULTER. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, if this Congress does not act and act wisely and promptly, the old slogan that "Nero fiddles while Rome burns" will probably give place in history to a new one which might well be written, "The Communist juggernaut drives on while Congress plays games." We have been playing football and kicking this issue around too long.

All the amendment now before you seeks to do is substitute a new game for the old game. Instead of football you are now going to play post office. According to what I heard last Friday, all this amendment would do would be to send the President a letter. We were told last Friday that all that would be accomplished by this amendment would be to send the President a letter and ask him to use the Taft-Hartley law.

There is not a man or woman in this Congress who does not know that we must build up our defenses here and abroad if we would stop the Communist threat. No one denies it. But when the President stepped in and seized the steel mills to give us the wherewithal to continue to build our defenses, many of you mocked and jeered him. The Communists stood back and laughed at us. When the Supreme Court said that it is up to the Congress to give him a law by which to act, you cheered the Supreme Court. Yet you have not done anything about it, and this amendment will not do anything about it.

When the President came before us he said that it is up to us, the Congress, to give him a law by which he can act. He called your attention to the defects in the Taft-Hartley Act, which will not give you steel, the steel which we need to continue to build up the defenses of this country and of free civilization throughout the world. He concluded by saying:

The choice is squarely up to the Congress. I hope the Congress will meet it by enacting fair and effective legislation.

The Congress is not enacting fair and effective legislation. It is not enacting any legislation if it adopts this amendment to the Defense Production Act by which you will send the President a letter telling him to use the law which you and I know is not going to produce steel and is not going to get the men back to work.

It is all right for you to say, as has been said and as you will say again, that no minority is going to stand up against the law. No minority is going to stand up against the law in this country, and unions and laboring men and working men in this country will not violate the law. But when you gave the President the authority to seize our boys and send them wherever they are needed to defend our liberties, these workmen who were producing the material to supply them with the arms for defense turned to with a will to do the job. Now, you want to tell the President to seize these men and tell them to produce so that the steel mills and the steel owners can make more money at the expense of the American taxpayer.

If you think you can force them to produce more profits for the steel barons at their expense and at the expense of the free world, you are mistaken. They will do the right thing if you will enact a fair law and an effective law. They have never refused to stand up and work side by side with all those who have the best interests of this free land at heart, and they will do it again, but they will not do it because of any injunction by which you say, "You work," and at the same time you say to the steel mills, "You take the profits." That is not the American way, that is not the democratic way. The workers of America will produce for defense; yes, they will produce for profit—but they will not produce for the profit of the few at the expense of the many.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it was very interesting to listen to the gentleman from New York draw a sharp line between management and labor. I am not so sure but that perhaps that is the purpose of the opposition to this amendment. Surely we are not going to get the production necessary for the defense effort, if we follow the tactics of the so-called Americans for Democratic Action, which by pitting management against labor and class against class, would create the same situation in America which existed until recently in Great Britain. This issue which we have before us in respect to this amendment is one of the most fundamental issues which has ever been presented to this House. We passed a

law in respect to the settlement of these disputes, and the purpose of that law was to continue production not only in a period of emergency such as we are experiencing now, but even in peacetimes so that they would not be such shocks to our economy as to necessitate drastic action on the part of the Congress. The President of the United States took an oath to faithfully execute the laws passed by this Congress. He has no alternative under his oath of office than to execute the laws passed by the direct representatives of the people. All this amendment does is to reiterate in perhaps too mild terms the desire on the part of the Congress that the President under his oath of office execute the laws that we pass. That is all that it does.

Mr. Chairman, this action is short of impeachment because there is no time for impeachment. This is a serious situation. So we should take the responsibility which is ours, and tell the people that we have requested the President—at least requested the President—to, in keeping with his oath of office, execute the laws which the representatives have passed.

Mr. Arnall and Mr. Putnam should realize that the negotiations which are going on now in respect to the settlement of the steel-wage price dispute is a tripartite conference. Last month they said, "We will not give anyone any consideration in respect to price until they have settled the labor dispute." But, a short time before that they had said to steel, "Yes, you take the package and we will give you \$4.50 a ton." Steel came back and said, "We think we need \$5.50 a ton." So do we realize, Mr. Chairman, that at one time, a month or 6 weeks ago, and this situation can be brought up-to-date if it were not for the stubbornness of the administrators of this act, they were only \$1 a ton apart, and if they probably struck the difference and called it \$5, then the steel strike would have been settled a month ago? The steel strike is being continued now because of the stubbornness of the administrators of this act who will not be realistic and see the facts of life in respect to it.

This amendment is the least we can do to further express the intent of the Congress in respect to this matter.

Mr. O'BRIEN of Michigan. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. O'BRIEN of Michigan. Mr. Chairman, I am opposed to the Smith amendment to put the Taft-Hartley Act in this bill. The controversy in the steel case was pending during the time the Committee on Banking and Currency were holding its hearings on this bill. Never did the sponsor of this amendment propose consideration of this amendment by the committee. It is rash and unconsidered action that is now proposed to be taken by the House of Representatives. I am sure the employees in the steel industry want no unnecessary prolongation of this strike. Their livelihood is involved.

Their sons, too, are in Korea. Their loyalty is more inflexible to the United States even than is that of capital which

can find a congenial climate in which to operate under varied regimes and under almost any flag. Why then is there any logic in using this emergency control legislation as a vehicle by which the weight of congressional influence is thrown on capital's side of this dispute? If we can contribute constructively to a just solution of the wage and other problems involved in the steel strike, let us do so and with all possible speed. But in the name of fairness and for the good of our country let us refrain from an ill-considered and unfair thrust at the cause of American labor. Let us defeat the amendment by the gentleman from Virginia.

Mr. WALTER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER to the amendment offered by Mr. SMITH of Virginia: Insert "Provided, however, That the President shall first obtain from the leading employers in the steel industry assurances that any wage settlement reached during the period of any injunction obtained under the Labor Management Relations Act of 1947, shall be retroactive to January 1, 1952, or to any other expiration date of the prior collective bargaining contracts."

Mr. WOLCOTT. Mr. Speaker, I make a point of order against the amendment on the ground that it is not germane to the bill; and, at least by inference would amend the provisions of the Labor-Management Relations Act of 1947.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. WALTER. No, Mr. Chairman.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule.

The gentleman from Pennsylvania [Mr. WALTER] offers an amendment to the pending amendment offered by the gentleman from Virginia [Mr. SMITH].

The gentleman from Michigan [Mr. WOLCOTT] makes a point of order against the amendment on the ground that it is not germane.

The Chair has had an opportunity to read the language of the amendment. It is the opinion of the Chair that the amendment is not germane to the amendment offered by the gentleman from Virginia [Mr. SMITH], or to the pending bill.

The Chair, therefore, sustains the point of order made by the gentleman from Michigan.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we are simply going through another one of the dramatic fights of the last 20 years. We have heard the remarks of the gentleman from Michigan. One thing about him, he is always consistent and always has been consistent in opposition to legislation that has represented progress, and legislation that has represented the best interests of the working man and the working woman. We now find him taking the floor today and in an emotional outburst talking about the President of the United States not acting or living up to his oath of office. As a matter of fact, the President of the United States, President Tru-

man, obtained far more in the industrial dispute in the field of steel than the Taft-Hartley Act. Further, President Truman was able to obtain close to 100 days of continuance of work. In addition to that, there has been about 3 months more of continued production on the part of the steelworkers without resort to the provisions of the Taft-Hartley Act.

If the President had lived up to the Taft-Hartley Act, the 80-day waiting period, if the injunction had been issued, would have expired long ago and we would still be without steel. There is absolutely no law on the statute books to take over after the expiration of the 80 days provided for in the Taft-Hartley Act which will permit anything to be done or the mills to be taken over, or any other action taken.

The President of the United States has accomplished more by the action he took than he could have by invoking the provisions of the Taft-Hartley Act. Yet they now come in and expect further restraint of the men who have voluntarily continued their work for close to 6 months without resorting to the Taft-Hartley Act, men who have effectively produced steel at the request of the President of the United States during this period.

The Taft-Hartley Act provides a breathing spell. If an injunction is issued the breathing spell is for 80 days. The President has done more than the Taft-Hartley Act could have done, yet we hear Members make arguments and give expression to emotional statements such as have been made by my friend from Michigan [Mr. Wolcott] only a few minutes ago.

As a matter of fact, Phil Murray—I say this objectively—Phil Murray has shown himself to be a real statesman in this industrial dispute. It has been a year ago last December since the steelworkers received an increase, yet since that time there have been increases for the workers of General Electric; there have been increases for the workers of Chrysler, increased within the wage formula, yet steel wages have not increased since December 1950.

Had they adopted the increase recommended by the Wage Stabilization Board it would not have been 26 cents, but 12½ cents as of January 1 of this year, 2½ cents additional, or a total of 15 cents as of July 1 of this year, and 2½ cents more on December 1 of this year, or a total 17½ cents as of the end of this year.

As to the "fringe benefits," they are not wage increases although they do represent an obligation on the part of business; yet, if the steelworkers received everything in the way of wage increases and fringe obligations or benefits recommended by the Wage Stabilization Board and its panel, they would still be behind the wages and fringe benefits received by the employees of General Electric.

So, therefore, if there is to be criticism, there should be criticism elsewhere. I am not now entering into the field of criticizing and I do not think

that criticism at this time is going to be conducive to a solution of the trying situation, but if progress is to be made it must be made by men sitting down around a table with understanding minds in an approach to the solution of the issues or points in difference and dispute. Criticism is not going to be conducive to an understanding mind. However, if you look over the whole period of time leading up to this crisis, the ones who should be complimented are the leaders of labor under the leadership of Phil Murray, because they have been very tolerant and understanding under the conditions.

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio to the amendment offered by Mr. SMITH of Virginia: Strike out the word "requests" and insert in lieu thereof the word "directs."

Mr. SPENCE. Mr. Chairman, I make a point of order against the amendment. The language contained in the amendment is far beyond the power of the Congress to insert.

This Government is divided into three separate and coordinate branches, each independent and supreme in its own sphere—the executive, the legislative and the judicial.

We have no authority to direct the President to do anything within the scope of his authority. He has the right of free choice to take what measures he pleases in order to effectuate the objectives he desires to accomplish. This would put the House in a ridiculous position and I hope that there is some power in the Chairman to protect us from attempting to assume authority which we have no right to assume in invading the province of the Executive.

The CHAIRMAN. Does the gentleman from Ohio [Mr. Brown] desire to be heard on the point of order?

Mr. BROWN of Ohio. Mr. Chairman, the Constitution of the United States—a document which is too often forgotten and overlooked in this House—in section 3 of article II, in stating the President's duties and responsibilities, contains this language:

He shall take care that the laws be faithfully executed.

The President in his message to the Congress asked for instructions as to what to do in the steel controversy. It is constitutional, it is entirely in line with our right and authority, in this particular instance at least, to give the President the instructions or directions that he has specifically requested.

In my opinion this amendment is entirely in order.

Mr. SPENCE. Mr. Chairman, this is new legislation. It is legislation, it seems to me, notwithstanding what the gentleman from Ohio says, that any court in the land that had jurisdiction would declare unconstitutional.

The President's powers are broad. The President could adjourn the House and Senate if they disagreed as to adjournment, he can convene the Congress

when an emergency demands. I may say, too, that he is Commander in Chief of the Army and Navy and is vitally concerned with production. He is charged with increasing production and seeing that the steel plants of the country remain in operation.

Mr. BROWN of Ohio. Mr. Chairman, inasmuch as the gentleman from Kentucky has raised a new point of order, I would like to be heard on the new point he has made.

The Smith amendment has been ruled in order and all my amendment to the Smith amendment does is to change one word, the word "requests" to the word "directs." If it is in order to request the President to do something by this amendment, it is certainly in order to direct him to do so inasmuch as the Constitution provides that he shall execute the laws.

Mr. McCORMACK. Mr. Chairman, I think the gentleman from Kentucky pursued the right course in making the point of order he did, although, personally, I would rather see the matter go to a vote so that the country would know how drunk with power the coalition is.

Coming back to the point of order, and referring specifically to the organic law, that organic law is not compulsory or mandatory. There is nothing mandatory on the President. This amendment has got to be germane.

The Smith amendment was ruled to be germane because of the organic law, the references in the National Production Act to the Taft-Hartley Act. As I stated, going back to the organic law, there is nothing mandatory there.

The gentleman from Ohio says his amendment involves the changing of only one word. You could change the word "may" to "shall" and that would change the whole meaning of a bill or amendment and would be subject to a point of order. So the mere changing of a word is not controlling in itself. It is what the effect is. The word "direct" brings about a completely different effect than the wording of the Smith amendment.

The Smith amendment was ruled to be germane because there is a reference in the NPA organic act to certain other acts which can become traceable to the Taft-Hartley law. Now we have to go back to the Taft-Hartley Act through the National Production Act that we are extending in order to have the Smith amendment held germane. Now you have to go back there again in connection with this amendment to ascertain whether it is germane. The original Taft-Hartley Act does not use the word "mandatory." It is discretionary, and it provides for machinery that the President can resort to, if he desires. It is not mandatory, and there is nothing in the National Production Act which changes that. So, on the question of germaneness, regardless of the constitutional aspect, if that is something in the same that the Chair can pass upon—without regard to that, it seems to me that the amendment is not germane for the reasons I have stated.

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania on the point of order if he desires to be heard.

Mr. FULTON. Mr. Chairman, I was going to make the point that under the existing 1947 Labor-Management Act the word "may" is used, so it is discretionary alone. Making it mandatory does change and amplify existing legislation, which is the point of order that I might have made.

I was going to ask a parliamentary inquiry of the chairman of the Committee on Banking and Currency. Would it not be possible, because this raises a basic issue, to have this point of order withdrawn and have a vote which I think the House is entitled to on this particular question, although I might disagree with it?

Mr. SPENCE. I shall not withdraw the point of order. I believe the language in the Constitution says that the President shall take care that the laws are faithfully executed. Let him take care.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Ohio [Mr. BROWN] offers an amendment to the amendment offered by the gentleman from Virginia [Mr. SMITH]. The gentleman from Kentucky [Mr. SPENCE] makes the point of order against the amendment on the ground that it is not germane to the so-called Smith amendment.

The Chair has had an opportunity to read the amendment offered by the gentleman from Ohio. Permit the Chair to advise the committee that the Chair is not called upon to rule on the question of constitutionality of a matter submitted. The Chair is only required to rule on the question of germaneness.

The Chair is of the opinion that the amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment offered by the gentleman from Virginia [Mr. SMITH] is germane; that the amendment merely proposes to change one word in the amendment offered by the gentleman from Virginia [Mr. SMITH]. The question of whether or not the Congress shall direct or request is a matter not before the Chair to determine but for the membership of the committee.

Therefore the Chair overrules the point of order made by the gentleman from Kentucky [Mr. SPENCE].

Mr. BROWN of Ohio. Mr. Chairman and members of the committee, a little over 4 years ago the Congress of the United States passed a law called the Taft-Hartley Act to meet conditions such as those which exist in the present steel controversy. For some unknown reason, or at least unknown until yesterday or the day before, the President has seen fit to either fail or refuse to use the law given to him by the Congress to meet the emergency situation in the steel case. The President then seized the steel plants of the Nation under what he claimed to be an inherent constitutional right but which action the Supreme Court of the United States ruled

was unconstitutional and was therefore null and void.

Then the President of the United States delivered a message to Congress in a hastily called joint session in which he insisted that the Congress give him instructions and directions as to what to do in the steel controversy.

He, also, asked for authority from the Congress to seize private property. This Congress on five different occasions by five different actions has refused to do so.

We have been called upon to answer the President's demand that we give him instructions and directions. In the Congress of the United States rests the inherent power that governs this country. This is a government of the people and we, as representatives of the people, are here assembled in the Congress of the United States, with an amendment before us to request the President to do that which section 3, article II, of the Constitution requires him to do—to take care that the laws be faithfully executed.

What are we, in Congress, going to do? Just continue to be mice rather than men, and say to the President, "Now, if you do not want to faithfully execute the law we will just request you to do so. We will request you to enforce the law. We will request you to abide by the provisions of the Constitution. You have asked for our instructions and directions, but we are not going to give them to you. "We will neither direct nor instruct the President, but will just request him to do this, the very thing we have already said should be done once before by the passing of the Taft-Hartley Act. So we are going to request him to faithfully administer the laws of this country.

Why should we not be strong enough to say to the President, "You have asked for our instructions and our directions. Here they are. Abide by the law. Use the law we have given you." He will have received an explicit, direct instruction from the Congress when we do that, rather than a simple request.

However, if we adopt this Smith amendment as offered, and make only a simple request, the President can easily say, "Congress did not tell me to do it. They did not instruct me and direct me to do it, as I asked them to do. Instead, they just requested me to use the Taft-Hartley law. Of course, I will not do anything I am requested to do if I do not want to do it."

After this steel situation gets a little worse I suppose we will have another resolution offered saying, "Mr. President, will you please, pretty please, follow the Constitution and faithfully execute the laws of the Nation which we have given you?"

I say to you, if you believe the President should use the Taft-Hartley Act, and abide by the law as enacted by Congress, then you should say so plainly and unequivocally, without any argument or discussion, by adopting this amendment I have offered.

Mr. Chairman, I hope my amendment to the amendment will be adopted. In fact, I hope the gentleman from Virginia, the author of the original amend-

ment, will accept my amendment to his amendment.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman, it is a rather peculiar argument the gentleman from Ohio made. He implores the Congress to be strong enough to direct the President of the United States as to what he shall do. This implies that you shall be strong enough to disregard the provisions of the Constitution, to disregard the duties and the obligations of the different branches of this Government, and to invade the province of the executive branch of the Government.

Every Member here took the oath that he would support and defend the Constitution of the United States against all enemies, foreign and domestic, and that he would bear true faith and allegiance to the same. That is an essential oath. To attempt to invade the authority of the executive branch is certainly a violation of the spirit of that oath.

I do not believe there is a lawyer in this House who would say this direction to the President is constitutional.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a question?

Mr. SPENCE. Just for a question.

Mr. HOFFMAN of Michigan. Agreeing with the gentleman from a legal standpoint, should we not be courteous enough, after the President asked us, to tell him?

Mr. SPENCE. No; I think that is a very specious argument. Whether the President requested it or not, the Congress has no constitutional authority to direct him as to what he shall do to endeavor to settle the strike.

This is absolutely disregarding the province of the Chief Executive. He did not get his powers from the Congress. He got them from the founding fathers. It is the greatest Constitution any government in the world has ever operated under. For 163 years it has been the charter of our liberties. Yet we hear gentlemen say, "Disregard the Constitution. Be strong enough to ignore its provisions and send a message to the President of the United States." We have no authority to send such a message to the President. I do not care how you feel with regard to the President of the United States. I challenge any lawyer in this House to say that he thinks we have the right to direct the President under the circumstances that exist to take any particular action in this controversy. I do not hear any response, and you cannot make any response. If the constitutionality of this amendment was considered by the courts, I am sure it would be held unconstitutional. I hope the Congress of the United States will not put itself in the position of ruthlessly invading the executive department, for if we do so what argument will we have against other departments usurping the power of the legislative?

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the so-called Smith amendment. At the

very least, I want the people of the district I am privileged to represent to know exactly where I stand, and why, on the issues presented by this proposed amendment.

Let us make that issue crystal clear. It is really very simple, and yet very, very fundamental. Let us not attempt to becloud it with all this discussion of collateral matters extraneous to the actual issue before us.

The pending amendment has nothing to do with the merit, or lack of merit, of the Taft-Hartley Act. The inescapable fact is that the Taft-Hartley Act is the law of the land. It was placed on the statute books and made the law of the land after the most painstaking consideration. We formally voted twice to make it the law, overriding the President's veto by more than the two-thirds majority necessary.

More than that, the Congress has even formally voted against a repeal of the law, notwithstanding the great pressure exerted for its repeal. We again considered various aspects of the law when we adopted certain perfecting amendments we found necessary from our experience with it in its practical applications. Those amendments had my support.

What's right or wrong about the Taft-Hartley Act is not the issue here. Nor is the issue whether the unions or the steel companies are right or wrong in the position they take. When we cast out vote on this amendment we will not be voting for or against the Taft-Hartley Act, nor will we be voting for or against either the unions or the steel companies.

The question, and the only question, presented by the Smith amendment is whether we, as Representatives of the people, purporting to represent all the people, believe that the law of the land should be invoked to meet a grave emergency situation confronting the entire country. It is just as simple as that. On a fundamental issue of this character I cannot see how any Member of Congress, however much he may dislike the Taft-Hartley Act, and however much he may be beholden to organized labor for its political support, can possibly vote against the pending amendment.

It has been argued that no useful purpose would be served by invoking the emergency provisions of the act, as the the union leaders will probably defy the injunction if one is granted. The President made that argument in his recent message to Congress. I was astounded. It amounted to a suggestion to the steelworkers to refuse to obey any injunction that may be issued by a court of the United States.

I am truly amazed that any Member of Congress, much less the President of the United States, should even suggest that a law should not be invoked because it will probably not be obeyed. That is as sound and as logical as saying that a policeman has no duty to arrest a law violator if the policeman has reason to believe that the man might resist arrest. To contend that the law should not be invoked, as it may not prove to be an effective remedy, is as nonsensical as say-

ing that a doctor should not prescribe a well-known treatment for a well-known disease unless he is absolutely sure it will effectuate a 100-percent perfect cure.

Mr. Chairman, Philip Murray has said that the President promised him he would not invoke the Taft-Hartley Act. What Philip Murray promised the President, I do not know. I do know, however, that our whole country's security is at stake by virtue of the stoppage of vital steel production. I do know we are faced with an emergency situation. I also know that the President sent a message to Congress asking us for our suggestions.

By voting for this amendment we will be saying in reply: "Mr. President, invoke the law of the land written by the people's representatives in Congress for just such an emergency situation and successfully used by you on several previous occasions." I deeply regret that it has become necessary for the Congress to ask the President of the United States to discharge his duty under the Constitution to execute faithfully the law of the land.

The Taft-Hartley Act emergency provisions having been invoked, we are then in a position to determine what, if any, additional emergency legislation may be desirable or necessary under the circumstances of the steel case to insure the safety, security, and welfare of the country as a whole.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the Brown amendment and all amendments thereto conclude in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. MASON. Mr. Chairman, I object.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. I want first to address myself to a statement made by the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], to the effect that in this controversy, the steel controversy, the President had already done more than could have been done under Taft-Hartley. He seeks to reduce the matter to just a simple question of days, like the 80-day provision in the national emergency provisions of the Taft-Hartley Act. It just is not that simple, and that is not a fair explanation nor a fair comparison.

What I think a lot of people forget is that, under the provisions of the act, when the President finds that a national emergency strike occurs or threatens he appoints a board to inquire into the particular controversy. This board reports in a short time, something less than 5 days, on the facts. Then, if the President sees fit, he can request the Attorney General to apply for an injunction. If that injunction is granted, what happens then? It is not just that the parties sit down and wait for the 80 days to run, but the law provides for the Mediation Service to step in and to promote the processes of real, genuine collective bargaining; and that is what everybody wants, but apparently it is what everybody is afraid of for some reason or other, espe-

cially those who oppose this amendment and who speak so viciously of the Taft-Hartley Act.

At the end of the 80 days, if agreement has not been reached, the last offer of the employer is made public knowledge; then within 15 days a vote is taken at the employee level on whether or not to accept the last offer of the employer.

As distinguished from that action, which should have been taken under existing law, what have we seen?

We have seen seizure invoked, which is to me completely antagonistic to collective bargaining. In the case before the Supreme Court do not forget that representatives of the railroad brotherhood were present, arguing against seizure.

There are many Members here, some of whom I am now looking in the eye, who drafted the Taft-Hartley Act. Do not forget that it was written here in the House of Representatives; it was written here in the Hartley Act, and one of the things that caused us the most concern was the question of how to deal with these national emergency strikes—and whether you believe in it or not, seizure was not incorporated, but this process set out in the law was the one adopted, and it is the law of the land.

I certainly have much sympathy with those who hold that it is a rather ridiculous thing for the Congress of the United States to find it necessary to ask the Chief Executive to enforce the law of the land. I trust that we are not here setting a precedent by which each time something like this arises we will have to ask the President to do the very thing that the Constitution obligates him to do.

Let me make a prediction: The steel strike is going to be settled within a week.

Maybe the gentleman from Michigan [Mr. RABAUT] thinks that is funny. I do not think it is funny. He should agree with me that the controversy ought to be settled within a week; and if they will get the Government taking less of a part in it perhaps they can sit down and get it worked out.

I also say that it is some what futile, possibly, to request the President or even direct him to enforce the law of the land, because he said in his press conference a few days ago that he was not bound to do what the Congress wanted him to do. He said that the Taft-Hartley Act was generally written for peace time and hence it would not apply now. That is a complete reversal of thinking, but at least it lets us know that he has come to realize the present situation for what it is, that we are actually at war.

But to my mind a much more serious thing than that transpired when Mr. Murray—and I have the highest regard for him; nobody ever heard me castigate him; certainly I shall not—went out to my State of Indiana and said in so many words that he had a deal with Mr. Truman before Christmas, last December, that if the union would postpone its strike on January 1, the provisions of the Taft-Hartley Act, the injunction, would not be used against them. So I

say advisedly, that when Mr. Truman came up here and asked us for advice he already had so compromised himself by bargaining away his duty and his responsibility that probably he could not enforce the law if we asked him to.

Finally, it should be understood that we are not attempting here to invade the prerogatives of the Chief Executive. Nor are we passing on the possible merits or demerits of the Taft-Hartley Act.

What we are doing is expressing a conviction that the President should follow the course he is supposed to follow which is simply to administer to the best of his ability and in good faith the laws passed by the Congress.

Mr. SPENCE. Mr. Chairman, I understand that the House will adjourn at 5 o'clock this afternoon to pay respect to the memory of a very distinguished former Member of the House, the late James Wadsworth. As we cannot remain in session any longer than that time, I ask unanimous consent that debate on the pending amendment and all amendments thereto conclude at 12:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HALE. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto conclude at 12:40.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. CRAWFORD. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto conclude not later than 12:40.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 173, noes 39.

The motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Under this limitation is the Chairman of the committee, who has already spoken once on this amendment, entitled to be heard again under the rule?

The CHAIRMAN. The chairman of the committee could rise in opposition to a pro forma amendment and be recognized again.

Mr. HOFFMAN of Michigan. Under the limitation?

The CHAIRMAN. Yes; under the limitation.

Mr. HOFFMAN of Michigan. Was not the time limited on both of the amendments?

The CHAIRMAN. And all amendments thereto.

Mr. HOFFMAN of Michigan. The Brown amendment.

The CHAIRMAN. On the Smith amendment and all amendments thereto, and a pro forma amendment is an amendment thereto.

Mr. MULTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MULTER. I have an amendment at the desk now to the Smith amendment which, of course, would not be in order until we disposed of the Brown amendment. Would it be in order to have my amendment read for the information of the Committee?

The CHAIRMAN. Yes; if the gentleman asks unanimous consent.

Mr. MULTER. I ask such unanimous consent.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FULTON. Mr. Chairman, I ask unanimous consent that the time that has been allotted to me be given to the gentleman from South Carolina [Mr. DORN].

The CHAIRMAN. The Chair earlier during the discussion on this bill under the 5-minute rule, in the light of objection that was made, said that the Chair would not entertain any such request in the future for allocation of time when time is fixed.

Mr. FULTON. May I make a further unanimous-consent request that my time be called immediately following the time of the gentleman from South Carolina [Mr. DORN]?

The CHAIRMAN. That is within the control of the Chair. The Chair will try to accommodate the gentleman.

Is there objection to the request of the gentleman from New York that his amendment be read for the information of the Committee?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. MULTER to the amendment offered by Mr. SMITH of Virginia: After the last word in the Smith amendment insert "Except that in view of the fact that the workers in the steel industry have voluntarily withheld any work stoppage for a period in excess of the maximum time during which an injunction could have been in force, the President is requested to proceed as though such injunction had been granted without, however, applying for such an injunction."

Mr. SMITH of Virginia. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The amendment has merely been read for the information of the Committee and has not been presented by the gentleman from New York for consideration.

Mr. WOLCOTT. In keeping with the procedure to reserve a point of order, would that not lie at this time?

The CHAIRMAN. The point of order can be raised when the gentleman from New York offers his amendment formally. It is merely offered for information on this occasion.

(Mr. WILLIAMS of Mississippi asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. WILLIAMS of Mississippi addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. DONDERO asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. DONDERO addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, my sense of propriety is not offended by the Brown amendment, but I would like to make the observation that there is nothing in it that is any more compulsory than is to be found in existing law. The President in refusing to use Taft-Hartley law is already in defiance of established policy of Congress. If observance and obedience to law was a matter that was optional on the part of the President, then the argument of the gentleman from Kentucky [Mr. SPENCE] would be pertinent. The gentleman from Kentucky objects to the amendment because it impinges upon the constitutional rights of the President. I fail to get the force of that statement; in fact, I do not think it is pertinent to the question because the President is as much bound by the law as you or I, and he is at the present time, in my judgment, in defiance of the law.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Chairman, I rise in support of the Smith amendment. I do this with some reluctance because I think it most unfortunate that the Congress should find itself in the position of having to make any requests upon the President. The President has his constitutional duties to perform and we have ours. It is ordinarily beyond the province of the Congress to make requests of the President as to how he shall handle work stoppages imperiling the national interest, or as to how he shall handle any situation within his constitutional province. However, in the present instance, the President came before a joint session of Congress and said it was a question with him of using what he called the Taft-Hartley approach, which he did not wish to use, and the seizure approach, which he did wish to use. The Supreme Court had told the President that he could not use the seizure approach without new authorizing legislation from the Congress. Both branches of the Congress had told the President quite plainly that they are not in favor of his seizing the steel industry. There therefore remain only the provisions of the Taft-Hartley law. It is unfortunate that the President seems to have taken pleasure in thwarting the will of Congress. More than that, he said quite significantly that the strikers might not obey a Taft-Hartley injunction. The implication, as I read it, was that if the strikers were in contempt of court, the President's sympathies would be with them. Indeed, his speech was almost an incitement to contempt. It is, of course, entirely true that we cannot force the President to act under the Taft-Hartley law; we cannot force him to take any particular step with respect to this work stoppage. If this amendment should be defeated, which I can scarcely imagine, the President would then be in a position to say that Congress refused to give him seizure legislation and, at least by implication, disapproved the use of the Taft-Hartley

law. We certainly cannot allow a recalcitrant President to impute his recalcitrance to the Congress and get away with it. I therefore think it is our plain duty to support the amendment offered by the gentleman from Virginia.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT. Mr. Chairman, ever since last December when the threat of a Nation-wide steel strike became imminent there have been loud cries that the President should use the Taft-Hartley Act to meet this crisis. There has been so much shouting about this solution to the steel crisis that we have lost sight of the basic facts involved.

We should remember that the Taft-Hartley Act merely provides an 80-day delay of a strike. Furthermore, the board of inquiry which is established under the act has no power to recommend a fair settlement. The act merely provides a delay of a settlement and it does not provide the most important element of all—machinery for the recommendation of a fair settlement of the issues in dispute.

At the request of the President last December 650,000 steelworkers postponed a strike scheduled for December 31. They stayed on the job for 99 days while the Wage Stabilization Board listened to the issues in dispute and made its recommendations for a just settlement. Up until the evening of April 8 there was every hope that the parties would reach a settlement, but when the President was advised that an impasse in bargaining had been reached he had no alternative but to resort to Government operation of the steel mills in order to prevent a serious breakdown in vital defense production.

If the President had invoked the Taft-Hartley Act on the evening of April 8 there would have been an inevitable delay of a week to 10 days within which the board of inquiry made its initial report to the President. Then under a Taft-Hartley injunction the workers would have been forced to stay on the job for 80 days, although they had voluntarily stayed at work some 99 days already, while the Wage Stabilization Board conducted detailed hearings on the issues in dispute. In the face of these facts, the President acted with complete justification to maintain essential steel production and at the same time, in the American tradition of fair play, to enable the Government to accord the steelworkers just treatment during the period in which in the national interest they were forced to abandon their resort to a test of economic strength in their dispute with the steel companies.

The Supreme Court has ruled that the President under the circumstances existing on April 8 exceeded his constitutional authority. Accordingly, the President has relinquished control of the steel mills and we are faced with the very situation which the President sought to avoid—a crippling strike in the steel industry, the industry which is the very backbone of our defense mobilization program.

The President has turned to the Congress for help in this situation. It avails us little to turn a deaf ear to his presentation of the facts in this case. To tell the President to resort to Taft-Hartley now is to tell him to waste a week or 10 days in setting up a needless board of inquiry and to force 650,000 steelworkers who have cooperated fully with the Government's stabilization rules to return to their jobs at 1950 wages while the steel companies continue to make profits on a 1952 price basis. The steel companies, who have continually refused to bargain in good faith unless guaranteed a price increase, will be benefiting from their refusal to abide by our stabilization rules.

This is not equal justice under the law. This is not the American way of doing things. The Congress cannot escape its responsibility to enact seizure legislation which will restore essential steel production and at the same time enable the Government to treat both management and workers fairly during the period when this vital industry must proceed under Government operation if we are to meet our defense production goals.

(Mr. BARRETT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, the amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment of the gentleman from Virginia [Mr. SMITH] can be described, and will be described as a "slave-labor" amendment. It seeks, as does the Taft-Hartley law, to swing the whole power of government and law enforcement machinery into the ranks of steel industry management and to force the workers in the steel industry to go back to work at the risk of heavy fines and other measures which a court might take to punish for contempt of its injunctive decrees. In itself, the procedure provided for in the Taft-Hartley Act, and which is sought to be effectuated by this amendment is unfair and un-American. But under the present circumstances, when the steel workers have voluntarily refrained from walking off the job, as they were entitled to do the moment their contract expired, and have stayed at work for 150 days, the tyranny of the Taft-Hartley procedure is even more offensive to one's sense of justice.

This amendment is nothing but a petty political attempt to force the President, by leaving him no alternative at a time when the national security is gravely threatened, to invoke a law that can accomplish, by force, nothing more than has already been accomplished by the voluntary agreement of the union. Supporters of such an amendment seem to forget that while these long-winded negotiations have been in progress, the steelworker has had to take home a wage that has lagged continuously behind the cost of living, a deficiency that is felt on his dinner table and seen in the clothes his wife and children wear. Nevertheless, this amendment is a direct slap in the face to that same steelworker,

forcing him to go back to work for another 80 days without any better hope of the settlement of his wage demands.

A review of the Smith amendment, however, brings me to compliment my colleague from Ohio in one respect at least. The gentleman from Ohio has stood up on his hind legs and taken definite action in this important matter. He has responded to the clear choice which President Truman presented to this Congress when he told us there should be adequate seizure legislation enacted or that the Taft-Hartley Law should be used. The gentleman from Ohio repudiates any possibility of seizure legislation and in straightforward terms directs the use of Taft-Hartley.

Not so with the amendment sponsored by the gentleman from Virginia. This amendment makes a game of volleyball out of the national security and with its approval the problem will be batted back to the President without a single solitary change in the realities of the situation. Everyone knows that the application of the pertinent provisions of the Taft-Hartley law is discretionary with the President. Under that law, section 206, the President may appoint a board of inquiry, and he may—section 208 (a)—direct the Attorney General to seek an injunction. The Smith Amendment changes none of that; it brings the country no nearer a solution of this grave problem.

The amendment is neither fish nor fowl. It does not take a positive stand like the suggestion offered by the gentleman from Ohio. It makes no provision for a solution after the 80-day Taft-Hartley injunction has expired. It is patty-cake, lollipop legislation that adds up to absolutely nothing—zero. Just a big fat goose egg, as far as getting steel into the tank and munition plants of the Nation is concerned.

It seeks only to put this Congress on record as favoring the use of a club on American labor. It seeks to replace collective bargaining with the injunction decree and the contempt citation. I ask that these unjust amendments be repudiated in the name of common decency.

And furthermore, Mr. Chairman, it is my fervent hope that when the House proceeds today and tomorrow to take final action on these 1952 amendments to the Defense Production Act, it will move to undo the crippling damage that has been done to the vital machinery on which we rely to keep our national economy on an even keel in this period of crisis.

It is my hope that we will see a great repentance for the sins that were committed against the best interests of the consuming public of this country. As usual, an unholy coalition has been running things here and, whatever may have been the motives of those who joined, it is certain that, as Economic Stabilizer Roger Putnam so aptly described it, a "to-h—with-the-consumer spirit" prevailed in this House. These special-interest, decontrol amendments seem diabolically designed to create more inflation rather than to hold the line and keep economic forces in balance at this

time when we just cannot afford to let anyone rock the boat.

How can we shut our eyes to the meaning of this action for the millions of Americans who must fight the battle of inflation in the grocery store, the butcher shop, and the clothing store. I have observed with some wonder the almost uncanny genius of the Republican Party for picking out the precise issue where the average American consumer and the small-business man, who is also a consumer, have the most at stake and I have watched the members of that same party blast away at those interests with reckless, ripper amendments to this anti-inflation law. This is, perhaps, the political marvel of our generation and during the past week we saw the same routine acted out again with strict adherence to the usual script.

It is not my purpose, however, to impress upon my Republican colleagues the elementary fact that the housewife looks for someone to blame when the weekly grocery bill drains her pocketbook. I am here pleading to keep that grocery bill within reasonable limits. I am here asking this House to back away from the brink of economic chaos to which it has brought the Nation by this sabotaging of our price-control machinery.

Specifically, let us beat down the Talle amendment which means the end of price control as the consumer knows it. The Consumer Price Index now stands within a point of the highest mark it has reached in modern history. The Talle amendment does nothing more nor less than to pull the safety valve off the boiler. To complete the metaphor, the escaping steam symbolizes the vanishing into thin air of the standard of living which the American people once enjoyed.

Let us knock out the amendment to emasculate the Wage Stabilization Board which, outside of the much publicized steel dispute, has had an excellent record of settling labor disputes within the framework of stabilization policy.

This bill as it now stands ravaged by the action of the House in the Committee of the Whole is bad enough, but let us at least resist any further attempts at strangulation of our efforts to keep living costs down and our economy producing the materials we must have to preserve the national security.

I earnestly request the Banking and Currency Committee to insist on roll-call votes on all crippling amendments so that the American people will know where each of their Representatives stand on this most crucial issue.

(Mr. RABAUT asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. ARMSTRONG].

(Mr. FULTON asked and was given permission to yield the time allotted to him to Mr. ARMSTRONG.)

Mr. ARMSTRONG. Mr. Chairman, I rise to oppose the Smith amendment and all amendments thereto. I do not have time to apologize or express my

deep regret that I must oppose so many leaders of my own party and of the majority party as well, but I oppose this amendment for three reasons:

First, the amendment violates the principle of the separation of powers in the Federal Government as set forth in the Constitution. The executive power is vested in the President. Now he has asked us what he should do to settle the steel strike. The only responsibility the Congress of the United States has is to pass legislation for him to administer and to execute.

Secondly, I oppose this amendment because it would set a dangerous precedent. In effect, we ask the President to perform his duties under the Constitution. If we do that, then pretty soon all the Federal agencies will be sitting back and saying, "Well, we don't have to execute this law unless Congress gets angry enough to ask us to."

Thirdly, I oppose this legislation because of its utter futility. You cannot make Harry S. Truman a good President by congressional resolution. He is supposed faithfully to execute the Office of the Presidency, as the Constitution says, to the best of his ability. An able and a courageous President, one who observes his duty under the Constitution, would not have run up here to the Hill to ask Congress what he should do. He would have done his duty under existing law, or he would have asked for new legislation.

Mr. Chairman, I think we ought to let this matter go into the hands of the President to do what he thinks is wisest and best. If he does not do what is wisest and best, then, of course, we will have to go along with the same ineffectual and bungling leadership to which the country has become accustomed. But I repeat that it would set a dangerous precedent for Congress to tell the executive agencies and the executive leaders from the President down what they should do in regard to laws already on the books. We in Congress should let the Constitution operate as established.

May I close with this remark on the part of a new Member of this body: It seems to me we should face up to our responsibility, the responsibility of Congress to pass legislation that will prevent these crippling strikes. If new legislation is needed, to bring peace and cooperation between management and labor and at the same time to protect the rights of the public, then let us get busy and pass such legislation.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, I do not believe that anything we do here by way of the Smith amendment or the Brown amendment will necessarily compel the President to seek a Taft-Hartley injunction. I think the most helpful thing that could happen now would be for all Government auspices to be withdrawn. Let them try to settle the steel strike by free collective bargaining. If that does not happen, the President may, of course, have to use the Taft-

Hartley injunction, although he has given reasons why he believes some other approach would be more fair at the present time. I hope if he does use it the workers will respect the injunction.

I want to say a word about another matter that was up for debate during the consideration of the Lucas amendment. The gentleman from Illinois [Mr. VAIL] placed in the RECORD some statements from the files of the Un-American Activities Committee dealing with certain public and labor members of the Wage Stabilization Board. I think it is only fair that replies of three of those members, Mr. Brophy, Mr. Childs, and Mr. Sigal, be presented to you for your consideration. I have here the statements of these gentlemen, and I am going to present them to you at this time. They are as follows:

STATEMENT OF JOHN BROPHY BEFORE HOUSE COMMITTEE ON EDUCATION AND LABOR IN ANSWER TO CONGRESSMAN VAIL, MAY 21, 1952

My name is John Brophy. I am an alternate member of the Wage Stabilization Board. Prior to this position I was consultant of the International Confederation of Free Trade Unions to the United Nations for 1 year.

I was one of those who helped to found CIO in 1935 and for 4 years I was its National Director under the chairmanship of John L. Lewis. Following this for 10 years under the presidency of Philip Murray I was national director of Industrial Union Councils, CIO's State and community central labor bodies.

It is not my purpose to cover the ground already covered in the testimony of the labor members of the WSB, Messrs. Walker and Childs. That field has been adequately covered by them as to the position of the AFL and the CIO on the subject of wage stabilization.

Rather it is my purpose to deal with a phase of the record made on May 9, when Congressman VAIL propounded a series of questions as to the qualifications of certain unnamed individuals to sit as members of the WSB. These questions are based upon testimony of one Benjamin Gitlow submitted before the House Un-American Activities Committee.

Even though I am unnamed, it is evident, that I am one of those the Congressman tried to smear since there is sufficient information for identification purposes.

I became a member of the United Mine Workers of America in 1899. I was elected president of District 2, United Mine Workers of America, in 1916 and served in that capacity for 10 years. In 1927 I ran against John L. Lewis for the national presidency of the United Mine Workers of America, and according to the published official count was defeated. Shortly thereafter I was expelled for protesting what I considered the officers' violation of the union constitution and sound trade union policy. This was an intra-union affair entirely, and no question of loyalty to the country was involved in any way.

The great body of my support in that election in the miners union came from democratic trade-unionists. If Communists at that time opposed Lewis and therefore supported me, they did so for their own reasons which were not mine. I deny flatly that I "consorted" with Communists.

If Lewis ever accused me of being a paid agent of the Soviet Government he was only indulging in florid campaign oratory. There isn't a word of truth in it and he knows it.

All the expenses I incurred in my campaign (several leaflets and one automobile trip outside my own district) amounted to less than \$250 and were paid out of my own money. I received no contributions from the Communist Party or from individual Communists. I might add that I was reinstated by Mr. Lewis in the UMW in 1933 and continued to be a member until after the UMW withdrew from the CIO and expelled all members who remained with the CIO.

As to what transpired in the inner circles of the Communist Party as referred to in the testimony, I would have no knowledge. But since they claim to have been in on the ground floor of everything since the invention of the wheel it would not surprise me if they had laid claim to having a hand in even my humble affairs. My trade union policies before, during, and since my campaign against Lewis were determined only by me, regardless of the claims of Communists or ex-Communists.

I was a member of a trade union delegation to Europe and the Soviet Union in 1927. It was sponsored, not by the Communists as claimed in the testimony, but by various American trade unionists and liberals, and was led by James H. Maurer, president of the American Federation of Labor's Pennsylvania State body.

I presume the Portland conference mentioned was the Federation of the Pacific, composed of west coast A. F. of L. and independent unions. On invitation of this group in 1937, I was assigned by John L. Lewis, then chairman of the CIO, to address this conference on the aims and purposes of CIO.

I repeat the statement in my letter to the House on Un-American Activities Committee when these false charges were originally made:

"I deny completely and emphatically that I ever received one penny, directly or indirectly, from the Treasury of the Communist Party in my campaign for the presidency of the United Mine Workers of America. I enter this denial whether that statement was made by Ben Gitlow or anyone else, now or at any other time. I am not a Communist. Neither am I a Soviet agent, as claimed, and never have been. I am and always have been opposed to the philosophy of communism. No one knows this better than the Communists themselves. If at any time they have expressed approval and apparently supported views and policies for which I stood, they have done so without approval or consultation with me."

Those who indulge in the dissemination of baseless allegations and intimations against fellow citizens, public officials, or a great labor federation, such as the CIO and its responsible representatives, do an injury to social justice and truth. They weaken the fabric of a decent American society and endanger America in the great struggle between totalitarianism and the free world. Trade unions can be a powerful force in aiding the common cause to which all free men are committed. Their full cooperation should be welcomed rather than restricted.

Naturally I am concerned in maintaining my good name, but even more I am interested in promoting the general welfare of America and its people. This I conceive to be possible only if democracy is strengthened. Free trade unionism is an extension of democracy in the field of labor-management relations.

I have had a long, active life in the trade-union movement. My work during all of these years has been in the open. I have operated according to the American democratic pattern with complete loyalty to and faith in the Constitution and its great Bill of Rights.

I am proud to stand on this record, confident in the knowledge that I have never

committed a disloyal act to my country, from the day that I first went down into the mines in Indiana County, Pa., at the age of 12 to the present.

This is my answer to the insinuations which have been introduced into the records of this committee.

STATEMENT OF JOSEPH W. CHILDS BEFORE HOUSE COMMITTEE ON EDUCATION AND LABOR IN ANSWER TO CONGRESSMAN VAIL, MAY 21, 1952

Before concluding, I should like to say a few words with regard to certain charges made by Congressman VAIL during Mr. Feinsinger's testimony before the committee on May 9.

Perhaps Mr. VAIL's remarks are better described as insinuations than as charges.

What Congressman VAIL did was this: He read to Mr. Feinsinger what he asserted to be excerpts from testimony given at public hearings of the House Un-American Activities Committee and newspaper reports. Mr. VAIL did not give the date of these Un-American Activities Committee hearings, nor did he give the names of the witnesses he was quoting. Mr. VAIL did not name the individuals thus back-handedly accused. Instead he asserted that they were members of the present Wage Stabilization Board and indicated that they were CIO members.

Never having appeared before a congressional committee prior to this day, I cannot claim to be familiar with the procedure followed at committee hearings. Perhaps that is why I am shocked and surprised by Mr. VAIL's method of making these charges.

He said that he was quoting from public hearings before the Un-American Activities Committee (Tr. 639). Why then did he omit to state when these hearings were held, or to supply any information which would enable those against whom he made his dirty insinuations to locate the transcript?

I assume that the witnesses before the Un-American Activities Committee whom Mr. VAIL quotes were identified when they testified. So far as I know, it is not the practice of congressional committees to permit witnesses to wear masks or to refuse to give their names. Why then did Mr. VAIL omit to identify these witnesses, and even go to the length of striking out their names where they appeared?

The witnesses before the Un-American Activities Committee presumably gave that committee the names of the people they were making charges against. But Mr. VAIL also deleted those names, and leveled his insinuations only against unidentified CIO board members.

Now, since Mr. VAIL is exempt from the libel laws when he speaks here, it is difficult to understand the reason for this grotesque and unfair procedure. I can only conclude that Mr. VAIL has a preference for unidentified informants over named witnesses, and that he prefers vague insinuations to direct charges.

Further, Mr. VAIL chose to make his insinuations when Mr. Feinsinger, who could not possibly answer him, was on the stand, rather than any of the individuals he accused. Evidently, Mr. VAIL prefers to make his insinuations behind peoples' backs, rather than to their faces.

Mr. VAIL appears to be interested in smearing, not in getting at facts. This is a technique of the Communists and the Nazis. It is not the technique of Americans.

Some of Mr. VAIL's insinuations are so vague that it is not possible to say against whom they were directed. However, one of them is identifiable as being directed against me. On pages 648-649 of the transcript of May 9, 1952 the following statement by Mr. VAIL appears:

"Let us deal with another individual, also a member of the labor group.

"A statement of the Civil Rights Congress opposing Red-baiting and attacks on Communists was signed by this individual, identified as president of a local of the United Rubber Workers, from the Daily Worker of May 25, 1947. The Civil Rights Congress has been cited as an organization formed in April of 1946 as a merger of two other Communist-front organizations, International Labor Defense and the National Federation for Constitutional Liberties. It was dedicated, not to the broader issues of civil liberties, but specifically to the defense of individual Communists and the Communist Party, and controlled by individuals who are either members of the Communist Party or openly loyal to it. This is Report No. 1115 of the Committee on Un-American Activities, dated September 2, 1947.

"Attorney General Clark cited the Civil Rights Congress as subversive and Communist, press releases of December 4, 1947, and September 21, 1948."

Since I am the only member of the United Rubber Workers serving on the Wage Stabilization Board, it was quite evident to me when I read Mr. VAIL's statement that I was the individual to whom he referred.

I have secured a copy of the Daily Worker of May 25, 1947, and the Daily Worker does list Joe Childs, president of Local 9, United Rubber Workers, Akron, Ohio, as a signer of a petition opposing Red-baiting by the House Un-American Activities Committee.

I have searched my memory and I do not remember signing such a petition. I also cannot remember having any familiarity with or knowing anything about the Civil Rights Congress 5 years ago, in May 1947.

It is not and has never been my practice to associate or collaborate with Communist groups or organizations. To the contrary, I have always opposed and actively fought against Communist attempts to infiltrate the Rubber Workers Union and the CIO. If I signed this Civil Rights Congress petition, and I suppose that it is possible that I did, even though I do not remember it, I certainly did so without knowing that the organization had any tie-up with the Communists. The name "Civil Rights Congress" certainly sounds innocuous enough, and in 1947 I was opposed, as I am today, to the type of Red-baiting in which Mr. VAIL, for example, engages. I notice that, according to Mr. VAIL's statement, it was not until some time after May 1947 that Attorney General Clark cited the Civil Rights Congress as subversive. It seems to me a little unreasonable for even Mr. VAIL to expect a local union officer to be more forehanded in these matters than the Attorney General.

I have never been a member of the Communist Party and never expect to be. I have never been sympathetic with communism and never expect to be.

I consider myself as good an American as anyone else, and a better American than anyone who uses a congressional committee and congressional immunity to smear other people through unproven insinuations.

At the conclusion of my testimony Mr. John Brophy, another CIO labor member, wishes to reply to thinly veiled references directed at him. CIO member Benjamin Sigal will also have a statement on this same subject. He was present on Friday, May 16, when CIO labor members were originally scheduled to appear. He is unable to be here today and requests an opportunity to be heard on Monday or Tuesday, May 26 or 27, or some other date in the immediate future.

STATEMENT OF BENJAMIN C. SIGAL, CIO MEMBER, WAGE STABILIZATION BOARD, BEFORE COMMITTEE ON EDUCATION AND LABOR, MAY 27, 1952

My name is Benjamin C. Sigal. I am a CIO member of the Wage Stabilization Board.

I am here to respond to certain vague insinuations which were introduced into the record of this committee's hearings on May 9, 1952, as well as to answer any questions which the committee may have in regard to the Wage Stabilization Board and its policies.

According to the transcript of May 9, 1952, Mr. VAIL made the following statement:

"The New York Times of September 21, 1947, reported that this individual was attorney for the United Shoe Workers, cited as one of the unions in which the Communist leadership was strongly entrenched at that time. He appeared in behalf of the Washington Chapter, Americans for Democratic Action, to protest against passage of H. R. 7595, hearings on legislation to outlaw certain un-American and subversive activities. What would you say about him?"

I assume that this statement refers to me inasmuch as I am the only labor member of the Wage Stabilization Board who is an attorney. I also assume that the conclusion which Mr. VAIL sought to infer from this statement is that the conduct attributed to me was in some respect derogatory, although he made no statement to that effect. It is for this reason that I have characterized the statement as one of vague insinuation.

It is true that in September 1947 I was an attorney for the United Shoe Workers. This is an international which was then, and is now, affiliated with the CIO. I first began to represent that organization in June 1946 and terminated my relationship with them in the fall of 1947. I had no previous relationship with that union in any capacity whatever, and so cannot testify as to the existence of Communist leadership in its ranks prior to 1946. However, I can assert, as my conviction, that at the time I was representing that organization its leadership was not communistic and that Communists were not strongly entrenched in the organization. It is possible that there were some Communists in the lower ranks of its leadership. I am confident, however, that the national officers of the organization were not influenced in their policies by any Communists or Communist sympathizers in their ranks.

Mr. VAIL's statement is presumably based on the pamphlet issued by the Un-American Activities Committee in 1944, in which it is stated that the United Shoe Workers is one of the unions in which Communist leadership was strongly entrenched. Since I had no connection with the organization at that time I cannot make any statement about Communist influence in 1944. I think it only fair to note, however, that even if that statement were true in 1944—and I am not prepared to admit the truth of that statement merely on the authority of that pamphlet—there is no reason to assume or assert that such was the case in 1947 when I was representing the union. To assume that I was a Communist sympathizer because I represented a union which may have harbored some Communists, is a conclusion utterly unjustified by logic or reason. I am not now, and have never been, a Communist or sympathetic with Communist ideology.

Mr. VAIL's statement then goes on to point out that I protested against the passage of H. R. 7595, which later became the McCarran Act. Our democratic processes have indeed sadly deteriorated if it can now be said that one is tainted with subversion merely because he testifies against a proposed law which deals with subversive activities. What I said about the McCarran Act is spread on the records of the committee which handled the law. I do not propose now to reiterate my statements concerning it. It should suffice to say that the arguments I used were substantially similar to the ones President Truman used in vetoing the bill. The arguments I used were sub-

stantially similar to the arguments used by such Senators as KILGORE, LANGER, LEHMAN, and others when they opposed it. The arguments I used are similar to those used by the Members of this House who opposed it. It should be noted furthermore that four present members of this committee voted against the bill. Is Mr. VAIL prepared to assert that President Truman, as well as the distinguished Members of Congress who opposed the bill, are also tainted somehow with Communist sympathy? If not, I submit it was highly unfair even to suggest that my conduct was in any degree questionable because I testified against that bill.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. KERSTEN].

[Mr. KERSTEN of Wisconsin addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. Without objection, all Members on the list in the possession of the Chair may revise and extend their remarks.

There was no objection.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. Is it not possible by unanimous consent to secure the same permission for other Members who may want to speak but are not on the list?

The CHAIRMAN. Without objection, all other Members may extend their remarks on the pending amendment at this point.

There was no objection.

Mr. VORYS. Mr. Chairman, I am voting for the Smith amendment. I think the President should use Taft-Hartley procedure in the steel strike. I think he should have used it long ago.

We have got to make it clear that neither the unions nor management nor the President are above the law or beyond the law in labor-management disputes, and Taft-Hartley is the law, and will continue to be until it is changed by Congress. I voted for it. I voted in 1949 for amendments that time and experience had demonstrated would improve the law, but these amendments were defeated by the Fair Deal. If the President will use the law now, instead of abusing it, instead of evading and avoiding it, I think this strike will be settled. In any event, by using the law we can find out whether further legislation is necessary. At present I am against any kind of seizure law. I believe in the collective-bargaining procedure, the democratic last offer and last chance to accept, provided by the Taft-Hartley Act. We need steel production, but we need also to protect the fundamental freedoms of workers and employers.

The President has requested the advice of Congress on this subject. Of course his request was political, to get him off the spot between the Supreme Court and Phil Murray. I do not believe, however, that we should play politics with his request, but should answer it in good faith. This is what Congress has done. We have denied seizure powers, and by this vote are advising the President to execute existing law.

It is argued that for Congress to ask the President to obey the law he is sworn to uphold creates a bad precedent. I suggest this precedent will apply only when we have a bad President, and I hope that conditions will continue for only a few months more.

It is argued that the voluntary delay in striking in the steel case takes the place of the involuntary delay that may be required under a Taft-Hartley injunction. If this is true, then every delay in work stoppage during a labor dispute becomes an excuse to evade the law. The Taft-Hartley Act permits a court to enforce an involuntary delay in concerted action, while leaving every workman free to work or quit, as he desires.

In a time like this, when our men are fighting in Korea, we must protect the rights of individual workers here at home, but in disputes between unions and management organizations, the public interest, the safety of our Republic, must come first.

Mr. McGRATH. Mr. Chairman, the proposed amendment which, in effect, directs the President of the United States to invoke the Taft-Hartley law is just in keeping with the many amendments that have been offered to destroy this bill. A continuation of price control is necessary to stop inflation. The passage of this measure without the amendment is the only sensible and logical way in which we can have real price control.

I am in receipt of the following three letters: One from Martin T. Lacey, president of the Central Trades and Labor Council of Greater New York and Vicinity, A. F. of L., and a man who has done a great deal for organized labor and who understands the needs of the people of our country. It is as follows:

CENTRAL TRADES AND,
LABOR COUNCIL OF
GREATER NEW YORK AND VICINITY,
New York, N. Y., June 24, 1952.

MY DEAR CONGRESSMAN: We strongly urge the continuation of price controls where it affects food, fuel, everything relating to the farmer's needs and to the housewives' budget.

Do all you can to defeat the Talle amendment as it will place heavy burdens on the housewife's budget if controls are ended causing living costs to zoom. Run-away inflation will follow placing in jeopardy the stabilization of the American economy.

Respectfully yours,
MARTIN T. LACEY,
President.

The following letter was received from Mr. Thomas A. Murray, the distinguished president of the New York State Federation of Labor, A. F. of L., representing hundreds of thousands of people in the Empire State which also urges the adoption of strong price control:

NEW YORK STATE
FEDERATION OF LABOR,
New York, N. Y., June 24, 1952.

MY DEAR CONGRESSMAN: Inflation can destroy American security just as readily as enemy bombs.

Vote and urge your brother Congressmen to support price controls where it affects the housewives' budgetary household needs and thus support the American economy and help continue the American way of life.

Respectfully yours,
THOMAS A. MURRAY,
President.

The International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, A. F. of L., has added its strong voice in a plea to Congress to pass the proposed bill without the amendments which would in effect destroy it. That letter is as follows:

JOINT COUNCIL No. 16,
INTERNATIONAL BROTHERHOOD OF
TEAMSTERS, CHAUFFEURS, WAREHOUSE-
MEN AND HELPERS OF AMERICA,
June 24, 1952.

My DEAR CONGRESSMAN: Vote in favor of retaining price controls because the American economy can be most readily destroyed by a run-away inflation.

The backbone of our American way of life is the family, the home, the children. Do not destroy the budget upon which the American housewife depends to provide the daily needs of her family group.

Vote the continuation of controls.

Respectfully yours,

LEONARD GEIGER,
Recording Secretary.

Mr. Chairman, I therefore will cast my vote against the Brown amendment, the Smith amendment, the Talle amendment, the Lucas amendment, and the Harrison amendment, and I urge the House to pass the committee bill without these crippling amendments.

Mr. RADWAN. Mr. Chairman, the present amendment would not be before us had it not been for the fact that on June 10 the President addressed a joint session of Congress, asking the Congress for aid or direction in the steel crisis. A strong and courageous President would never have done this. For that matter, a strong and courageous President would have acted with greater propriety in the first instance by preventing a muddle instead of encouraging it.

Frankly, I am not sure that the present request, if passed by this House, will mean anything to a President who has already by improper remarks, openly issued an invitation to the steel workers to continue the strike in the event the Taft-Hartley law is invoked. This the President did on two occasions: First, on June 10 when he addressed the Congress; and, second, at a recent press conference on June 19, or thereabouts. For the President to doubt in advance that the law would be disobeyed if invoked by the Chief Executive, amounts to bad faith, not only to all of the American people generally, but it is bad faith to the very steelworkers whom the President pretends to befriend.

The American people, including the steelworkers, all expect the President of the United States to keep faith with his oath of office, and give due respect to the laws of the land.

Since the President has stultified himself in coming before the Congress on June 10, I feel that I have no alternative but to give him the courtesy of an honest reply by voting in favor of this amendment. But, I do so in good faith, not only for myself, but for those whom I represent. Those I represent expect similar good faith from the Chief Executive. We do not expect a statement from the President with an attitude—"I did not want to use the Taft-Hartley law, but Congress asked me to." Such an attitude on his part would be a full invitation

seeking disrespect for the Taft-Hartley law, if he decides to use it. Of course, if we do not pass this legislation, we could expect to have the President say that Congress did not want me to use the Taft-Hartley law. This is all the more reason why we must, today, reply affirmatively and disregard any other considerations of impropriety, whether it be his or ours.

Certainly, if the President admits his weakness and his inability to deal with this crisis, the least we must do is to comply with his request. Common courtesy requires this. Our need for steel commands it.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, there is one aspect of this entire attack on labor with which I am concerned. And that is that for the past 2 or 3 months I have been trying to determine leading issues for campaigning in my district for reelection in November. I have been somewhat concerned because I have found a satisfied, full-time working program with a lot of our workers so it has been rather difficult to arouse them to any aggressive political activity. But, I am sure as a result of the wires and letters I have received from workers in the city of Minneapolis, that they are considerably alarmed at the position of this Congress in its attitude and its approach to the question of this steel dispute. I feel satisfied now that I will have the same issues again in 1952, the issue which brought me here in 1948 with a 17,000 majority as a result of my opposition to the Taft-Hartley Act.

Mr. Chairman, this amendment is a vindictive attack against the President of the United States and the workers in the steel industry.

That is all it is. It certainly provides no means whatsoever for settling the steel dispute, much less for bringing it to a conclusion in a manner that would be fair to all parties concerned—the steel companies, the steel workers, and the American people.

What is the real situation with which we are confronted? In the first place, and I stress this point, the demands of the steel workers are thoroughly reasonable. The representatives of the American Federation of Labor on the Wage Stabilization Board have prepared a detailed analysis of the Board's recommendation in the steel case. The conclusion of the A. F. of L. members is that not only do these recommendations fail to give the steel workers benefits which other workers have received, but on the contrary, even if the recommendations of the Board were put into effect the steel workers would still be far behind most of A. F. of L. unions. This analysis further emphasizes that the recommendations of the Wage Stabilization Board in the steel case were conservatively within the limits of its well-established policies. As a matter of fact, the steel case is simply the most publicized "catch-up" case the Wage Stabilization Board has processed.

Despite the fact that their demands were not at all excessive, the steel work-

ers have already waited 120 days without taking any action to gain their demands. It was only after waiting all of that time and after there seemed to be no other avenue open to them, that they finally did cease work.

What is now proposed in the Smith amendment? In the first place there is no assurance that anything at all will result in the passage of this amendment. There is nothing in the amendment which requires the President to do anything. It simply asks the President to invoke the emergency provisions of the Taft-Hartley Act. The President has already made it clear that nothing is to be gained by his taking such action, and it is very unlikely that he will do so simply on the basis of such a request.

Secondly, even if the President should invoke the emergency dispute provisions of the Taft-Hartley Act, all that can be done under that act of any significance has already been done. The Taft-Hartley Act provides that the President shall say that there is a national emergency. Certainly no constructive purpose can be served by such a finding in the light of the accepted fact that if the steel dispute should continue for a prolonged period the Nation would undoubtedly be confronted with such an emergency.

The act then provides for a cooling-off period of 80 days, but the steelworkers have already gone through a cooling-off period of 120 days. What purpose can be served by attempting to force them to wait for another 80 days?

The third step is the appointment of a fact-finding board to make recommendations. The Wage Stabilization Board was just such a fact-finding board, and it has made recommendations which were thoroughly in harmony with accepted stabilization principles. What possible purpose can be served by the appointment of still another fact-finding board to plow over the same old ground and undoubtedly arrive at the same conclusions?

The only other step called for by the Taft-Hartley Act—and the only one which has not been utilized to date—is the holding of an election among the employees to vote on the last offer of management. The experience with such elections has shown that union members do not readily forsake their just demands when they vote in such elections. Moreover, in this case it would be very difficult to determine precisely what the last offer of management was, since it is quite clear that the companies involved in the Steel case are split among themselves and have not agreed on any offer to the steel workers.

Even if all of these apparently meaningless steps should be followed, the 80-day cooling-off period would elapse in September or October at a time when Congress would probably not be in session. The Nation would then be faced with exactly the same problem it faces today to which the Congress would have provided no solution whatsoever.

The proposed amendment can achieve no solution of the serious problem we face of securing resumption of steel production. If the Taft-Hartley Act is ap-

plied in this situation, it will simply deprive the workers in the steel industry of the wages and working conditions to which they are entitled, while the companies will be assured of continued high-level profits. Certainly this is the very opposite of the even-handed justice which all groups in this Nation have a right to expect from their Congress.

Mr. Chairman, the Smith amendment can achieve no constructive result. It will either be completely ineffective or it will do positive injustice to the steelworkers who have already been deprived of a fair disposition of their just demands.

I therefore urge my colleagues to vote down the Smith amendment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, the Taft-Hartley law, which the gentleman by his amendment would invoke, was, at the time of its passage by the Congress, regarded as punitive legislation aimed at putting all organized labor in a strait-jacket.

It is clearly evident that the gentleman from Virginia and a group of labor haters still regard it as a club at their convenience with which they seek not social, economic, and political equality, but a means to gain their major objective—the destruction of all unions.

The sponsor of this amendment has been the author or supporter of most of the antilabor legislation offered in the Congress in the past decade. I refer to the Smith-Connally Act, the Taft-Hartley Act, and his more recent attempt to put the entire Nation into receivership.

President Truman appears to be the gentleman's pet peeve. If he feels that the President is not abiding by the Constitution and the laws he has taken an oath to enforce, then he should consider impeachment of the offender.

I object to his venting his wrath on all organized labor, and particularly on 650,000 steelworkers, in order to get at one individual. I recall the great sage of Monticello and his ideas of the equality of man. I wonder how hymn of hate fits into his theory.

I also protest the amendment on the ground that it is not germane to any section of the pending legislation. The proposal is only a gesture. The Taft-Hartley law says the President may, after certain preliminaries are taken care of, seek a court order. It appears to me that the gentleman could better direct his energy in a move to amend the Taft-Hartley law making action mandatory.

I ask, Mr. Chairman, will the gentleman's proposal produce steel? Is it not a subterfuge for action the Congress should take now to meet the emergency? Even though I stand as one "crying in the wilderness," I want to register my objection to the recess or adjournment of the Eighty-second Congress until such time as the Congress has met this issue by concrete legislation that will insure equality under the law to all segments of our economy.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, the Congress enacted the Taft-Hartley Act some years ago. It is on the books. The President has declined to use the emergency procedures contained in it, although he has used those procedures in nine other cases, and has asked for other legislation which would shorten the 80-day period and abolish the Board. He prior to that, had seized the mills, an action which was declared unconstitutional by the Supreme Court of the United States. Now he wants to pass the political buck to the Congress by having us tell him all over again what to do. It seems to me it is rather like "painting the lily" for the Congress of the United States to take any such action as is here proposed. Furthermore, at this season of the year, it looks like a political buck-passing game, and I am against helping anybody pass a political buck. Congress has taken its share of the responsibility by passing the law. The President has not yet taken his by carrying out the provisions of the law. When he has done that, then the buck passing can begin. Mr. Chairman, I am against both amendments, as it is entirely unnecessary for the Congress to tell the President what to do when he already has law upon the statute books—and has taken an oath to administer the laws of the United States. This amendment requesting the President to invoke the law has all the earmarks of a political booby trap.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, this is a very serious period in the history of the United States, when the Congress finds it necessary to direct, implore, or request the President to execute the laws which the Congress has passed and thereby uphold the Constitution. It raises the question as to whether the present occupant of the White House is President of the United States or a dictator.

It raises the question as to whether he is beyond the law because of what he thinks are his inherent powers, which the Supreme Court says he does not have, in defiance of the opinion of the public and the will of the Congress. It certainly raises the question as to whether this Congress should not give serious consideration to Mr. SHAFER's discharge petition, which is on the Clerk's desk, which would allow the House to proceed with impeachment of the President.

We have no assurance, we have no means of knowing whether the rank and file of labor is willing to accept the last best offer in the steel strike which the Taft-Hartley act would reveal by a vote of the strikers as provided in that act. We know that there is at least an understanding between the head of the Steel Workers' Union and the President of the United States not to use the Taft-Hartley law in this instance. But we know he found it necessary to use the

Taft-Hartley law in several other instances, but not in this case. The question is why? I think that is one of the responsibilities and obligations of the Congress to find out in the best interests of the health and welfare, the national defense, and economy of this Nation. Perhaps the following news story from the June 23 edition of the Chicago Tribune reveals the reason why President Truman will not invoke the Taft-Hartley law in the steel strike:

CIO HEAD TELLS PLEDGE NOT TO USE TAFT LAW—EIGHT THOUSAND IN GARY HEAR BLAST AT IKE

Philip Murray, president of the CIO and its steelworkers, said yesterday in Gary that President Truman had given him a pledge not to use the Taft-Hartley law to end the steel strike.

He asserted he received the pledge last December 24, when Mr. Truman called him and asked that a strike then scheduled for January 1 be deferred.

Murray quoted the President as telling him, "If you will voluntarily agree to suspension of the strike, you need have no fear of the courts imposing the Taft-Hartley injunction on your union."

Since the courts could issue the injunction only on application of the Government, this assurance was equivalent to a pledge not to invoke the law.

CALLS RANDALL A "LIAR"

Murray spoke before 8,000 strikers who filled Memorial Auditorium and stood in the street outside, where his remarks were audible over loudspeakers. An estimated 90,000 strikers live in the Chicago area; 75,000 are members of the Gary local 1014, and 10,000 of the neighboring East Chicago local 1010.

Despite his reference to the Truman pledge, Murray criticized Clarence Randall, president of the Inland Steel Co., for saying that Murray and Mr. Truman had "made a deal." Murray said he had "more respect for the office of President than try to do such a thing."

He accused Randall of "deliberately lying" and said the steel executive denied later in Washington that he had made the statement. "I called him a liar again," Murray said.

Murray charged the steel companies with conspiring to prevent a strike settlement.

CHARGES MISREPRESENTATION

He accused the companies of carrying on a campaign of misrepresentation of the issues and charged that the companies are controlled by the banks.

"I am prepared to carry on this fight, struggling and sweating just like you are, right down to the bitter end until a wholesome and satisfactory solution of our differences has been reached," he said.

Murray also assailed General Eisenhower for returning to the United States from Europe "without even trying to comb the salt out of his hair, putting on civilian clothing, and, with complete ignorance of the facts, saying, 'I don't see why they don't use the Taft-Hartley law.'"

The CHAIRMAN. The time of the gentleman from California has expired.

The Chair recognizes the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, there has been more hokey, more baloney, more pure political poppycock purveyed in the debate on this question than any since I have been in Congress. The charge has been made that the President has violated his oath of office and

has failed to enforce some provisions of the Taft-Hartley law that it was his duty to enforce. As a matter of fact, this is not true at all. It is true that the President has failed to use the power that was given him in the Taft-Hartley law to try to stop the steel strike. But this was a matter of discretion with him. Frankly, I think he should have used the provisions of the Taft-Hartley law before he ever seized the steel mills but I can quite well understand his hesitation to do so for he had by agreement gotten the workers to postpone their strike for more than the 80 days as provided by the Taft-Hartley law. Moreover, it seems to me that the President should not have been criticized for asking both the steel mills and the employees to submit their differences to the Wage Stabilization Board for investigation and a report and in the meantime, to continue the production of steel. Many of you are lawyers and what one of you has not, as a matter of policy, advised his clients to submit their differences to arbitration or to arrive at a settlement without recourse to the courts? Certainly that has been my policy in the years I have been engaged in the active practice.

Be that as it may, I am sure the President should have used the injunctive provisions of the Taft-Hartley law before attempting the drastic method of seizure of the steel mills. He would have been in a much stronger position before the court and in all probability had he exhausted his remedies under the Taft-Hartley Act without a successful settlement of the strike, might have been upheld by the Supreme Court in the seizure of the mills.

But we seem to have forgotten throughout the whole controversy that the thing most necessary for the public welfare is to get steel production. Many of the Members of this body have been more interested apparently in rebuking the President and in making political capital out of the present steel strike than they have in the main purpose of getting steel, not only for the rearmament effort, but for the stabilization of our civilian economy as well.

One of my law professors used to tell this story to his classes. He was trying to emphasize the fact that a lawyer ought always to come to the very heart of his case when questioning witnesses. He said as a youth he found an old gun in his home—one of those old muzzle-loaders. He rammed it full of powder, then full of shot or slugs and took steady aim at a bird sitting in a nearby tree. He pulled the trigger. There was a tremendous flash and explosion. The boy was knocked down and temporarily out. As soon as he came to himself, he ran back to the house scared half to death. His dad met him and seeing that he was not too badly hurt, did not ask him about how badly he was hurt or show any solicitude for his welfare. He did put this question to the boy: "Son, did you hit the bird you aimed at?" We have lost sight of the bird in this case.

Because I am determined to keep my eye on the bird and to do everything possible to see that production of steel is

resumed, and the present controversy settled between the operators of the mills and their employees, I am going to vote for the Smith amendment after voting against the proposal of the gentleman from Ohio [Mr. BROWN] to direct the President to use the powers given him under the Taft-Hartley Act to enjoin a continuation of the strike. I do not believe we have the power to direct the President; but I am voting to suggest or request the President to use this power. I am doing this not because I think it is the best remedy or the best solution of the problem that faces us, but because I think it will get us back into the production of steel; for I am sure the members of the union are good Americans and will abide by the order of the Court.

I am voting for this amendment because it is perfectly apparent that neither the House nor the Senate is willing to face the issue and give the President the power that he should have in an emergency of this sort. It is possible that a vote on the last offer of the employers by the members of the union as provided for in the Taft-Hartley procedure may get a settlement of this strike. I am afraid, however, that it will not. But it is clear that until the President has exhausted this remedy, the Congress is not going to face the real issues in this case and enact legislation that will give the President more power than he has under the Taft-Hartley Act. At the end of the 80-day waiting period, he will have exhausted every power that he now has to control such crippling Nationwide strikes. Then perhaps the Congress will face up to its duty and obligation and enact the necessary legislation. Personally, I am willing now to give the President the right to seize the mills temporarily and operate them until the employers and employees arrive at a settlement of their differences. So long as men may be drafted and sent to the battlefield and maybe to their death, I am certainly willing to do what is necessary in the way of seizure of private property to provide them with the arms and equipment they must have. And yet I know that seizure is not the best and final solution of this problem of Nationwide strikes. Many remedies have been suggested, among them the following:

First. Bar strikes in any industry affecting defense whenever an emergency is declared. This obviously would be unfair to the workers unless some means was at the same time provided for a decision on their complaints.

Second. To apply the antitrust laws to the monopoly power of unions. Even Senator TAFT agrees that the anti-monopoly laws cannot well be applied to the labor unions.

Third. Ban industry-wide collective bargaining and industry-wide contracts with unions. An effort was made to do this when the Taft-Hartley law was drafted. However, it was found almost impossible to define geographical or industrial areas in which collective bargaining could be conducted. Senator TAFT, while he opposed the attempt to define collective bargaining areas in the

Taft-Hartley Act, now seems to favor another effort in this direction.

Fourth. Keep the Taft-Hartley injunction as at present with the added power to place companies and unions in court receivership if a strike is threatened after the 80 days. This is, in my opinion, an entirely unjustified interference with both companies and unions.

Fifth. Compel arbitration of disputes in basic industries with Government enforcing arbitration awards. I will later discuss this proposal which, to me, makes more sense than any of the others suggested.

Sixth. Refuse to both management and labor the protection of the Taft-Hartley Act and other labor relations provisions of the law unless management and labor write into their contracts a provision for submitting their differences to arbitration.

Seventh. Seize industry by Presidential order under definite restrictions laid down by the Congress.

As I have suggested above, it seems to me that either plan 5 or plan 6 is to be preferred to any others. In the first place, the people have confidence in our courts and if labor courts were set up for determining issues submitted by the contending parties or if an appeal to the courts from the decision of boards of arbitration were provided, it seems to me that the rights of both parties would be amply protected and above all that the public would be protected from the disastrous results of the open warfare which a Nation-wide strike amounts to. Neither management nor labor is enthusiastic about this remedy which may indicate that it is the best and wisest after all. I know that there are objections to compulsory arbitration but it is my firm conviction that industrial disputes and eventually international disputes will be settled by courts set up for the purpose. I am convinced too that to date no better way has ever been devised for settling disputes and maintaining order than our courts.

In this connection, Mr. Marquis Childs in his syndicated column for May 8 has this to say:

Compulsory arbitration of labor disputes in this country is coming as surely as night follows day if the present trend continues. It will come not because any group or an individual wants it. But the plain fact is that Nation-wide strikes in vital industries can no longer be tolerated.

Mr. Childs then goes on to say that in the Scandinavian countries, labor courts have functioned satisfactorily.

If the Congress does not establish labor courts or provide for compulsory arbitration in some other form, then it seems to me that plan 7, the seizure by Presidential order under strict regulation of such seizure by some such provisions as are suggested by Senator MORSE, should be adopted by the Congress.

The CHAIRMAN. The time of the gentleman from Georgia has expired. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, in answer to the chairman of the committee who opposed the Brown

amendment and also to my friend from Georgia, Judge LANHAM, let me quote the President.

On June 10, CONGRESSIONAL RECORD, 7088, the President said to us:

I feel that I should put the facts before the Congress, recommending the course of action I deem best, and call upon the Congress, which has the power to do so, to make the choice.

Note that word "choice." That shows the President wanted us to act—to use our judgment—which he hoped would be the action he approved. Then he said:

A seizure law, if properly drafted, can achieve the objective of assuring steel—

And so on. Then he condemned the Taft-Hartley Act. He did not want any of that.

Then he said this:

If however, the judgment of the Congress, contrary to mine, is that an injunction of the Taft-Hartley type could be used, there is a quicker way.

He did not want the Taft-Hartley Act by injunction. He wanted another kind of injunction.

Then he went on:

That would be for the Congress to enact legislation authorizing and directing the President to seek such an injunction.

Note the situation. The President finds a serious condition confronts the Nation. He finds the course he tried to follow to be illegal—he apparently will not use the Taft-Hartley Act—he asks the Congress to write a seizure or injunction law—which it will not do—as he well knows—and then leaves the issue to the Congress to solve. We should, as he requests write legislation authorizing and directing him to do what the Congress thinks should be done.

Inasmuch as the Congress apparently differs, from his views there is no reason at all why we should not comply with his very courteous request and give him our advice authorizing and directing him to use the Taft-Hartley Act.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Chair recognizes the gentleman from Missouri [Mr. BAKEWELL].

Mr. BAKEWELL. Mr. Chairman, I cannot see what would be accomplished by either of these amendments. I think the procedure represents the most unique, unprecedented, and possibly dangerous action on the part of the Congress. Under the separation-of-powers theory, certainly the Congress cannot tell the President what to do. On the other hand, it appears as a meaningless, idle, futile gesture for the Congress to suggest to the President that he administer the law. It appears ludicrous almost for the legislative branch to suggest that the Executive execute the law of the land.

I am therefore opposed to both amendments, and shall vote against them.

The CHAIRMAN. The gentleman from Missouri [Mr. CURTIS] is recognized.

Mr. CURTIS of Missouri. Mr. Chairman, I am opposed to both of these amendments on constitutional grounds.

I feel that they go beyond the province of Congress, and I do not believe the fact that the President himself requested this Congress to act unconstitutionally is sufficient ground for our doing so.

I think we ought to look at this from a long-time viewpoint. It is a question of the separation of powers.

I think that the President should use the Taft-Hartley Act of course, and enforce the laws of this land; but I do not think the Congress should ever get itself into the position of asking, demanding, or instructing a President to enforce the laws; the Constitution of the United States requires that he do so.

Our only recourse, I submit, if the President has not enforced the laws of the land, is impeachment.

The CHAIRMAN. The gentleman from Michigan [Mr. MEADER] is recognized.

Mr. MEADER. Mr. Chairman, I am sorry the majority leader is not on the floor, because I should like to ask him now a question I tried to get him to yield for me to ask during his discourse when he said that the President was able to do more to solve the steel dispute than the Taft-Hartley law could have done.

I think the question of the people of the country and the Members of Congress want answered is: Did or did not President Truman make a deal with Phil Murray that if Murray would withhold calling a strike the President would not enforce the laws of this country? We ought to have that information on the table.

I see the chairman of the Committee on Banking and Currency sitting at his desk. I wonder if he has the information, if he is close enough to the administration?

I see the majority leader has just entered the Chamber. I call his attention to the fact that I wanted to know whether he was able to say that the President did more than the Taft-Hartley Act could do because the President had made a deal with Phil Murray that if Phil Murray would postpone the strike, the President would not enforce the law?

I gladly yield to the gentleman to answer the question.

Mr. McCORMACK. The gentleman from Massachusetts can answer that question very simply. The President of the United States with his persuasive powers, and Phil Murray and those around him, great men that they are, responded and did what was done. The question of deals is something that was not involved at all.

Mr. MEADER. I am glad the gentleman has explained that the President did not give Mr. Murray any consideration for this postponement; it was simply his winning personality.

Mr. McCORMACK. No considerations or deals were made. Now, do not misquote me.

The CHAIRMAN. The gentleman [Mr. AYRES] is recognized.

Mr. AYRES. Mr. Chairman, last night I flew out to my district in Akron, Ohio, to attend a meeting I had called for labor, management, and the public to discuss the Defense Production Act and the various amendments thereto. In the

Fourteenth Congressional District of Ohio there are 660,000 people, of whom 100,000 are union members—good, honest, God-fearing union members who do not always follow the dictates, right down the line, of union leadership. The meeting was most constructive. Mr. Leo Dugan, executive secretary of the CIO Council; Mr. G. L. Patterson, general counsel for the United Rubber Workers of America; Mr. Robert Shuff, of the American Federation of Labor; and Mr. William Fowler, of the United Auto Workers, CIO, were in attendance to express their views on the Defense Production Act, with particular emphasis being placed on the discussion of the Lucas amendment and the Smith amendment.

They also expressed concern over the manner in which the investigation of the Wage Stabilization Board was conducted. They also felt it grossly unfair that Joseph W. Childs, vice president of the United Rubber, Cork, Linoleum and Plastic Workers of America, should have been questioned as he was. For the sake of the record, I would like to add at this point that Mr. Childs enjoys an enviable reputation in his home community, and is a past member of the Akron City Council. According to his testimony before the Education and Labor Committee he apparently had been made an innocent victim of a Communist-front organization. It is regrettable that the Civil Rights Congress and the Daily Worker used Mr. Childs. Congressman VAIL used only information that was a matter of public record in the files of the Un-American Activities Committee. However, Mr. Childs was not the issue. Those interested in Mr. Childs' testimony can find the verbatim comment in the hearings now printed pursuant to House Resolution 532. This testimony is found on pages 599 to 660.

There was some difference of opinion between those representing the steel workers and those representing the rubber workers. I was told by the steel workers that the union shop controversy was not causing the steel strike. However, Mr. Patterson spent considerable time in an effort to prove that the Wage Stabilization Board should have the power to rule on the union shop question. The gentleman speaking for the steelworkers' union stated that the union leadership did not fear a secret vote as, in his opinion, the workers would vote not to accept the latest offer of the steel companies. Contrary to this view steelworkers have told me that if a secret vote was taken they would vote overwhelmingly to accept the latest wage offer and forget about the union shop. I was interested in the comment from the steel people, "If it were not for industry-wide bargaining there would be no steel strike in Lorain, Ohio."

Fair play is the most important thing in handling the legislation at hand. Neither side should have an unfair advantage and both sides should be willing to cooperate. I think it very commendable for the labor leadership to have been willing to express their position. I can agree that under the Lucas amendment there would be a possibility of the Wage Stabilization Board being lop-

sided. I can also remember that labor walked out on the Board when a decision was made that did not meet with their approval. I cannot agree, however, that the President should not have used the Taft-Hartley law nor that he should not use its provisions in the steel strike now.

The statement made to me after the meeting that was of most interest was that although the Taft-Hartley Act was objected to by union leaders, it is not by the rank and file of the union members. One gentleman of Hungarian descent came up to me after the meeting and said in a broken voice, "BILL, I am a good American. I own my home and am helping my son through college and have been working here at Goodrich for 17 years. Do not be kidded by all the arguments you have heard here this evening. We men in the shop are beginning to realize that we were wrong in 1948—we did not understand the Taft-Hartley law. Now we know that the Taft-Hartley is a law that regulates the union leader but not the union member. Please vote your conscience, BILL." That is what BILL is going to do.

The CHAIRMAN. The gentleman from Oregon [Mr. ELLSWORTH] is recognized.

Mr. ELLSWORTH. Mr. Chairman, I desire to call to the attention of the Committee the fact that the Brown amendment to the Smith amendment is in fact equivalent to an amendment to section 206 of the Taft-Hartley law itself. The Taft-Hartley Act has been criticized mostly on one particular point and that point is that it is a permissive law. The law reads, "may appoint a board of inquiry," and so forth. That fact has been the greatest point of criticism by those who are now objecting to the application of the emergency sections of the Taft-Hartley law.

The fact that the law is permissive and not mandatory is not controlling. We say now, if we enact the Brown amendment, that the President is "directed" to do these things called for in the emergency procedure sections of the Taft-Hartley law. It seems to me there is no possible conception here of a constitutional point, there is nothing involved in this discussion regarding the separation of powers, inherent powers or anything of that kind. The Congress of the United States wrote the Taft-Hartley law, it is the law of the land, and we now say that we did not say it quite right the first time, we now direct the President to use this procedure. The law could have been written in this way at the time it was enacted. There is therefore no reason why the suggested change cannot be voted now.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GREEN].

Mr. GREEN. Mr. Chairman, I am opposed to both the Brown and the Smith amendments and may I say here that there is a lot of confusion on the part of certain Members because some people believe that it is mandatory upon the President to use the Taft-Hartley injunction procedure. Actually, the Taft-Hartley Act, as far as the President

is concerned, is a permissive proposition. It says he may use it. As our majority leader [Mr. McCORMACK] has stated, the President did a lot more than if he used the Taft-Hartley Act in connection with the matter of the steel strike.

It is also very interesting to hear many Republican Members get up on the floor and talk about a deal that the President was supposed to have made with Phil Murray. Certainly the steel company operators and the Republicans ought to know something about deals because previous to the turn of this present century there were plenty of deals made by the steel companies and steel management with Republican Presidents of the United States, when they used to be able to sell steel cheaper in Europe than they sold it in the State of Pennsylvania, when they used to bring immigrants over in order to work them at cheaper wages and keep the standard of living of the working people in this country down.

Mr. Chairman, I am sorry the Taft-Hartley Act ever passed the Congress. I was not here to vote against it, but I voted for the repeal of the act and I will vote for its repeal again.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I speak in opposition to both the Brown and Smith amendments and I want the RECORD to show it is my belief that these amendments are merely a flagrant attempt by many in Congress to pass the buck. Instead of Congress proposing a constructive procedure in order to arrive at a workable solution which would keep steel production flowing, and be fair to both management and labor, we pass the buck to the President of the United States, and tell him to do that which we originally said was permissive, if his own discretion and good judgment deemed it wise and effective to use that law.

The President appeared before us and explained why he could not use the Taft-Hartley Act and why it would not work. Now the House wants to take away from the President his power of discretion by compelling him to use the Taft-Hartley Act, and we refuse to give him the necessary authority to work out a solution to this grave issue by a sound, constructive procedure. If these amendments are adopted, this House will be alining itself on the side of steel, and against the workers in the steel industry, and there will not be free and collective bargaining, as was referred to some moments ago by the leadership on the other side. I say this will be strike breaking by injunction, and Congress, if it adopts the pending amendments will be responsible.

If the House would take time to examine the facts of the matter, it would find that all the equities are on the side of the steelworkers. It is a fact that the steelworkers have not had a wage increase since December 1950, despite the fact that the cost of living has skyrocketed since that date.

Since 1946 the record shows that the net profits in steel have increased 140 percent; steel prices have increased by 80 percent, and steel dividends have been upped by 148 percent.

Months ago, the steel workers attempted to negotiate a new contract with steel management—but management refused to bargain collectively. Finally, at the request of the President, the whole controversy was referred to the Wage Stabilization Board which recommended about 17½ cents an hour wage increase plus certain fringe benefits. The steel management refused to accept the recommendations of this fact-finding agency.

These are facts which cannot be denied and they point to one conclusion—and that is that justice is on the side of the steelworkers and that it is the steel companies who are responsible for the present breakdown in steel production. Throughout this long-drawn-out affair, the workers have conducted themselves in a most exemplary manner—abiding by the spirit and letter of the law, cooperating with the Government in every way, refraining from any strikes while they made every attempt possible to bargain freely and collectively. Now comes this open and brazen proposal to drive the hard-working and patriotic men who labor in our mines and steel mills back to work by means of coercion and arbitrary power. I am strongly and absolutely opposed to these amendments and I call on the House to vote them down.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, there is one phase of this argument that might be interesting to many lawyers in this distinguished body. This is an action in equity and in a proceeding in equity you appeal to the conscience of the chancellor, so we have been advised.

You now come into a court of equity, and one of the basic maxims of a court of equity is that it should never be asked to do a futile thing. If the gentleman from Indiana knows about what he speaks, and this strike is to be over in a week, then by what reason can this House ask or direct anybody to appeal to a court of equity to do a futile thing? Furthermore, when you go into a court of equity, and the chancellor is considering the petition for an injunction, it will be pointed out to him that the union has already acceded to the requirements of the act by many, many days. What chancellor in equity will not say to the petitioner, "You have been complied with now. Why should an injunction be granted in a case where the purpose has been met?" I certainly feel that if this is looked at flatly and narrowly as a proceeding in a court of equity, this petition will fail. Why do a futile thing? Both the Brown and the Smith amendments should be defeated.

Beware the Greeks bearing gifts—look at the list of names speaking for the Taft-Hartley Act today. Look at whose hearts are bleeding for labor today. Beware these false friends. These men have fought and spoken and voted

against labor for many years. Are they to be believed today?

The gentleman from Ohio tells us what a rubber worker in Akron told him, that the Taft-Hartley Act is good for the worker—well, if there is any doubt in anyone's mind let me assure you that the mine workers and the steelworkers are united in their opposition to this bad law—and will vote so if necessary in open or secret ballot.

I do not intend to prolong this debate. My most eloquent effort today will be to vote against the Brown and Smith amendments, and I say in conclusion that my only regret is that I am not able to cast this vote for repeal of the nefarious slave-labor Taft-Hartley Act.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, just in order that the record may be perfectly clear, I want to state at the outset that I do not see how the President has any other choice but to invoke the Taft-Hartley Act, which is the law of the land. Now, having said that, and having made it publicly known as to how I feel about it, I think I have gone as far as duty requires any Member of Congress to go in a case of this kind. As to the remaining duty that is incumbent on me and on you in the present problem, if we adopt the amendments that are now before us, we then set a precedent that we will have to live with for the balance of time. We will by that action have invited every reluctant Executive from now on to come before the Congress and ask what he shall do, whether or not he shall obey the law, whether or not he shall enforce it. It seems to me that this sets an extremely dangerous precedent and one which will open the way to all manner of dilatory tactics by reluctant executives of the future.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

[Mr. MILLER of California addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, when this legislation was debated on the rule last Wednesday and also in the Committee of the Whole last Friday I made my position plain in opposition to the Smith amendment. I want to repeat one remark that I made at that time. I said that the steel management made no real, sincere effort to collective bargain at any stage of the negotiations. A national magazine last week stated that the day before negotiations were broken off word was served to the steelworkers that management could not go along with any part of the Wage Stabilization Board recommendations. The men who had been doing the collective bargaining on both sides had practically agreed to

negotiate, but a few bankers in New York closed the doors to any kind of collective bargaining. They overruled their own men who had been active collective bargaining for 4 months previously. Phil Murray, in his speech in Gary, Ind., last Sunday stated that absentee ownership, absentee collective bargainers, killed collective bargaining as far as the steel dispute was concerned. He said that the collective bargainers, men who were in close touch with the workers in the mills, were ready to settle the steel strike until word came from the absentee owners in New York, the bankers, and they overruled the men that spent 4 months trying to collective bargain and settle the steel trouble.

A Member stated that President Truman and Phil Murray made a deal that the Taft-Hartley law would not be used. That is a flagrant misrepresentation. The facts are President Truman told the union that if they would defer their strike last January it was almost certain that the dispute could be settled by collective bargaining. If the small group of bankers in New York, the absentee owners—yes; the absentee collective bargainers—were in good faith during the 4 months' negotiations, the dispute would have been settled months ago.

Certain reactionary newspapers falsely told their readers a deal was made. This whole steel dispute could have been adjusted long ago if the steel bargainers who sat in on the negotiations were given power and authority to close the negotiations. The absentee bankers overruled the 5 months of negotiations and caused the strike.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, we have many blue laws in New Jersey. They became blue because they were no longer appropriate; they passed into disuse. I hope the President will not find it necessary to use the Taft-Hartley law. It is a blue law.

We went through World War II without using the Taft-Hartley law. We have gone through 2 years of the Korean situation without using it. We can go through the future without using it.

To save the self-respect of the boys in Korea and that of their fathers who may be in the factories, I hope the President does not find it necessary to use the Taft-Hartley Act.

I oppose both the Brown and the Smith amendments.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WERDEL].

Mr. WERDEL. Mr. Chairman, we have heard men from the other side of the aisle say today that they are sorry the Taft-Hartley law passed. We have heard others say that it would be futile for the great Government of the United States to take action under law. I only say to you that I have just returned from the West, and there are many, many people in this great America who are also sorry. They regret there are so many men representing people of the United States in this House, coming from

industrial areas, who have not the courage to tell the men in organized labor in their districts that there is one thing certain in life—that they are going to have law and order in their picket lines. They will either have it as free men under law enforceable in local courts by poor men or they will have it by executive decree, with the Army enforcing it, as planned by this administration.

However, I assume that it is again futile to tell you, of the extreme left, what the real voice of America is saying on behalf of America.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Chairman, first, I cannot get the point of view of a man who would call a strike to cut off aviation gasoline for our boys who are fighting for their lives and for our security on the battle front in Korea. I cannot get the point of view of a man who would call a strike and cut off the production of steel for those boys. However, that has been done twice by the same man who called the strike to cut off the production of aviation gasoline.

On the 10th of June the President called a joint session of the House and Senate. He came before us of his own volition and asked us at that time to advise him whether in the opinion of the Congress he should use the Taft-Hartley law or, on the other hand, whether Congress would enact a law which would give him the authority to again seize the steel plants.

On the 10th of June, the same day, the other body gave him their answer. The next day, on the 11th of June, I offered an amendment in this body which would have given him on that day, 2 weeks ago, the answer of the House of Representatives which we are going to give to him today. The administration leaders blocked a vote on that amendment on that day by raising a point of order against it. Today, finally, I am thankful to see we will get a vote on it. I rise to say I am in favor of the Smith amendment.

I am sure the great majority of the Members of this body want to appropriate every dollar which is necessary to provide adequate equipment, armament, and munitions for our forces in Korea, and not only for our forces in Korea but for all our Armed Forces, wherever they may be.

I am sure that the Membership of this House want to see all the steel produced which is necessary to furnish planes, guns, tanks, mortars, and other armament which may be needed to carry the war in Korea to a victorious conclusion. I want to see all these things provided.

However, our military program must not be made a vehicle to carry radical and socialistic doctrines into effect. Congress must see to it that our military program must be divorced entirely from left-wing, radical, socialistic philosophies which new deal rubber stamps have been unable to enact into law through normal means, and which they are now trying to carry into effect through such devious methods as Wage Stabilization

Board recommendations, followed by Presidential seizures, followed by strikes which paralyze essential war industries, and which in turn will paralyze our forces on the battlefield.

It is well known that the principal point of dispute between the steel companies and the heads of the steel workers union is the proposal for a compulsory union shop. The steel workers union heads are holding out for a provision in the contracts calling for a compulsory union shop, which would mean that every steelworker must join the union or lose his job.

This Philip Murray who called the strike and stopped production of aviation gasoline for our aviators in Korea, and who has twice called steel strikes and stopped production of steel, which is one of our Armed Forces' most vital needs, knows that he can never, under normal circumstances, force through such a provision in a contract. He is willing to jeopardize the lives of our boys now desperately fighting in Korea in order to satisfy his greed for power over the working people of America. He is willing to jeopardize the security of this country by stopping the production of steel at one of the most critical periods in this country's history in order to satisfy his greed for power over the working people of America. He is not only willing to do these things. He has already done them. Joseph Stalin, if he were occupying Philip Murray's position, could not have done more to help Russia and Communist China and to hurt America and hinder our war effort than Philip Murray himself has done.

It has been nauseating to me today to hear the statement made on the floor of this House that Philip Murray and his henchmen, who have called this strike and stopped steel production, have shown qualities of statesmanship.

The people of America can read today's CONGRESSIONAL RECORD giving the debate on the Smith amendment and can see from that debate the reasons for the sorry plight our country is in today and the influences which have brought it to pass.

I sincerely hope that the Smith amendment will be adopted by an overwhelming vote, and by that action the House of Representatives will inform the President of the United States that it desires him promptly to use the Taft-Hartley law which is now on the statute books, and which affords a complete remedy to bring an end to this unjustified steel strike and cause the production of vital and much-needed steel to begin at once.

THE SMITH AMENDMENT REQUESTING USE OF TAFT-HARTLEY INJUNCTION—STEEL STRIKE SELFISHNESS

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YORTY].

Mr. YORTY. Mr. Chairman, I cannot see anything wrong in the President of the United States trying to use persuasion instead of compulsion. I think the atmosphere for collective bargaining is better if you can use persuasion.

If it is true that having the Taft-Hartley coercive procedure available he said to the unions, "If you will not strike, if you will forego going on strike now, if you will do that voluntarily, I will not use the Taft-Hartley Act," I think that was a perfectly proper thing for the President to do.

More time expired actually before the strike than could have been gained by use of the Taft-Hartley Act. I think it would be wrong now to change the rules and go back to the compulsion the Government promised not to use.

Mr. Chairman, my only point in coming to the well of the House is to comment on the statement made by the very distinguished gentleman from Michigan [Mr. Wolcott]. I am appalled, as I know you are, at some of the selfishness which goes on here at home while we have young men out there in the hills of Korea fighting in the slush and mud to protect our liberties. I think we could all do with less selfishness. All of us need to search our consciences much more here at home; to stop some of the grumbling; to realize how well off we are compared with people in other parts of the world, and particularly compared with those boys who by authority of acts passed by the Congress of the United States have been ordered from their homes and into the armed services with or without their consent.

There is selfishness involved in the steel strike. The gentleman from Michigan [Mr. Wolcott] argued that the Government was stubborn in refusing to give the steel companies a price increase of \$5 or \$5.50 per ton, which was what they demanded in return for acceptance by them of the wage increases recommended by the Wage Stabilization Board. The Government offered a price increase of \$4.50 per ton, and refused to go higher. Yes, the Government was stubborn, but were not the steel companies also stubborn? The gentleman did not mention them in this connection. Is it not selfish to bring about a shut-down of desperately needed steel production rather than give up 50 cents per ton out of a price of over \$100 per ton, that is yielding record profits, and this while we are confronted with a menace not just to profit but to our liberties and our existence as a free nation.

Yes, Mr. Chairman, the gentleman in directing criticism at the administration "let the cat out of the bag." The steel crisis is not the result of a defense of lofty principles by the steel companies. It is a fight for profits as usual while American boys are dying on a foreign battlefield. Would not it be more consistent with patriotism to give up the 50 cents per ton in the interest of national defense? Are our precious liberties to be sacrificed on the altar of greed because we as a people refuse to act in the responsible, mature manner the times demand? The steel strike must, of course, be finally settled in a manner fair to all. But if one party insists on being unfair now, it may be that another will have to temporarily accept the unfairness in order to produce steel for

defense of the free world. Such acceptance can be made honorably, not as a sign of weakness, but rather as a sign of strength, the strength that comes from patriotism worth more than 50 cents per ton.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I am for the Smith amendment because it will give us steel. After all, the point of all this discussion is to determine how can we get our steel mills into production again to take care of the emergency which is confronting our country. There is no hope, I regret to say, if we go on as we are now without governmental guidance or any semblance of compliance with the law now on the statute books. The President asked our advice. We now have a chance to give it to him. That advice is: Use the Taft-Hartley law. Our workingmen who are patriotic citizens want to go back to work, and during the intervening days immediately after the calling of the Taft-Hartley law into effect, the strike will be settled, because the men will meet at the conference table in an atmosphere free of any constraint and will have a chance to talk across the table freely and fairly, and we will once again have steel. Let us vote for the Smith amendment which gives us the one chance to get steel into production in the immediate future.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I do not know when the Congress has ever been in a more humiliating position than we are in today. No person here likes to vote for either of these amendments. We stultify ourselves when we say to the President of the United States, "Will you please execute the law which the Congress of the United States has enacted as the way to handle this sort of labor dispute?" Yet the President has left no other course. He stultified himself when he came before us and asked, "Do you want me to enforce the law or not to enforce the law?" For us to vote against the Smith amendment that is now before us would be to tell him that we do not want him to execute the law which we, ourselves, passed; and that we are not concerned over his failure to use the law to get the strike settled and steel made. So, under the present circumstances, embarrassing and humiliating as they are and unjustifiable as it is that we are in such a predicament, it seems clear to me that we must vote for the Smith amendment to tell the President, in response to his own inquiry, that this is the law we have devised for just such situations as this, and his job is to enforce the law which the Congress has enacted, whether he likes it or not.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McKINNON].

Mr. McKINNON. Mr. Chairman, for us to try to tell the President of the

United States what he shall do is not only unconstitutional, but as the gentleman from Missouri pointed out a moment ago, it is setting a dangerous precedent on our part. Personally, I do not think the Taft-Hartley Act is a fair answer to the problems that exist today, nor do I think it is going to solve our present problem of producing steel. The Taft-Hartley Act would have provided an 80-day period. But the President secured 155 days of negotiation. At any time during that period, 30 percent of the union members of any single mill could have petitioned the NLRB and secured a secret ballot on the offer by management. The fact that they did not do that indicates to me that a secret ballot which can be called for under the Taft-Hartley Act is not going to satisfactorily solve this industrial dispute and paralysis which we now find ourselves in. I think our responsibility is to pass a better piece of labor legislation to make sure that we have a means at our disposal by which we can settle these industrial disputes and produce steel and other products needed in our economic system. Our responsibility is to get better legislation, legislation that is up to date, instead of trying to tell the President to use an outmoded piece of legislation.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, the Taft-Hartley law seeks to accomplish four things. First. To determine the facts. There is not anybody in the Congress who does not know the facts, and there is not anybody in the country who does not know the facts.

Second. It provides delay for a cooling-off period. We have had twice that cooling-off period, as far as time is concerned, without the Taft-Hartley law.

Third. It provides for an injunction.

Fourth. It provides for a secret ballot.

As the gentleman from California [Mr. McKINNON] explained, a secret ballot could have been had at any time.

If the amendment which I intend to offer prevails, the President will be requested to use Taft-Hartley, but not those provisions thereof for an injunction. An injunction is not necessary in this case and will accomplish nothing.

The only thing the Taft-Hartley law provides for that has not yet been had in the steel dispute is a secret ballot by the employees. If the employees had wanted such a ballot they could have had it a long time ago. Obviously they do not want it. I doubt whether the employers want it. No one in or out of Congress has the right to seek to use the Taft-Hartley law for any purpose except to obtain such balloting upon the acceptance or rejection of the best offer of steel management. The fact is that there are many small steel mills throughout the country that long since would have settled with the union on the basis of the recommendations of the Wage Stabilization Board. These small mills have not done so because the big mill owners have threatened that they would cut off their source of supply if the small mill owners did consummate such contracts with the union.

The national-emergency provisions of the Taft-Hartley Act provide for the appointment of a board of inquiry, an 80-day injunction against a strike, a vote by the employees on the employer's final offer, and a subsequent report to the Congress if the labor dispute is not settled during the 80-day period. The board of inquiry cannot make any recommendations for a settlement.

Thus the Taft-Hartley Act merely provides a delay in a strike and automatically operates against the interest of labor for the workers are compelled to stay on the job at terms and conditions which led them to strike, while management's position is not in any way changed during the injunction period.

There are two main objectives which the Government must seek in the current steel dispute—first, restoration of full production, and second, a fair settlement which will assure continued production of steel. Neither of these objectives can be assured by resort to the Taft-Hartley Act at this time.

The Taft-Hartley Act is undesirable under the present circumstances for the following reasons:

First. The inequities involved: The workers, who up to the time of the current strike had voluntarily stayed on their job some 150 days, would be forced to return to work at the terms and conditions which led to the strike. The union has cooperated fully with the stabilization rules but management has not, and yet resort to Taft-Hartley would operate against the workers automatically.

Second. Impracticalities involved: Forcing the workers to return to the job for 80 days without any change in terms and conditions would remove any incentive for management to settle during this period. Management would be assured that by the forces of law workers for 80 days would be compelled to operate the mills under the threat of an injunction. But even if the men did return to their jobs it is questionable whether the low morale that would prevail would result in the peak-production conditions that are required in the interest of national defense. In addition, Taft-Hartley procedure does not provide for any additional set of recommendations for a settlement. There has been a full hearing of the issues through the Wage Stabilization Board procedure and the fact-finding report of the Taft-Hartley Act board of inquiry would only duplicate all that has taken place thus far. Also, the time involved at the outset in establishing a board of inquiry and obtaining its report to the President—a week or 10 days—would be an unnecessary waste of days within which the steel mills would, of course, stay closed. The so-called vote on the final offer provided in the Taft-Hartley procedure has proved meaningless in all of the nine cases where the Taft-Hartley emergency procedures have been invoked to date. In all of these cases the workers voted overwhelmingly to stand behind the bargaining position of their union leaders. The procedure has proved so meaningless that Senator TAFT in 1949 recommended the provision be deleted from the act.

Third. Questionable effectiveness: The Taft-Hartley procedure provides for an 80-day injunction granted by a district court. However, an injunction is always a matter of discretion for a court of equity, and in view of the voluntary postponement by the workers beyond the 80-day period of postponement required by the act, the court should rule that an injunction not be granted under these circumstances—Hecht against Bowles, a Supreme Court decision stemming from World War II, reaffirms the area of discretion given a court of equity under similar circumstances. Furthermore, if the court does grant an injunction it is possible that the individual workers may be so incensed at the injustice of this procedure that each one refuses to return to his job. Unless it can be shown that these refusals were part of a concerted action, the Government would not be able to force the men back on the job by court action. This was the situation in the mineworkers case in 1950 when the court held that in staying away from the mines the workers acted upon individual decisions and not a strike order.

Therefore, for reasons of fairness, practicality, and effectiveness, the Taft-Hartley Act does not provide the answer to the present steel dispute. What is needed is authority for the Government to operate the steel mills until a settlement is reached. An adequate seizure statute would provide the necessary authority. Under seizure the Government could immediately take possession and get the mills back into production. Given authority to change working conditions, the Government could make certain adjustments in pay for the workers in recognition of the merit of their claims for higher wages—claims which have been admitted by the steel companies to be valid. With the Government according such fair treatment to the workers, there is every likelihood that full production would be restored and maintained. By the same token pressures would be placed upon management to work out a fair settlement with the union so that the industry could be returned to the private owners and the companies could resume their full responsibility for the collective bargaining contract. The companies would be guaranteed just compensation but the possibility that just compensation would include something less than the full profits of operation would be an additional incentive for the companies to reach a settlement. The seizure statute might contain a prohibition against putting into effect any changes in union security arrangements. It is submitted that this prohibition would still provide sufficient latitude of action by the Government to permit effective operation resulting in the conclusion of a fair settlement of the dispute.

I urge that the Brown amendment be defeated and I also urge that the Smith amendment, with or without my own amendment, be defeated.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, we have gotten rather far afield in some of the discussion on these amendments. I think we can bring it down to a very simple thing. I regret that the gentleman from Ohio [Mr. BROWN] offered his amendment. I am sure that what he wants is what we all want; namely, the production of steel.

I am afraid that the Brown amendment will interfere with the objective of this amendment very seriously. First, we have no constitutional right to order the President to do anything. In the second place, the Senate has already passed an amendment to this same legislation in almost identical language, so that when this House acts, if it acts on the Smith amendment at all, we will have replied to the President; namely, that "We are not going to pass any more law. We think the law that has been enacted, should be enforced."

Now, that is all there is to it. Why anybody should hesitate to say to the President, in a very polite and courteous manner, in response to his invitation, "We suggest you use the law of the land," is beyond me to comprehend.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I yield back my time and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment offered by the gentleman from Virginia [Mr. SMITH].

The amendment to the amendment was rejected.

Mr. RHODES. Mr. Chairman, I am opposed to the Smith amendment because it is not the answer to the problem in the steel crisis. But I am opposed to it for a more important reason. It is because it does not belong in this bill. It will add to the confusion which surrounds all the great controversial issues that divide the Members of the Congress.

I know of nothing which threatens the future strength and welfare of our country more than the growing confusion which beclouds all the important issues that come before us. Those who gain by confusion are the forces of totalitarianism of both extremes. Totalitarians of the right and left make their appeals to emotion and prejudice. They dare not face the real issue and debate questions on their merits. They resort to double-talk, scare words, and the use of false labels in order to create confusion.

The Smith proposal should be entirely separate from this bill. If this amendment is accepted, Members who want to continue any controls will be forced to vote for the Smith proposal. If they want to oppose the Smith measure they have to vote against all controls.

Those who hope to profit by confusing the issue are gambling with the future welfare of our country and our democracy. Let us have a clear-cut decision on these issues so that the people can understand where each of us stand on every issue. Let those who want to kill all controls, except those on wages, stand up

and be counted. Let them accept the responsibility for their acts.

The Smith proposal, no matter how you look at it, contains no merit. It is an effort to pass the buck for the irresponsibility of the coalition majority which dominates the House. It seeks to blame the President and the administration for the action and inaction of the coalition. The House has the power to legislate on the steel crisis. But it ducks its own responsibility. Instead of taking affirmative action it demands that the President follow a course which he believes wrong and dangerous.

President Truman lacks the power in this Congress to get approval for the major legislative proposals in his party's platform. Despite the fact that the people mandated Congress to enact that liberal Democratic Party program, and despite the President's stubborn and courageous fight for the people and for that program, he did not succeed.

All of which makes it quite clear that the Republican-Dixiecrat leaders in the House are resorting to a lot of double-talk when they charge that the President is usurping his power or evading his responsibility.

The real truth is that the coalition is evading its responsibility as the majority and is seeking to place the blame for its shortcomings and ill-advised acts on the President and the House minority which supports the administration.

That may be good political strategy in an election year. But it is extremely dangerous to pass legislation that will increase antagonisms and which will divide our people when unity, understanding, cooperation, and good will are so essential to the defense effort and to the success of the free world in its fight against totalitarian tyranny.

If the Republican-Dixiecrat coalition which controls this Congress wants to destroy free labor unions, if it wants to give a free hand to special interests in exploit the consumers and to extend their monopolistic power, they should do it without faking the issue.

Mr. SAYLOR. Mr. Chairman, the purpose of the sixth amendment to the defense production act, despite all of the arguments in favor of and against such amendment, is best expressed by its author, the gentleman from Virginia [Mr. SMITH], in the words of his amendment:

It is the sense of the Congress that by reason of the work stoppage now existing in the steel industry, the national safety is imperiled and the Congress, therefore, requests the President to invoke immediately the national emergency provisions of sections 206 to 210 inclusive, of the National Labor Management Relations Act of 1947, for the purpose of terminating such work stoppage.

An examination of sections 206 to 210 inclusive of the National Labor Management Relations Act of 1947 reveal the following:

When the labor management act of 1947 became law, the Congress of the United States placed in the sole discretion of the President of the United States the option as to whether or not that law should be used. Section 206 of the act provides:

Whenever, in the opinion of the President of the United States, a threatened or actual strike or walkout affecting an entire industry or a substantial part thereof . . . will, if permitted to occur or continue, imperil the national health or safety, he may appoint a board of inquiry to inquire into the issues involved in the dispute and make a written report to him within such time as he shall prescribe.

The act further provides that after the report of the board of inquiry is filed, the President may direct the Attorney General to petition any district court of the United States, having jurisdiction of the parties, for an injunction, whenever a district court has taken jurisdiction and issued an injunction, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a 60-day period, unless the dispute has been settled, the board shall report to the President the current position of the parties and the efforts which have been made for settlement and shall include a statement by each part of its position and a statement of the employers' last offer of settlement. This report shall be made available to the public.

The National Labor Management Relations Board, within the succeeding 15 days, shall take a secret ballot of the members involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer and certify the results thereof to the Attorney General within 5 days. Upon certification of the results of such ballot or upon settlement, whichever happens sooner, the Attorney General shall move the court to discharge the injunction, which motion shall then be granted and the injunction discharged. When such motion is granted, the President shall submit to the Congress a full and comprehensive report of the proceedings, together with such recommendations as he shall see fit to make for consideration and appropriate action.

The President, for reasons which have not been disclosed, has failed to use the National Labor Management Relations Act of 1947. There is no doubt that his failure to use this act has resulted in the delay in the resumption of steel production. This delay lies directly and unequivocally at the door of the President of the United States. The blame cannot be transferred elsewhere. He alone is responsible for the present chaotic condition.

I oppose the Smith amendment because it is substituting the sense of Congress for the "opinion of the President of the United States," as specifically set forth in the National Labor Management Relations Act of 1947.

I have carefully examined the Constitution of the United States, especially article I dealing with the legislative powers vested in Congress and can find no language in that article of the Constitution which, in my opinion, either directly or indirectly authorizes the Members of Congress to substitute their "sense" for the "opinion" of the President.

I have also carefully examined article II of the Constitution and can find absolutely no justification or basis for the President asking Congress for its advice with regard to executing the laws of the land.

Unfortunately, labor legislation or legislation affecting labor and management is brought to the floor of Congress for debate only in times of stress between management and labor. In my opinion, this results in bad legislation, because neither the representatives of management or the representatives of labor deal with the legislation in an impartial manner. Each feels that this is the opportunity for one to take advantage of the other.

If the Smith amendment becomes law, it will be a direct invasion by Congress of the President's rights and an attempt by Congress to substitute its opinion for the opinion of the President of the United States. If such a change is the will of Congress, it should not be made by an amendment such as offered by the gentleman from Virginia [Mr. SMITH], but it should be made by a change in the National Labor-Management Relations Act.

I am opposed to the Smith amendment because in my considered opinion it is the establishment of a precedent which will result, if carried out to its ultimate conclusion, in the destruction of our Republic. If this amendment is adopted and the precedent established, if any President of the United States or any representative of the executive branch of our Government does not like any present or future law which the Congress passes calling upon said President or representative of the Executive Department to use his discretion, all he need do is to state to Congress that he does not like the act or does not like to use his own discretion and ask that Congress substitute its discretion for his.

Much as been said that nothing could be gained by the use of the National Labor-Management Relations Act of 1947 because more than 80 days has already expired. When the President seized the steel mills early in April, he gave as one of the reasons for his action that time would not permit the invoking of the provisions of the Labor-Management Act of 1947. When the President's action was before the United States Supreme Court, the Government's attorneys defended the President's action and stated that seizure was safer and more effective. When the President addressed Congress with regard to this matter, he complained about the delays occasioned in the use of the Labor-Management Act of 1947. Yet throughout the entire steel crisis the administration has, by every means at its command, been stressing the importance of steel to the defense effort and the ill-effects that the steel shutdown would bring, not only to our own country, but also to the people of the noncommunistic world.

We are now in the fourth week of a disastrous steel strike. Steel is not being produced for defense of ourselves or our allies of the noncommunistic world, nor are we securing steel for vital do-

mestic needs. It should be all too evident that the President is playing politics, not only with the steel mills but also with our national defense. He cannot shirk his responsibility by his failure to use every available means to again start steel production; to refrain in every way possible from having Federal intervention in labor-management negotiations, and to allow both management and labor to settle their differences by genuine collective bargaining.

Mr. D. B. Robertson, president of the Brotherhood of Locomotive Firemen and Enginemen, one of the oldest labor unions in existence in this country, said a week ago in Dallas, Tex., that "When we begin to run industry on a political basis there is no end of it. That is what we have been doing for the last 3 or 4 years."

It has always been my personal opinion that it is the duty of the Congress in labor-management matters to provide the rules and regulations under which collective bargaining shall proceed and that thereafter Government shall maintain a hands-off policy and allow the representatives of management and labor to settle their differences by true collective bargaining.

This is not the goal of the Smith amendment.

Mr. COLE of New York. Mr. Chairman, I am voting against the extension of all price and wage controls. I believe that the need for these emergency controls is rapidly passing, if it has not already passed. Furthermore, the record of the Truman administration in the handling of controls makes it extremely unwise, if not actually dangerous, to give the administration the power to continue to make a political football out of the Nation's economy.

The economic situation today demands a swift return to free markets. In 1946, price and wage controls were abruptly removed at a time when great inflationary pressure was present in the economy and many goods were scarce. Today there is little evidence of inflationary tendencies in the economy. The Nation's tremendous productive capacity has adjusted quickly to meet changes in our needs since the Korean war began. Almost all civilian goods are now available and in plentiful supply. In many cases capacity exceeds demand. In this situation the unnecessary prolongation of price and wage controls could do great harm. A buyer's market needs the flexibility that is hampered by price and wage controls.

In times of great national emergency, such as all-out war, price and wage controls may be necessary to supplement indirect controls in the attempt to prevent sudden increases in the general price level and indicate to the public the Government's determination to stop inflation. But there is little, if any, need for these drastic measures today. In the case of materials urgently required for defense production, allocations can effectively limit civilian demand where this is necessary. I believe that tax, expenditure, monetary and credit policies, aided by allocation controls, can pro-

vide an adequate defense against inflation during the remainder of the rearmament period as it is now planned.

No system has yet been found that is as effective as the free market system in providing the driving force for economic growth and in regulating the flow of goods and services. Controls actually can impede the production of goods in short supply by preventing price adjustments that might bring forth greater output. The original controls established in 1951 over the machine-tool industry, for example, were so restrictive that the industry was severely handicapped in increasing production. By the time the controls were relaxed, the defense program had been seriously delayed. Another example is the recent potato shortage which was directly caused by the misuse of controls and the socialistic policies of the present leadership.

The underlying reason for my belief that price and wage controls should be eliminated is a conviction that tax, expenditure, monetary, and credit policies are fundamental instruments of government for economic stabilization in a dynamic, free economy, and that they can deal effectively with the present situation. If controls are maintained in order to cope with situations such as we now face, we may drift into accepting them as permanent. France had rent controls for nearly a quarter of a century resulting in an extreme shortage of housing. Except in times of great danger such as might arise in wartime, I believe that price and wage controls should not be used. I do not believe we are now in a situation that demands these controls.

Mr. JENISON. Mr. Chairman, I rise to support the Smith amendment, providing for Congress to request the President to invoke provisions of the National Labor Relations Act in the current labor dispute in the steel industry.

I must confess, however, that my support is given with some reluctance for it seems to me the Congress is being forced to take an unprecedented step that should be unnecessary. We are, in effect, politely asking the President to fulfill his sworn duty to enforce the law of the land as passed by the Congress and affirmed by the judicial branch of Government.

That it should be necessary to take such a step is a devastating indictment of an Administration that seems determined to nullify the action of the people as expressed and affirmed in both the Eightieth and Eighty-first Congresses. The expressed views of the President in attempting to justify such a course border dangerously close to an invitation to disobedience of established law and order in the event compliance ultimately is ordered.

Mr. Chairman, it should not be necessary for the legislative branch of Government to order, direct or "invite" the Administrative branch to enforce the law of the land. That is the sworn duty of the President. In the present instance, the steel crisis could have been averted and the dispute might now be

settled with satisfaction to the workers themselves and with fairness to all concerned. Under the circumstances, there is no alternative but to repeat again, by way of approval of the Smith amendment, the expressed legislative demand that the President act immediately, through legislation presently in effect, to seek a solution of the dispute that keeps thousands of men out of work and denies the Nation the production of steel so urgently needed for our military defense and our domestic economy.

Mr. LYLE. Mr. Chairman, I favor the amendment offered by the gentleman from Virginia [Mr. SMITH].

I believe it to be consistent with our responsibilities at this time to inform the President, as he requested in his recent address before this Congress, that it is the best judgment of the House of Representatives that he should immediately invoke the provisions of the Taft-Hartley Act in the present steel dispute.

It would, of course, be foolish for any Member of this body to assert or believe that the provisions of the Taft-Hartley Act are capable of settling the dispute now existing between management and labor in the steel industry. It is, however, the only means that you and I, as Members of the Congress, or the President can use at this time to put steel back into production. It is a temporary and expedient method, yes, but it is a means whereby the production of steel can be resumed.

It can be argued with justification that the House and Senate should have considered legislation before now which would make it impossible, when our country is faced with war, as we are now, and when American soldiers are committed to battle, as they are now, for major industries producing or manufacturing vital materials used in the war to close down production.

That would be drastic action. So is it drastic, Mr. Chairman, when we take young boys from their parents, husbands from their wives and children, and send them to far lands, some to be injured and some to be killed.

During the past 20 years, Mr. Chairman, the Congress has voted many powers to the President of the United States. Few, I am sure, are familiar with all of the powers that have been granted. Through the very superior work of Mrs. Mollie Z. Margolin, of the American Law Section, Legislative Reference Service, Library of Congress, I have here a compilation and résumé of these powers. I shall insert it in the RECORD. I do so for a very good reason, and that is to dramatically call to your attention what might be called a modern trend of legislating.

It is seldom, if ever, that Congress actually writes into the laws the details and regulations under which most of our laws are administered. We have, for a great number of years, been delegating that power and responsibility to the President of the United States. The modern practice is for Congress to set out the broad principles which we think govern the problems confronting us and

then authorize and direct the President to work out orders and regulations to make possible the administration of our acts.

This has brought the legislative and executive branches closer together and makes it more and more necessary that Congress and the President work in close harmony. We, the Congress and the President, share a great responsibility and therefore it should not be considered either rare, discourteous, or unparliamentary for either the President or the Congress to give to the other the benefit of his or our judgment on the many joint problems confronting us.

It cannot rightly be said that it is discourteous or unusual, although it might be said to be uncommon, for Congress to request the President to use either one or many of the vast powers which we have granted to the office of the Presidency during the past years.

On the other hand, Mr. Chairman, I believe it would be a mistake for the House of Representatives to refuse to answer the question of the President as to whether he should use the provisions of the Taft-Hartley Act. At the present time there is no other legislation under which steel can be put into production.

I am sure, Mr. Chairman, that the Members of the House will find interesting the tabulation of the powers granted the President by the Congress, which I insert in the RECORD at this point:

POWERS WHICH HAVE BEEN VOTED TO THE PRESIDENT BY CONGRESS SINCE 1933

In this compilation of the powers which Congress has voted to the President in the last 20 years, the powers have been placed in various categories. In part I are the general powers, which the President may exercise at all times. Part II contains the emergency powers, which become operative only upon the occurrence of some specified contingency. Of these, some have become active upon the declaration by the President of a national emergency on December 16, 1950 (proclamation No. 2914; 15 F. R. 9029). Others are dormant, being contingent upon war, upon a national emergency declared by Congress, or upon some other specified unusual occurrence. The digest of each law in this category points out the event upon which the power is contingent.

In several instances the law which originally granted the President a certain power was enacted more than 20 years ago, but has been amended within the past 20 years by an act which reaffirms this power. Such acts have been listed separately in part III of this report.

The act of April 14, 1952 (Public Law 313, 82d Cong.) as amended May 28, 1952 (Public Law 368, 82d Cong.) is referred to frequently in dealing with the emergency powers. This act extends until June 15, 1952, certain powers of the President which would have expired or become dormant on April 28, 1952, the date on which the Japanese Peace Treaty officially ended World War II, and on which the President's Proclamation No. 2974 (17 F. R. 3813) terminated the national emergency proclaimed on September 5, 1939 (proclamation No. 2352), and the unlimited national emergency proclaimed on May 27, 1941 (proclamation No. 2487). Since these powers were previously dependent upon war or specified emergencies, and have now been extended "notwithstanding any limitation, by reference to war or national emergency"

(Public Law 313 sec. 1 (a)), they were considered new powers and were included in this compilation.

The laws dealing with the power to make appointments or removals, to create new commissions, to accept United States membership in international conferences, and to make presentation of medals, have been omitted since these are not new grants of powers but merely new applications of already existing powers.

A topical index has been attached referring to item numbers. Also attached is a chronological table of statutes covered by this compilation.

I. GENERAL POWERS

Abaca production

Item 1: The Abaca Production Act of 1950, approved August 10, 1950 (64 Stat. 435-437) provides for the continuation and expansion of Western Hemisphere production by the United States. The President is authorized to issue such rules and regulations and make such determinations as he may deem necessary to carry out this program. Temporary, expires April 1, 1960.

Agriculture

Item 2: Act of May 12, 1933 (48 Stat. 37 (c)) as amended June 3, 1937 (50 Stat. 246, sec. 1 (h); 7 U. S. C. 610 (c)) empowers the President to approve the regulations made by the Secretary of Agriculture under the Agricultural Adjustment Act. This power does not extend to approval of agricultural marketing orders (61 Stat. 951, sec. 102).

Armed services

As Commander in Chief: From time to time certain powers are voted to the President which are incidental to his status as Commander in Chief of the Armed Forces. These have been omitted from this compilation. However, a few of these outstanding powers have been listed below by way of illustration:

Item 3: Act of June 15, 1933 (48 Stat. 155, sec. 4) authorizes the President to order officers of the National Guard, with their consent, into active service during peacetime.

Item 4: Act of December 13, 1941 (55 Stat. 800 c. 571, sec. 2) authorizes the President to terminate periods of service of all members of the Army of the United States earlier than the time prescribed by Congress.

Item 5: Act of February 21, 1946 (60 Stat. 27, sec. 6) gives the President discretion as to the retirement of Navy, Marine Corps, or Coast Guard officers after 20 years of service.

Item 6: Act of October 12, 1949 (63 Stat. 825, sec. 414) provides that the President may regulate disability retirement.

Delegation of Authority

Item 7: The President may delegate his authority under the Uniform Code of Military Justice and may provide for subdelegation of any such authority. Act of May 5, 1950 (64 Stat. 145, art. 140, sec. 1).

Detail of Men

Item 8: Philippine Commonwealth: The President is authorized to include the Commonwealth of the Philippine Islands with the Latin-American Republics in the matter of assisting such Governments in military and naval matters, and may detail members of the Armed Forces for such purpose. Act of May 14, 1935 (49 Stat. 218 ch. 109).

Item 9: United Nations: The President is authorized to negotiate agreements with the Security Council, which shall be subject to approval by Congress, concerning Armed Forces to be made available to the Security Council upon its call for the purpose of maintaining international peace and security in accordance with article 43 of the United Nations Charter. The President shall not require the authorization of Congress to make available to the Security Council Armed

Forces under article 42 of the Charter (act of December 20, 1945; 59 Stat. 621 ch. 584 sec. 6). The President may detail to the United Nations, without the consent of Congress, up to 1,000 members of the Armed Forces to serve in non-combatant capacity (act of October 10, 1949; 63 Stat. 735 sec. 5).

Atomic energy

Item 10: Act of June 25, 1946 (60 Stat. 308 ch. 487, sec. 1) gives the President the power to approve the use of naval vessels as targets for testing atomic weapons.

Item 11: Act of August 1, 1946 (60 Stat. 755-775): The "Atomic Energy Act of 1946" gives the President the power:

1. To make a final decision in a disagreement between the Military Liaison Committee and the Atomic Energy Commission (sec. 2 (c), as amended by act of October 11, 1949 (63 Stat. 762 ch. 763)).

2. To determine at least once each year the quantities of fissionable material which the Atomic Energy Commission shall produce in its own facilities (sec. 4 (ch. 2)).

3. To approve what materials may be regarded as source material (sec. 5 (b, 1)).

4. To determine the extent to which fissionable materials shall be utilized in the production of atomic bombs or other military weapons (sec. 6 (a, 2)).

5. To determine which property in control of Government agencies, is to be transferred to the Atomic Energy Commission (sec. 9 (a, 3)).

6. To utilize the services of any Government agency to the extent he may deem desirable in order to protect against the unlawful dissemination of restricted data and to safeguard facilities, equipment, materials, and other property of the Atomic Energy Commission (sec. 10 (b) (5B, iv)).

7. To exempt in advance, any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security (sec. 12 (b)).

Item 12: Act of October 30, 1951 (Public Law 235, 82d Cong.) gives the President the power to determine that an arrangement by the Atomic Energy Commission to produce fissionable material outside the United States or which will involve the communication of restricted data to another nation, would substantially promote and would not endanger the common defense and security of the United States.

Bankruptcy

Item 13: Act of June 28, 1936 (49 Stat. 1970-1971) provides that the President represent the United States when the United States or any agency thereof is a creditor under section 77 of the Bankruptcy Act.

Item 14: Act of August 13, 1940 (54 Stat. 788, ch. 666) authorizes the President or any officer whom he may designate to sell, exchange, etc., any bonds, notes, or other securities acquired on behalf of the United States under the provisions of the Transportation Act of 1920, including any securities acquired as an incident to a bankruptcy, receivership, etc.

Civil aeronautics

Item 15: The Civil Aeronautics Act of 1938, approved June 23, 1938 (52 Stat. 1014, sec. 801) makes all overseas or foreign air-transportation certificates subject to the approval of the President.

Item 16: The Federal Airport Act, approved May 13, 1946 (60 Stat. 179, ch. 251, sec. 16 (b)) requires the approval of the President to the conveyance of Government-owned lands for public airports.

Item 17: Act of September 9, 1950 (64 Stat. 825, ch. 938) authorizes the President to direct the Secretary of Commerce and the Civil Aeronautics Board to undertake security measures relative to the regulation and control of air commerce.

Coast and Geodetic Survey

Item 18: Act of January 19, 1942 (56 Stat. 7, sec. 2) and act of June 3, 1948 (62 Stat. 299, sec. 10 (a)) empower the President to make all promotions of officers, with the advice and consent of the Senate.

Coast Guard

Item 19: Act of August 4, 1949 (63 Stat. 507, sec. 149), authorizes the President to detail officers and enlisted men to assist foreign governments in matters concerning which the Coast Guard may be of assistance.

Item 20: Act of August 4, 1949 (63 Stat. 514, sec. 229), provides that the President may revoke commissions during the first 3 years of commissioned service.

Commodity Credit Corporation

Item 21: Act of March 8, 1938 (52 Stat. 107, sec. 3), directs the President or such officers as he shall designate to exercise all rights of the United States arising out of ownership of capital stock in the Commodity Credit Corporation.

Control of consumer and real-estate credit

Item 22: Title VI of the Defense Production Act of 1950, approved September 8, 1950 (64 Stat. 812-815), as amended by act of July 31, 1951 (Public Law 96, 82d Cong., sec. 106), and by act of September 1, 1951 (Public Law 139, 82d Cong., sec. 602), authorizes the President to prescribe regulations relative to consumer real-estate construction credit controls exercised by the Board of Governors of the Federal Reserve System. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments, maximum maturities, maximum amounts of credit, and so forth. The President may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other available Federal or State agencies. Temporary; expires June 30, 1952 (Public Law 96, 82d Cong., sec. 111).

Customs laws

Item 23: Act of August 5, 1935 (49 Stat. 517, ch. 438), authorizes the President to establish or discontinue customs-enforcement areas.

Item 24: Act of August 24, 1935 (49 Stat. 773-774), as last amended by act of June 28, 1950 (64 Stat. 261-262, ch. 381, sec. 3), authorizes the President to restrict importations which tend to interfere with the operation of the Agricultural Adjustment Act.

Item 25: Act of April 30, 1946 (60 Stat. 151-155, secs. 401-501), authorizes the President to enter into executive agreements with the President of the Philippines.

Item 26: Act of July 15, 1947 (61 Stat. 322, sec. 3 (b) E) as last extended by act of July 31, 1951 (Public Law 96, 82d Cong., sec. 101 (c)) authorizes the President to control imports of fats and oils. Temporary, expires June 30, 1952.

Item 27: Act of June 25, 1948 (62 Stat. 687 sec. 43) authorizes the President to approve regulations for import and export of game mammals from or to Mexico.

Displaced persons

Item 28: Act of June 16, 1950 (64 Stat. 227 sec. 12 "14") authorizes the President to regulate loans by Reconstruction Finance Corporation to finance the reception and transportation of eligible displaced persons. Temporary, expires June 30, 1953.

Executive departments

Item 29: Act of August 9, 1939 (53 Stat. 1290 c. 616) provides that the President may utilize the services of the executive departments, agencies, etc., in carrying out the reciprocal undertakings enunciated in the treaties between the American Republics.

Item 30: Act of August 2, 1946 (60 Stat. 809-810, 812 secs. 14, 19) authorizes the President to prescribe regulations concerning cash

awards to employees for meritorious suggestions effecting economy.

Item 31: Act of January 27, 1948 (62 Stat. 8-9 sec. 401) provides that the President may approve the utilization of services, facilities, and personnel of Government agencies in carrying out any activity authorized by the United States Information and Educational Exchange Act.

Item 32: A series of Reorganization acts were enacted, the first one in 1932, and the most recent on June 20, 1949 (63 Stat. 203), the "Reorganization Act of 1949." The President was given the power to consolidate, group, coordinate, or reduce the Government agencies in order to produce efficiency and reduce expenditures. Temporary, expires April 1, 1953.

Item 33: The Classification Act of 1949, approved October 28, 1949 (63 Stat. 959 sec. 505 (b)) provides that no position shall be placed in or removed from Grade 18 of the General Schedule except by the President upon recommendation of the Civil Service Commission.

Item 34: Act of August 26, 1950 (64 Stat. 477 ch. 803 sec. 3) authorizes the President to extend to other agencies the power of suspension of civilian officers and employees in the interest of national security.

Item 35: Act of September 12, 1950 (64 Stat. 838 sec. 202) authorizes the President to approve transfer of balances of appropriations upon transfer of functions.

Exports

Item 36: Act of June 30, 1942 (56 Stat. 463, ch. 461) authorized the President to control exports by curtailing or prohibiting the export of articles, materials, and supplies, including technical data. After several extensions, this act expired on February 28, 1949 (61 Stat. 946 sec. 3 (a)) and was replaced by the Export Control Act of 1949, approved February 26, 1949 (63 Stat. 7 ch. 11) which gives the President the same power but extends it also to the control of financing, transporting, and other servicing of exports. Temporary, expires June 30, 1953 (Public Law 33, 82d Cong.).

Farmers

Item 37: Act of July 22, 1937 (50 Stat. 525, 526, 530, secs. 23 (b), 32 (c), 45) as amended August 14, 1946 (60 Stat. 1069, sec. 45) authorizes the President to make allotments or appropriations and to make transfers of land under the Farmers' Home Administration Act of 1946, the title to which has been acquired by the United States in the national defense program, but which is no longer needed for same.

Foreign affairs

Item 38: Act of June 24, 1938 (52 Stat. 1934, c. 644) as last amended June 1, 1948 (62 Stat. 279-280, ch. 357) authorizes the President to designate a number of citizens of the American Republic to study at United States professional institutions, and at the United States Military and Naval Academies.

Item 39: Act of August 11, 1939 (53 Stat. 1418, ch. 701) requires the President's approval of the sale of surplus agricultural commodities by Commodity Credit Corporation to foreign governments.

Item 40: Act of June 15, 1940 (54 Stat. 396, sec. 1) empowers the President to authorize the manufacture and sale of coast-defense and antiaircraft material to the American Republics.

Item 41: The Bretton Woods Agreements Act, approved July 31, 1945 (59 Stat. 512-517) provides for the President's direction of the participation of the United States in the International Monetary Fund and the International Bank for Reconstruction and Development.

Item 42: Act of August 9, 1946 (60 Stat. 961, ch. 928) authorizes the President to designate 2 persons from each American Republic, not exceeding a total of 12 persons at any

one time, to receive instruction at the United States Merchant Marine Academy at Kings Point, N. Y.

Item 43: Act of July 31, 1947 (61 Stat. 706 sec. 5) provides for authorization and direction by the President of admission of commissioned officers of military services of foreign countries to the Naval Postgraduate School.

Item 44: Act of July 1, 1948 (62 Stat. 1210 c. 785) authorizes the President to assist, by grants-in-aid, the Republic of the Philippines in providing medical care and treatment of veterans who served in the United States forces during World War II.

Item 45: Act of June 30, 1949 (61 Stat. 389 sec. 205 (a)) authorizes the President to prescribe policies and directives regarding the procurement, utilization and disposal of Government property.

Item 46: The Mutual Defense Assistance Act of 1949 (63 Stat. 714-721), as amended July 26, 1950 (64 Stat. 373-377); and the Mutual Security Act of 1951, approved October 10, 1951 (Public Law 165, 82d Cong.), authorize the President to extend military, economic, and technical assistance to friendly countries. Among these countries are the North Atlantic Treaty countries, and any other European country which the President determines to be of importance to the defense of the North Atlantic area, Greece, Turkey, Iran or other Near East countries, Republic of the Philippines, Republic of Korea, general area of China, the American Republics.

Item 47: The International Wheat Agreement Act of 1949, approved October 27, 1949 (63 Stat. 945-947) authorizes the President to regulate the quantities of wheat to be made available for export under this program, and to take any action which he deems necessary, including the restriction of exports and imports of wheat.

Item 48: The Act for International Development, approved June 5, 1950 (64 Stat. 204-209, title IV) as amended October 10, 1951 (Public Law 165, 82d Cong., sec. 2) authorizes the President to participate in multilateral technical cooperation programs carried on by the United Nations, and to plan and execute bilateral technical cooperation programs carried on by any United States Government Agency, for the purpose of assisting nations living in economically underdeveloped areas of the world to develop the resources of their lands.

Item 49: Act of September 28, 1950 (64 Stat. 1079 c. 1094) authorizes the President or such other officer or agency as he may designate to conclude and give effect to agreements with governments with which the United States was not at war in World War II, for the settlement of intercultural conflicts involving enemy property.

Item 50: The Mutual Defense Assistance Control Act of 1951, approved October 26, 1951 (Public Law 213, 82d Cong.) provides for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination. The President is authorized to terminate all military, economic, and financial assistance to any nation which he determines is not effectively cooperating with the United States in this program. The President may direct the continuance of such assistance to a country which permits shipments of items other than implements of war and atomic energy materials when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States.

Item 51: Act of October 31, 1951 (Public Law 249, 82d Cong.) gives the President the power of discretion regarding economic,

technical, and military assistance to Spain. Temporary, expires June 30, 1952.

Gold purchases

Item 52: Act of January 30, 1934 (48 Stat. 341, sec. 8) provides for approval by the President of gold purchases made by the Secretary of the Treasury.

Government corporations

Item 53: Act of December 6, 1945 (59 Stat. 598-600, secs. 102-107), as amended September 12, 1950 (64 Stat. 834, sec. 105), provides for regulation by the President of the annual budget program of wholly-owned Government corporations.

Housing

Item 54: Act of August 10, 1948 (62 Stat. 1268, ch. 832, sec. 101, as amended; 12 U. S. C. 1738 (a)) gives the President the power to approve an increase in the aggregate amount of mortgages on veterans' housing which may be insured by the War Housing Insurance Fund, provided however, that the aggregate amount does not exceed \$6,650,000,000.

Item 55: Act of July 15, 1949 (63 Stat. 426, 427, secs. 304 (g), 305) provides that the Housing Authority obtain Presidential approval before entering into, amending, or superseding a contract for annual contributions, loans, or both. The President may increase the aggregate amount of annual contributions for which the Authority may contract or may determine that an increase in the number of dwellings is in the public interest.

Item 56: Act of July 15, 1949 (63 Stat. 419, sec. 108) authorizes the President in his discretion, to transfer to the Housing and Home Finance Administrator, at fair market value, any surplus Federal real property which will be located within the area of a planned low-rent housing project.

Item 57: Act of July 31, 1951 (Public Law 96, 82d Cong., sec. 203), provides that the President shall, by regulation or order, establish maximum rents which he deems fair and equitable in any State which by its laws require Federal rent control or in any political subdivision of a State which does not have rent control upon receipt of a resolution enacted by its governing body that Federal rent control is necessary. Temporary, expires June 30, 1952 (sec. 211 (b)).

Item 58: The Defense Housing and Community Facilities and Services Act of 1951, approved September 1, 1951 (Public Law 139, 82d Cong., sec. 101), empowers the President to proclaim that an area is a critical defense housing area and entitled to the benefits provided by this act relating to housing and community facilities and services. Temporary, expires June 30, 1953 (sec. 104).

Immigration

Item 59: Act of June 20, 1941 (55 Stat. 252, ch. 209) authorizes the President to prescribe regulations in connection with refusing visas, etc., to aliens whose admission would endanger the safety of the United States.

Information

Item 60: Internal Security Act of 1950, enacted September 23, 1950 (64 Stat. 991, sec. 4 (b, c)) recognizes the power of the President to classify information as affecting the security of the United States, for the purpose of the prohibition against communicating same to foreign agents.

Internal Revenue

Item 61: Act of March 17, 1941 (55 Stat. 45, sec. 1), provides that the President shall approve regulations as to the silver bullion transfer tax.

National forests

Item 62: Act of March 10, 1934 (48 Stat. 400, ch. 54), authorizes the President to establish fish and game sanctuaries in national forests.

Item 63: Act of May 28, 1940 (54 Stat. 224, ch. 220, sec. 1), authorizes the President to withdraw national forest lands from location, entry, or appropriation, in order to protect watersheds from which water is obtained by municipalities.

National parks

Item 64: Act of April 24, 1948 (62 Stat. 199, ch. 230), authorizes the President to approve the transfer to the Department of the Interior of surplus Federal real property administered by any agency, if such property is located within the boundaries of a national park or monument. Temporary, expires July 1, 1952.

Panama Canal

Item 65: Act of July 9, 1927 (50 Stat. 486, ch. 470 sec. 1) which declares that the Government of the United States possesses exclusive control over the air space above the Canal Zone, authorizes the President to make rules and regulations governing aircraft, air navigation, air navigation facilities, and aeronautical activities within the Canal Zone.

Item 66: Act of June 13, 1940 (54 Stat. 389, sec. 2 "274") gives the President the power to establish the rate of interest, not exceeding 3 percent per annum, on postal-savings certificates in the Canal Zone.

Item 67: Act of June 28, 1940 (54 Stat. 676, sec. 39) authorizes the President to provide for the registration and fingerprinting of aliens in the Canal Zone.

Price and wage stabilization

Item 68: The Defense Production Act of 1950, approved September 8, 1950 (64 Stat. 803-812, title IV) as amended July 31, 1951 (Public Law 96, 82d Cong., sec. 104) authorizes the President to stabilize prices and wages. Temporary—expires June 30, 1952 (Public Law 96, 82d Cong., sec. 111).

Item 68A: Title V of this act as amended (64 Stat. 812) authorizes the President to initiate voluntary settlements of labor disputes.

Priorities and allocations

Item 69: The Defense Production Act of 1950, approved September 8, 1950 (64 Stat. 799, title I) as amended July 31, 1951 (Public Law 96, 82d Cong., sec. 101 (a)) authorizes the President to grant priorities to contracts pertaining to the national defense and to allocate materials and facilities in such manner as he shall deem necessary to promote the national defense. Temporary—expires June 30, 1952 (Public Law 96, 82d Cong., sec. 111).

Productive capacity expansion

Item 70: The Defense Production Act of 1950, approved September 8, 1950 (64 Stat. 800-802, title III) as amended July 31, 1951 (Public Law 96, 82d Cong., sec. 103) provides that in order to expedite production, etc., under Government contracts, the President may authorize any procurement agency of the Government including Departments of Army, Navy, and Air Force, to guarantee any public or private financing institution (including any Federal Reserve Bank) against loss of principal or interest on any loan, discount, etc., which may be made by such financing institution for the purpose of financing any defense contractor or subcontractor.

The President may also make provision for loans to private business enterprises for the expansion of capacity, the development of technological processes, or the production of essential materials.

The President is given the power to procure, transport, store, process, and refine essential, critical and strategic materials.

When in his judgment it will aid national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories,

and other industrial facilities owned by the Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons. Temporary, expires June 30, 1952 (Public Law 96, 82d Cong., sec. 111).

Public lands

Item 71: Act of June 6, 1942 (56 Stat. 326-327, ch. 380), requires Presidential approval of grants of recreational demonstration projects to the States or to their political subdivisions.

Requisitions

Item 72: The Defense Production Act of 1950, approved September 8, 1950 (64 Stat. 799, title II), as amended July 31, 1951 (Public Law 96, 82d Cong., sec. 102 (a)), authorizes the President to requisition and condemn property which is needed for the national defense. Temporary, expires June 30, 1952 (Public Law 96, 82d Cong., sec. 111).

Rubber

Item 73: The Rubber Act of 1948, approved March 31, 1948 (62 Stat. 102-108), gives the President the power of allocation, specification, and inventory control of natural and synthetic rubber. Temporary, expires June 30, 1952 (64 Stat. 256 ch. 357).

Securities and exchanges

Item 74: Act of June 8, 1934 (48 Stat. 898, sec. 19 (4)), gives the President the power to approve summary suspension of all trading on any national security exchange for a period not exceeding 90 days.

Seizure of plants

Item 75: The Selective Service Act of 1948, approved June 24, 1948 (62 Stat. 625 sec. 18) as last amended June 19, 1951 (Public Law 51, 82d Cong., sec. 1 (w)), authorizes the President to take immediate possession of and operate any plant, mine, or facility with which Government orders had been placed for articles or materials for use of the Armed Forces; and the owners of which had refused or failed either to give the orders precedence, to fill the orders within the prescribed time, to produce the kind or quality ordered, or to furnish same at the negotiated price.

If any producer of steel refuses to comply with the requirement to make available to Government contractors supplying the Armed Forces, quantities of steel in percentages deemed necessary for the expeditious execution of such orders, the President, through the Secretary of Defense, is authorized to take immediate possession of the plant of such producer.

Silver

Item 76: The Silver Purchase Act of 1934, approved June 19, 1934 (48 Stat. 1178-1181) requires Presidential approval of the regulation by the Secretary of the Treasury of transactions in silver, and authorizes the President, when in his judgment such action is necessary, to require, by Executive order, the delivery to the United States mints of any or all silver by whomever owned or possessed.

Tennessee Valley Authority

Item 77: Act of July 18, 1941 (55 Stat. 600 ch. 309) provides that the transfer of real property of the Tennessee Valley Authority to private persons for summer homes, resorts, etc., or to any Government agency, shall require approval of the President.

Veterans

Item 78: Act of December 28, 1945 (59 Stat. 624 ch. 588 sec. 4) empowers the President to approve or disapprove proceedings of boards of review set up under the GI bill of rights.

Item 79: Act of August 1, 1946 (60 Stat. 788 sec. 12) provides that the President shall have general direction over the Administrator of Veterans' Affairs in the administration

of the National Service Life Insurance Act of 1940.

II. EMERGENCY AND WAR POWERS

Aliens

Item 80: Act of April 14, 1952 (Public Law 313, 82d Cong. sec. 1 (a) (40)), amended May 28, 1952 (Public Law 368, 82d Cong.), grants the President the power to determine that the interests of the United States require that additional restrictions and prohibitions be imposed upon the entry to and departure from the United States of aliens and citizens, and to regulate such entries and departures. Although the President had this power under act of May 22, 1918 (40 Stat. 559, c. 81), as amended June 21, 1941 (55 Stat. 252 c. 210, sec. 1), the power was restricted to wartime and to the emergency which ended on April 28, 1952, when the Japanese Peace Treaty became effective. The President can now exercise this power even though we are not at war. Temporary, expires June 15, 1952.

American National Red Cross

Item 81: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (32)), amended May 28, 1952 (Public Law 368, 82d Cong.), authorizes the President to utilize the services of the American National Red Cross to assist our Armed Forces. Although the act of April 24, 1912 (37 Stat. 90, 91, secs. 1, 2), as amended, gave this power to the President, that act restricted it to time of war or "when war is imminent." Temporary, expires June 15, 1952.

Armed Forces

Item 82: Act of June 15, 1933 (48 Stat. 156, sec. 7), provides that in the event of an emergency declared by Congress, the President may extend the enlistment terms of the National Guard and of the National Guard of the United States for a period of 6 months after the termination of the emergency.

Item 83: Act of June 15, 1933 (48 Stat. 160, sec. 18), amended June 19, 1935 (49 Stat. 392, sec. 7), provides that during a period of war or emergency declared by Congress, the President may order units or members of the National Guard of the United States into active military service.

Item 84: Act of June 15, 1933 (48 Stat. 161, sec. 20), as amended September 9, 1940 (54 Stat. 875, sec. 101), authorizes the President in time of war or national emergency determined by the President to appoint any officer of the Regular Army to a higher temporary grade without vacating his permanent appointment.

Item 85: Act of May 14, 1940 (54 Stat. 214, c. 195), provides that in time of actual or threatened hostilities the President may allow additional enlistments in the Medical Department of the Army in such numbers as he may deem necessary.

Item 86: Act of July 24, 1941 (55 Stat. 604, secs. 5, 6), as amended April 9, 1943 (57 Stat. 60 c. 38 sec. 1) and June 30, 1951 (Public Law 67, 82d Cong. sec. 2 (a)) provides that in time of war or national emergency determined by the President, the President may make temporary appointments and advancements of certain personnel of the Navy and Marine Corps.

Item 87: Act of October 1, 1942 (56 Stat. 763 c. 571), provides that during a war or a declared national emergency, the President may detail officers and enlisted men of the Army, Navy, and Marine Corps to assist, in military and naval matters, the governments of such countries as he deems it in the interest of our national defense to assist.

Item 88: Act of August 7, 1947 (61 Stat. 893, 906, 907 secs. 507 (b), 514 (f), 515 (e)), provides that in time of emergency declared by the President, or by Congress, and in

time of war, the President may suspend the provisions of the Officer Personnel Act pertaining to promotions and to mandatory retirement of Army officers, and may appoint temporary officers in the Army of the United States in commissioned grades.

Item 89: Act of August 7, 1947 (61 Stat. 907 sec. 515 (d)), authorizes the President, in time of a national emergency expressly declared by Congress, to order any officer of any Reserve component of the Army of the United States into active Federal duty without his consent for as long a period as the President may prescribe.

Item 90: Act of October 12, 1949 (63 Stat. 810, 811 secs. 204 (d), 205 (d)), authorizes the President, in time of war, to suspend incentive pay for the performance of hazardous duty and diving duty.

Item 91: Act of April 14, 1952 (Public Law 313, 82d Cong. sec. 1 (c)), amended May 28, 1952 (Public Law 368, 82d Cong.) authorizes the President to continue in force the present appointments of warrant officers and of Reserve component officers of the Army and the Air Force, the National Guard of the United States and the Air National Guard of the United States, which were made under the provisions of title 10, United States Code section 591a, and which would have expired on April 28, 1952, when the Japanese Peace Treaty became effective. Although these officers could have been reappointed for the period of the national emergency declared December 16, 1950, and for 6 months thereafter, the President now has the power to continue these appointments in force without a new reappointment. Temporary, expires June 15, 1952.

Coast and Geodetic Survey

Item 92: Act of June 3, 1948 (62 Stat. 299 sec. 10 (b)), provides that in time of emergency declared by the President or by Congress, and in time of war, the President is authorized to suspend the provisions of the Coast and Geodetic Survey Commissioned Officer's Act pertaining to promotion.

Communications

Item 93: Act of June 14, 1934 (48 Stat. 1104, sec. 606 (c)), amended and superseded October 24, 1951 (Public Law 200, 82d Cong., sec. 1) provides that upon proclamation by the President that there exists war or a threat of war or a state of public peril or disaster or other national emergency, the President may suspend or amend for such time as he sees fit, the regulations of the Federal Communications Commission as to radio communications, and may cause the closing of any radio station, and the removal therefrom of its apparatus and equipment, or he may authorize the use or control of any such station by a department of the Government, upon just compensation to the owners.

Item 94: Act of January 26, 1942 (56 Stat. 18, ch. 18), provides that upon a proclamation by the President that there exists a state or threat of war involving the United States, the President, if he deems it necessary in the interest of national security, may suspend or amend the regulations of the Federal Communications Commission applicable to any of all facilities or stations for wire communications, may cause the closing of any facility or station and the removal therefrom of its apparatus and equipment, or may authorize the use or control of such facility or station by any department of the Government, upon just compensation to the owner.

Contracts

Item 95: Title II of the First War Powers Act, 1941, approved December 18, 1941 (55 Stat. 839, sec. 201), as amended January 12, 1951 (64 Stat. 1257, ch. 1230), provides that during the national emergency proclaimed by the President on December 16, 1950, the

President may authorize any department or agency of the Government exercising functions in connection with the national defense, to enter into or amend contracts and to make payments thereon without regard to the provisions of law relating to the making, performance, etc., of contracts, whenever he deems that such action would facilitate the national defense. Temporary, expires June 30, 1952.

Item 96: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (3)), amended May 28, 1952 (Public Law 368, 82d Cong.), authorizes the President to designate a Government officer or agency to inspect the plants and audit the books of any contractor with whom a defense contract has been placed. The President was given this power by act of March 27, 1942 (56 Stat. 185-186, secs. 1301-1304), but that act restricted the power to the duration of World War II and would have expired on April 28, 1952, when the Japanese Peace Treaty officially ended the war. Public Law 313 extended this power beyond the termination of the war. Temporary, expires June 15, 1952.

Emergency detention

Item 96A: The Emergency Detention Act of 1950, enacted September 23, 1950 (64 Stat. 1021, secs. 102, 103), provides that in the event of invasion, declaration of war by Congress, insurrection within the United States in aid of a foreign enemy, the President may proclaim a state of internal security emergency, and may then through the Attorney General apprehend and detain certain persons who may conspire to engage in acts of espionage or sabotage.

Foreign exchange

Item 97: Act of March 9, 1933 (48 Stat. 1, 2, secs. 2, 4), amended December 18, 1941 (55 Stat. 839, sec. 301) provides that during the time of war or during any period of national emergency declared by the President, the President may regulate transactions in foreign exchange and certain transactions of member banks of the Federal Reserve System and may regulate transactions regarding alien property or its ownership.

Hawaii

Item 98: Act of June 19, 1936 (49 Stat. 1535), gives the President the power to determine that an emergency exists which requires the use for public defense, of certain territory transferred to the Territory of Hawaii, so that the United States may resume occupation of same.

Labor

Item 99: Act of August 30, 1935 (49 Stat. 1013 c. 825, sec. 6), provides that in the event of a national emergency the President is authorized to suspend certain provisions of law relating to wages of laborers, etc., under public building contracts.

Priorities

Item 100: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (33)), amended May 28, 1952 (Public Law 368, 82d Cong.) extends the war power which the President had been granted under act of February 4, 1887 (24 Stat. 380, sec. 6) as amended by section 2 of the act of June 29, 1906 (34 Stat. 586, c. 3591) to demand and receive preference and precedence over all other traffic for the transportation of troops and materials of war. Temporary, expires June 15, 1952.

Item 100A: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (35)), amended May 28, 1952 (Public Law 368, 82d Cong.) extends the war power which was granted to the President by act of February 28, 1920 (41 Stat. 477, sec. 402 (15)) to certify to the Interstate Commerce Commission that it is essential to the national defense and security that certain traffic shall have preference or priority in transportation. Temporary, expires June 15, 1952. This authority is made applicable to freight forwarders by sec. 1 (a)

(36) of Public Law 313, 82d Congress as amended. Temporary, expires June 15, 1952.

Public Health Service

Item 101: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (9)), as amended by act of May 28, 1952 (Public Law 368, 82d Cong.) extends the war power granted to the President by act of July 1, 1944 (58 Stat. 689-691, secs. 212, 213, 216) to declare the commissioned corps of the Public Health Service to be a military service, making it a branch of the land and naval forces of the United States, subject to the Uniform Code of Military Justice, and entitling its members to full military benefits such as death payments and veterans compensation. Temporary, expires June 15, 1952.

Public works

Item 102: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (17)), amended by act of May 28, 1952 (Public Law 368, 82d Cong.) extends the power under the Lanham act, granted the President by act of June 28, 1941 (55 Stat. 362, 363, secs. 3, 4 (a)) which is needed to operate or reactivate existing public works necessary to the welfare of persons engaged in national defense activities. The power is vested in the Housing and Home Finance Administrator "with the approval of the President." Temporary, expires June 15, 1942.

Ships and shipping

Item 103: Act of June 29, 1936 (49 Stat. 1993, 2010, secs. 302 (h), 712 (d)) provides that during a national emergency as proclaimed by the President, he may, in his discretion, suspend any or all provisions of section 302 of the Merchant Marine Act of 1936, relating to citizenship requirements of officers and crews of vessels, and may terminate private charter operation.

Item 104: Act of June 29, 1948 (62 Stat. 1095-1096 c. 715), provides that during time of war or national emergency, the President is authorized to arm American vessels.

Item 105: Act of August 9, 1950 (64 Stat. 427-428 ch. 656), authorizes the President to control the anchorage and movement of foreign flag vessels in the territorial waters of the United States, whenever he finds that the security of the United States is endangered by reason of actual or threatened war, or invasion, or insurrection, or subversive activity or of disturbances or threatened disturbances of the international relations of the United States.

Item 106: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (38)) amended by act of May 28, 1952 (Public Law 368, 82d Cong.), extends the emergency power, which had been granted to the President by act of June 6, 1941 (55 Stat. 242 ch. 174 sec. 1) as amended, to purchase, charter, or requisition the use of foreign merchant vessels lying idle in waters within the jurisdiction of the United States, which are necessary for the national defense. Temporary, expires June 15, 1952.

Strategic materials

Item 107: Act of June 7, 1939 (53 Stat. 811, sec. 4), amended July 23, 1946 (60 Stat. 598 sec. 5) provides that stockpiles of strategic and critical materials shall be released for use, sale or other disposition only on order of the President when required for purposes of the common defense, or in time of war or national emergency with respect to common defense proclaimed by the President, on order of such agency as the President may designate.

Transportation

Item 108: Act of April 14, 1952 (Public Law 313, 82d Cong., sec. 1 (a) (34)), as amended May 28, 1952 (Public Law 368, 82d Cong.), extends the war power which had been granted to the President by act of August 29, 1916 (39 Stat. 645 ch. 418 sec. 1) to assume control, through the Secretary of the Army, of trans-

portation systems, and to utilize same to the exclusion of all other traffic for the movement of troops, war material and equipment, and other purposes connected with the emergency. The President may now exercise this authority through such officers or agencies as he may designate. Temporary, expires June 15, 1952.

III. POWERS GRANTED BY ACTS WHICH HAVE BEEN AMENDED SINCE 1933

Armed Forces

Item 109: Act of July 1, 1918 (40 Stat. 717), superseded by act of August 4, 1949 (63 Stat. 558, sec. 8) provides that in time of war or national emergency declared by the President to exist, any commissioned or warrant officer of the Navy or Marine Corps on the retired list, who was ordered to active duty, may be temporarily advanced to and commissioned in such higher grade or rank on the retired list as the President may determine, but not above lieutenant commander in the Navy, or major in the Marine Corps.

Item 110: Act of January 28, 1915 (38 Stat. 800-801, sec. 1), superseded by act of August 4, 1949 (63 Stat. 496, sec. 3) provides that upon a declaration of war or when the President directs, the Coast Guard shall operate as a service in the Navy and shall so continue until the President by Executive order transfers the Coast Guard back to the Treasury Department.

Item 111: Act of June 15, 1917 (40 Stat. 219, sec. 6), last amended and superseded by act of September 23, 1950 (64 Stat. 1003, sec. 18 (a)), recognizes the power of the President in time of war or in case of national emergency, to designate places in which anything for the use of the Army, Navy, or Air Force is being prepared or constructed or stored, concerning which information is not to be published, which the President has determined would be prejudicial to the national defense.

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Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER to the Smith amendment: After the last word in the Smith amendment insert "Except that in view of the fact that the workers in the steel industry have voluntarily withheld any work stoppage for a period in excess of the maximum time during which an injunction could have been in force, the President is requested to proceed as though such injunction had been granted without, however, applying for such an injunction."

Mr. SMITH of Virginia. Mr. Chairman, I make the point of order against the amendment that it is not germane, and imposes additional legislation.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. MULTER. Mr. Chairman, it simply elaborates on the request in the Smith amendment.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from New York [Mr. MULTER] offers an amendment to the amendment offered by the gentleman from Virginia [Mr. SMITH]. The gentleman from Virginia [Mr. SMITH] makes a point of order against the amendment on the ground that it is not germane. The gentleman from New York [Mr. MULTER] advises that his amendment elaborates on the Smith amendment.

The Chair is of the opinion that it elaborates on the Smith amendment to the extent of amending existing law not within the purview of this bill or the jurisdiction of this committee and is not germane.

The Chair, therefore, sustains the point of order.

The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and the Chair announced that the ayes appeared to have it.

Mr. McCORMACK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SMITH of Virginia and Mr. MULTER.

The Committee divided, and the tellers reported that there were—ayes 190, noes 133.

So the amendment was agreed to.

Mr. BOLLING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, today it seems to me that many of the people of the country must be looking at the Congress, and especially the House, with a feeling that, I believe, Will Rogers described years ago as similar to that of distracted parents discovering junior approaching the china cabinet armed with a hammer.

It seems that in this case junior will do great damage before it is possible for his parents to catch up with him. The catching up will have to wait until November, I suppose.

But even in the midst of events which are tragic for the people of this country, it is possible to find examples of pure comedy—not slapstick comedy but comedy as defined by the dramatists of the ancient Greeks.

Let me make clear at this point that I respect the views of every Member of this House, and do not question the motives of any Member of this House. Of course, I mean that statement in the sense that I respect the right of all Members to have whatever views and motives they desire.

But in the Greek meaning of comedy it is truly comic to watch not only the rank and file but also the leadership of the Republican Party following the leadership of a handful of distinguished gentlemen from certain States in the South on crippling amendments to this bill. To see the members of the party of the great emancipator, Abraham Lincoln, slavishly following the lead of gentlemen who are the bitterest enemies of that great principal for which Lincoln stood, the principal of the equality of all men in the eyes of God and in law, is truly comic.

The phalanx of House Republicans led by a handful of those who have been unkindly called Dixiecrats is a curious sight. In symbolic terms one is reminded of the old saw about the tail wagging the dog.

Mr. Chairman, in this case the situation is even more peculiar and one would think zoologically impossible did not one observe it with one's own eyes and hear it with one's own ears. Here we have a case of the most backward part of the Democratic donkey leading the whole Republican elephant around by the nose.

What a fate of the party of Lincoln.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think that this bill up to the present time has been as devoid of politics as any bill which has been considered on this floor for a good, long while. Now, we quite often hear the remark made about an unholy alliance which is said to exist between certain southern Democrats and certain northern Republicans. There is nothing unholy about any coalition of Americans sworn to uphold the Constitution of the United States when they join hands to protect the American system of government. I am glad the gentleman from Missouri brought this out in order that we may know where the opposition comes from to the majority of this House which

has stood up here repeatedly during the last 15 years and has fought off these attempts of Socialist-minded individuals to infiltrate the great Democratic Party—to destroy it as effectively as the Fabian Socialists of Great Britain destroyed the great Liberal Party of Great Britain. I hope you keep that up if you want to develop the issue.

If you want the issue clearly stated, keep the issue before the people that there are two great political philosophies in America today: One, perhaps not wholly but at least partly sponsored by those for whom the gentleman from Missouri was speaking, which perhaps without their knowledge is being used as a vehicle by the American Socialist movement—the American Fabian Socialist movement masquerading under the name of Americans for Democratic Action—which would as effectively destroy the American system of government as the Fabian Socialist movement in Great Britain destroyed democracy in Great Britain. They did not wake up to it in Great Britain until it was too late.

It is the duty and the purpose of the Republican Party, with the help, I hope, of those Americans on my right who are jealous of the American system and want to see it preserved, to recognize that not in spite of but because of the American system of government we have become great, and we are going to continue to join hands to save America from the onslaughts of those who would destroy it.

Mr. POAGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: On page 5, line 3, at the end of section 104 insert the following subsection lettered (c):

"(c) Paragraph 2 of subsection (b) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"Any ceiling price now or hereafter established for any material or service shall be suspended whenever the President finds that during the preceding 30 days the average price of such material or service has been 2 percent or more below the ceiling price established for such material or service; and whenever a ceiling price on any material is suspended at any level of production, processing, or distribution, the ceiling price of such material shall also be suspended at all subsequent levels of distribution of such material: *Provided*, That whenever the ceiling price for any material or service has been suspended pursuant to the provisions of this section, the President may require any seller of such material or service to report periodically sales made above the ceiling price in effect at the time such ceiling price was suspended. No ceiling price shall be reestablished or maintained for such material or service unless the President finds that the average price of such material or service has (1) equaled or exceeded for a period of the preceding 30 days or (2) has exceeded by more than 10 percent for any 1 day, the ceiling price previously established, and any ceiling price so reestablished shall be no less than the ceiling price previously established: *And provided further*, That upon presentation of evidence to the President to the effect that the average price of any material or service has been below ceiling price for as much as 30 days the President shall make an investigation and

make his findings public within 15 days after the presentation of such evidence.

"For the purpose of this section any material shall be considered to be another material when it is substantially altered in form."

Mr. POAGE. Mr. Chairman, this amendment would, in short, automatically decontrol the price of any commodity when it remains as much as 2 percent below the ceiling price for more than 30 days.

I recognize that we have probably already adopted amendments which, if they are retained in the bill, will accomplish almost everything this amendment attempts to accomplish. I believe, however, that this amendment carefully spells out a workable method of decontrol, and avoids the meat-ax approach. I believe that if we can adopt this amendment, whether we retain the other amendments or not, we will still have a method of automatic decontrol that will be workable and will not completely wreck price control.

In all fairness, I think I should say it is my intention and expectation to vote against any continuation of price control. I think the time has come to abandon it. I think price control is, at this time, tending to prevent production and that it is definitely building up trouble for us all in the future. But if we are to retain it, and I do not know what this House wants to do, we should make it workable, we should make it honest, we should make it real price control of high priced goods rather than a method of creating jobs for certain individuals. Price controls on articles or services which may be had in the open market at less than ceiling are not only useless; they are dishonest. They are a useless expense. They are an unnecessary irritation and burden on business.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. YATES. Is not the effect of your amendment an invitation to all producers to lower their prices by 2 percent for a period of 30 days and thereafter—

Mr. POAGE. Exactly.

Mr. YATES. Will the gentleman permit me to finish my question—and thereafter be able to increase their prices by 10 percent above ceiling?

Mr. POAGE. No, sir. The gentleman doubtless did not have the opportunity to hear the reading of my amendment by the Clerk. My amendment very carefully provides that if a price goes back to 10 percent above the ceiling, which is the figure he named, even for 1 day, then controls may be reimposed. If the price goes up as much as 2 percent above the ceiling price for 30 days, then ceilings may be reimposed at the original figure. No, sir, we take care of the very thing that you suggested. We do offer an invitation to everybody to lower their prices—and surely those who propose price controls will not object to a method of encouraging dealers to lower their prices? Surely the gentleman from Illinois does not object to encouraging everybody to lower their prices. Cer-

tainly this amendment does, as the gentleman from Illinois pointed out, offer encouragement to lower prices and to keep them low because if you as a dealer keep prices below the ceiling price, then you will not be aggravated by the 10,000 inspectors, by the multitude of red tape, the volume of irritations which afflict every business in these United States under the present system.

Let me call attention to the fact that it is not only the price situation which is involved in this matter of decontrol, it is the eternal irritation to business. It is the irritation here and there and yonder, the regulations, the inspectors, and the expense. Why, the expense of maintaining the records to meet price control is oftentimes far more burdensome on business than the mere control of prices itself.

Mr. YATES. Is not the gentleman therefore arguing in favor of the committee provision that says when a price falls below the ceiling by 7 percent, there need not be any further report to the Office of Price Stabilization?

Mr. POAGE. No; I am not arguing in favor of the committee provision because I do not think it goes far enough to give us the relief we need. We are now paying tremendous sums for these inspections. We ought to cut out some of them. Just because the Congress is debating this matter today, we are getting the OPS to lift the ceiling on hundreds of articles which should have been done months and months ago. Unfortunately the only way you can get them to lift ceilings is to lead them to the chopping block, and threaten them with extinction; and then they become practical. We had ceilings on cotton for nearly 2 years while cotton on the open market never reached to within \$25 per bale of the ceiling price. What good did this do?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. McCORMACK. The gentleman stated frankly that he is against price-control legislation. Is my friend in favor of parity and price-support legislation for agricultural products?

Mr. POAGE. Yes; I am in favor of parity and price-support legislation. I am in favor of encouraging production of those articles on which the American people must depend for their food and raiment. I am not in favor of a price-control program which discourages production. Price control, if used where it is not needed, can be very dangerous as well as expensive. I don't believe we need price control at present. I believe that its bad effect more than outweighs any advantages that may come from it. I know that price control which is maintained simply to prove that the Government has some kind of paramount right over the people is bad. I know that when control is retained after the price sinks below ceiling price it cannot be to protect the public from unfair prices. It must, therefore, be either for the purpose of asserting the power of big Government or for the purpose of supporting the job holders who administer these ineffective controls.

OPS has had repeated opportunities to decontrol items which are selling at less than ceiling price. Nothing was done until Congress gave evidence that it would clean house for OPS. Then and only then did that agency show the slightest interest in decontrol. Experience has shown that if we are to get any effective decontrol after this bill is extended, if it is extended, we must write a clear-cut formula in the law itself. That is what this amendment does.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I sat here for 2 or 3 days last week and was a bit dismayed at the meat-ax tactics being used to kill this legislation. To my esteemed colleague, the gentleman from Texas, I say that it would be better to do the job up brown, cut it off, kill it completely, rather than to keep a shell and render it totally inoperative. For a long time I have studied the idea, both last year and this year, of an automatic decontrol amendment. I confess to you that after studying it for several weeks and months, I have not been able to find one which I believe would work. In other words, as I see it, it is either to have some reasonable system of price control or to have none. It is my humble judgment that the gentleman from Texas [Mr. POAGE] wants none, and that he is attempting to leave the corpse of price control barely breathing, with the amendment he has offered. It is impossible to administer any such provision as this amendment would set up. While I would like to see all of these articles which are soft in the market decontrolled, and I cannot see any need in keeping ceiling prices on articles that for a reasonable period of time stay below ceiling, I do not think you can confine it to a 30-day period. Neither do I think you should allow a 10-percent increase in any one day before you reimpose it.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Texas.

Mr. POAGE. Well, it is not 10 percent. It allows 2 percent if it stays up 30 days. If it stays up any one day, you can reimpose it.

Mr. RAINS. In other words, your amendment would allow a 9-percent increase for 1 day.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from California.

Mr. McKINNON. The 30-day period has to expire before price controls can go back into operation. Prices can go up even more than 10 percent in a 30-day period. Then you are faced with the problem of roll-backs, of higher prices, and a dozen other things that are all bad.

Mr. RAINS. I submit to the House that the amendment is thoroughly unworkable, and that it is just another knife in the back of any kind of price control.

I do not like controls any more than you do. I admit that. But I say this to you, if we take off controls I want

somebody else to bear the burden for the price increases—or let us put it another way—for the wage increases that I know are going to happen. I want someone else to bear the burden of causing more inflation, of increasing the cost of living to the people of America.

I would like to say one more thing. I have watched many of my good friends, who today want to take off price controls who only 2 years ago were demanding complete and total freezes in prices and wages. In other words, they switch from one extreme to another when the situation of emergency is the same.

This is the second anniversary of the terrible and bloody fighting in Korea. As far as I am concerned, I would like to think that I at least did a little on my part to hold in line prices and wages when these boys get back home. I do not make any ardent argument all inclusive for price controls. If we could retain the committee bill, we would at least be holding in status quo wages and prices.

I do not know whether you have read the bill passed in the other body but I do know that it was passed by substantial majority. We are doing a lot of fiddling in the closing days of this session, and we are adopting one amendment after another which will either have to be stricken in conference or the bill will never come out of conference.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. TALLE. Mr. Chairman, I move to strike out the last word.

(Mr. TALLE asked and was given permission to revise and extend his remarks.)

Mr. TALLE. Mr. Chairman, inasmuch as there is some kinship between the amendment just offered by the gentleman from Texas [Mr. POAGE] and the one which I offered and which was agreed to last Friday, I welcome this opportunity to comment further on my amendment, especially since the OPS has gone out of its way to say things about it that are not true.

For instance, in a letter under date of June 24 from the Director of the ESA to the Speaker of the House, Mr. Putnam said:

The Talle amendment would destroy price controls outright.

Either he has not read the law which he is supposed to administer or he has not read my amendment, or both. So I want to answer.

Mr. Chairman, during the interval since last Friday when the House approved my amendment to title IV of the Defense Production Act, I have been besieged with visitors, long distance telephone calls, telegrams, and letters from all over the Nation. My office has been flooded with newspaper accounts and editorials concerning the so-called Talle amendment. So far as I have been able to determine, the principal opposition to it comes from the cult of that gasping group in our society, the self-styled liberals on the payroll of the DPA, the NPA, the ESA, and the OPS. There is a line in the beautiful Song of Solomon,

"The voice of the turtle is heard in the land." If I may indulge in paraphrase, I believe it appropriate to suggest that today "the anguished squeal of the bureaucrat is heard through the land."

Be that as it may, my purpose at the moment is to explain my amendment and the need for it in simple, clear language. At the outset, I want to emphasize that it is in the nature of a transition proposal, a cushion as it were. In this connection, let me say some people do not realize that the controls authorized in the Defense Production Act are not permanent. At least, I hope not. They are temporary. They will expire next Monday evening, if not extended. The Senate after due deliberation, passed a bill proposing to extend controls for 8 months. The House Committee on Banking and Currency was more generous—we agree to a 12-month extension.

Now the underlying thought behind my amendment is that it would be much wiser to embark upon the gradual decontrol of our free enterprise system in an orderly, methodical manner, rather than to select an arbitrary date in the future on which to lift controls en masse. Despite reports to the contrary, my proposal does not scrap title IV. On the contrary, it assumes there will be a standby price control authority appropriately staffed to meet whatever needs may exist or arise in the transition period. I, for one, do not want Government control merely for the sake of control. I am not one who believes you have to burn down a house to roast a pig. I want only such controls as the economic situation warrants—and no more.

A cushion period, such as I am proposing, will avert repetition of the widespread price-rises that followed the lifting of World War II controls in 1946. Of course, in 1946 we were emerging from a long and terrible war. There was a huge backlog of demand for automobiles, refrigerators, radios, and all forms of goods that had not been produced in quantity for consumer over a 5-year period. The price spiral affected principally commodities that were in short supply. A comparable situation does not exist in 1952. The economic conditions are not parallel, and some may argue that a transition stage is not necessary. Nevertheless, it is a safeguard.

Surely, Mr. Chairman, everyone who believes in free enterprise will agree that there is no justification for controlling competitive goods which are available in abundant supply. All my amendment does is to free such goods from price control. It provides that ceiling prices for any material shall be suspended whenever and as long as it is selling below the ceiling price and has been selling below that price for 3 months, or is in adequate or surplus supply to meet current civilian and military demands and has been in such status for a period of 3 months. In this latter case, the amendment provides that a commodity is in adequate or surplus supply whenever it is not being allocated or rationed.

I want to call special attention to the use of the word "suspended" and the words "as long as" in my amendment. Can any reasonable person doubt the meaning of those words? The amendment is just what it purports to be—a formula for suspending controls on commodities that are not scarce, and for keeping controls off such commodities as long as the supply is adequate to meet our needs.

There is nothing whatever in my amendment which bars the re-imposition of price ceilings. Other sections of the Defense Production Act set forth the authority and the procedure for imposing such ceilings. My amendment merely spells out a formula for determining whether a commodity is in short supply, and provides for the removal of controls on items that are not in short supply.

Let me discuss the two parts of the formula in more detail. First, it provides that price ceilings shall be lifted on any material selling below ceiling price for 3 months. Bearing in mind that the material can be recontrolled under the act, if necessary, what reasonable person can object to this proposal? To maintain controls over commodities selling below ceiling prices is an abuse of governmental power and an unconscionable waste of public funds.

The second part of the formula provides that price ceilings shall be suspended on goods that are in "adequate or surplus supply." The problem is, then, to determine adequacy of supply. The acid test for ascertaining the extent of supply of any material is simply a question of checking to find out if civilian and military needs are being satisfied. If not, title I of the act clothes the President with full authority to allocate and ration materials of every kind and to prevent hoarding. If the supply of any material is so abundant that it is not necessary for him to invoke this power, there is no necessity for controlling the price of that commodity. The President has imposed allocation control over metals and raw materials that have been adjudged to be in short supply. If there are other commodities in short supply over which he is not exercising distribution control, then he is derelict in his administration of the Defense Production Act. Free competition will assure fair prices for any commodity in adequate supply that is sold competitively. And we have plenty of statutes—including the rationing power—to take care of monopoly or price-conspiracy situations.

Mr. Chairman, one of the principal functions of the free price system is the distribution of consumer goods. Under this system, each consumer has a money income, each commodity has a money price, and the consumer buys what he wants and can afford. Thus, the free price system brings about a precise adjustment of consumer goods to consumer preferences and income. When you interfere with this machinery by artificially controlling prices, the result is maldistribution. Such price tampering, even on a small scale, may have strange but disastrous results; it may send or-

anges scheduled for Memphis to Atlanta; it may direct fluid milk needed for evaporation into cheese production; it may channel cotton into sheets rather than into shirts; it may result in the feeding to beef cattle of corn needed for hog production; it may result in the shipping of vegetables to the cannery rather than to the fresh market. Any one of such developments can disorganize a market resulting in serious financial loss and unemployment.

As a matter of fact, since price control, by definition, destroys prices and profits as the means of distribution, it follows logically that some other method must be employed simultaneously for distributing a controlled commodity if the normal distribution pattern is not to be upset. In other words, when you control prices only in a price economy, you automatically disrupt the distribution machinery. Unless you take counter measures to control distribution, a breakdown of the economic machine cannot be long avoided. That is the reason why the British find it necessary to ration goods and to subsidize production as well as to fix prices. Therefore, it is my judgment that if the supply of a commodity is so scarce as to warrant price fixing, it warrants rationing as well.

I hardly think it necessary, Mr. Chairman, for me to demonstrate in detail to Members of the Congress the superiority of the free price system over a government-controlled system in directing production, in allocating labor and resources, and in distributing consumer goods. I do, however, want to point briefly to one facet of price controls that is often overlooked—namely, they are in themselves inflationary:

First. Controls are expensive to administer—both in money and in manpower. This is inflationary.

Second. Controls, if they do hold prices down temporarily, encourage and expand consumption. Increased consumption aggravates the inflationary spiral.

Third. Controls restrict production. What could be more inflationary?

At best, price controls are a temporary stopgap solution. They do not solve the problem of inflation. As I have pointed out on numerous previous occasions, inflation is primarily a monetary phenomenon. It is an economic condition in which there are more dollars than goods in circulation. The practical solution is to remove restraints from the productive machinery, thereby stimulating production. The only practical way I know to achieve minimum prices is through maximum production.

During World War II, I supported the price control and rationing programs as necessary because of the military demand on our productive machinery which resulted in the sharply curtailed production of civilian goods.

In 1950, I voted for the 1-year controls contained in the Defense Production Act because we were then embarking on a multi-billion dollar program for mobilizing our industrial machinery and directing production into special channels, and the outlook indicated the use of cutbacks

in the production of consumer goods. Strong controls, including rationing of scarce goods, applied for a brief time at that point, could have been beneficial, that is, holding prices in check while industrial adjustments were made. But what happened? For six full months, while the industrial mobilization program was getting under way, the Truman administration sat on its hands. Raw materials were diverted from civilian production, consumer goods became scarce, prices and costs started spiraling. Finally, half a year later, in January 1951, the price freeze came—catching the price structure in motion and therefore out of balance. Then came the attempted rollbacks, causing further headaches and inequities.

Nevertheless, in 1951 I supported another 1-year extension of these controls, though with serious misgivings. At that time I expressed doubt as to the capability of the Truman administration to administer the program effectively. Unfortunately, I was 100 percent right in my doubt. The control agencies have confused themselves, to say nothing of our citizens, with mountains of regulations and orders. They have burdened our businessmen with unending reports and questionnaires, and have harassed them with investigations. Not only have these agencies frittered away vast sums of public money, they have added incalculable billions to the operating costs of our free enterprise system, resulting in higher prices on all consumer goods.

And yet, these bureaucratic empire builders had the temerity to come before the Banking and Currency Committee to ask not merely for extension of controls but for added powers to play around further in the economic mess they have created through their blundering and bungling. They remind me of the juvenile delinquent who murdered his parents, both his father and his mother, in cold blood, and then asked the judge for mercy on the plea that he was an orphan.

Mr. Chairman, I say the time has come to start dismantling the control bureaucracy. And I say further that my amendment sets forth a simple and sound economic guide for proceeding with the dismantling. It provides an orderly means for achieving decontrol as rapidly as conditions justify that action. It will strike some of the shackles from agriculture and from industry, thereby stimulating production. It is a genuine anti-inflation measure, and deserves the full support of every Member of this Chamber who has faith in the American free-enterprise system—the system that has given the American people the greatest individual freedom and the highest standard of living ever known to man.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from California.

Mr. McDONOUGH. As I understand the gentleman's amendment, OPS would continue to operate.

Mr. TALLE. That is correct.

Mr. McDONOUGH. Therefore the OPS could easily discover whether the conditions the gentleman outlines in his amendment exist.

Mr. TALLE. Certainly.

Mr. McDONOUGH. Therefore you are not abolishing the office.

Mr. TALLE. No, sir.

Mr. McDONOUGH. What the gentleman is saying in effect is that if these conditions exist in the economy of the country there is no need for controls, because that would be control for control's sake.

Mr. TALLE. The gentleman is correct.

Mr. McKINNON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I dislike price controls just as much as anybody else. I want to see a free economy and a free market as soon as conditions permit. But I say that if we are going to have price control let us have something that is workable, equitable, and effective, or not have any at all.

The Poage amendment seeks to do two things: One is to relieve the seller of the burden of filing reports. The committee has felt the same need. The amendment we have in the bill, put in by the committee, provides that when prices drop below 7 percent the seller does not have to make reports, he is freed of the onerous work of reporting. Perhaps that percentage is too high. Maybe it ought to be 5 percent, maybe it ought to be 2 percent, or some other figure. I happen to know that my friend, the gentleman from Florida, is going to offer an amendment that will give the House a voice in what that figure ought to be. You will have a chance to exercise your judgment as to where that suspension of controls in the matter of filing reports may be terminated, whether it should be 2 percent, 7 percent, or whatever it may be. That is going to be within your determination in a few minutes. Therefore, the committee and the Members of the House are going to have a chance to take care of that objective in the Poage amendment and this action will relieve the seller from filing reports. Let us not adopt the Poage amendment for that purpose because that purpose is taken care of.

The second thing the Poage amendment seeks to do is to raise prices. Do you want to raise prices? You can do it either by adopting the Poage amendment or by cutting out price controls entirely. I would suggest if you want to raise prices, let us eliminate price control completely, let us save the taxpayers a little money by making it unnecessary to have an Office of Price Stabilization and the attendant expense. Let us do away with price controls completely. Let us be honest with the people of the country and say: We do not need price controls any longer, we do not want them, therefore we are honestly doing away with them.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is it fair to assume that under the Poage amendment, if adopted, and the law is extended, in order to ascertain these various changes in individual items, down and up and everything else, suspension and reimpos-

ing, you would have to increase the personnel of the OPS by a tremendous number of employees?

Mr. McKINNON. That is correct, but that would be the smaller cost to this Nation. The great cost would be in the increased cost of living and the terrible inflation in everything we buy, particularly the increase in the cost to this Government in connection with its national defense procurement program.

The Poage amendment says that the President cannot impose price controls unless the average—it is going to take a long time to determine what the average is—has exceeded for 30 days the ceiling price established.

Now, in 30 days the price can go up 1 percent a day to 9 percent and you could conceivably have an increase of 270 percent in 30 days time, although I will admit that is an exaggeration. But you could have a great increase in price in the 30-day period before the President can reimpose price controls.

That poses another problem. If prices go up 10, 15, or 20 percent and price ceilings are reimposed, what levels are you going to reimpose them at—at the new level, which means an increase of 10, 15, or 20 percent to the consumer, or are they going to be rolled back to present ceilings? If they are rolled back to the old level what kind of equity are you going to have so far as people who are caught with the inventories at the higher price are concerned? We had a terrific fight on this floor a year or so ago on the matter of rollbacks. Many of you thought rollbacks were not fair and would penalize the merchants and farmers; therefore, we did away with rollbacks. If you adopt this amendment you will have inequitable rollbacks, and even worse, the public will be subjected to a higher cost of living. Either way is going to be disastrous to our economy.

This amendment should be defeated. It is inconceivable to me that an amendment like this could work fairly. The Poage amendment, in my opinion, is an invitation to higher cost to consumers and I may say further that the gentleman from Texas would not have submitted this if he had not wanted higher prices.

Mr. O'TOOLE. Mr. Chairman, I move to strike out the last word.

The last refuge of a scoundrel is hiding behind the American Flag. Once again we hear the cry of "socialism" raised in this House. Once again we must be on our mettle and determine the sincerity of those who raise the cry.

When I first came into politics in New York State, the Socialist Party was in its heyday. Under the leadership of Eugene Debs and Meyer London it had attained the strongest position it had ever reached in the history of our State. In the city of New York, the Socialist Party had succeeded in electing six assembly men. The Socialist Party in our city and State was then defeated and destroyed in one election by the man who brought me into politics and a man whose policies I have endeavored to follow through the years. I refer to that great American and great Governor the Honorable Alfred Emanuel Smith. I am a member of a church that has

fought socialism throughout the centuries and will fight it as long as it rears its head anywhere in the world. Following two such leaderships, I cannot be sympathetic with socialism, but I am sufficiently mature to realize that the cry of Americanism and socialism is raised by the Republican Party every time an effort is made to help the mass of our people.

When Governor Smith was a member of the legislature and worked for the passage of the Workmen's Compensation Act; when he strongly urged widows' pensions which would keep the children in their mothers' homes and keep them out of orphan asylums; when he fought for State parks and old-age pensions and fair factory laws, the Republican Party fought both Al Smith and these legislative proposals tooth and nail. When they could not justify their opposition on the grounds of pure reason they again brought out their label of socialism.

The Republican Party, itself, had a great American and a great President in the person of Theodore Roosevelt, but when he championed the cause of the people and fought the control of big business over the masses; when he waged his momentous battle for conservation of natural resources, the Republican Party turned against him and labelled the program socialism and cast him out into the exterior darkness.

Eighty million working people of this country struggling day after day and week after week in their efforts to meet the high cost of living have expressed publicly and privately their strong and earnest desire not only for the continuation of controls, but for the strengthening of controls. When this representative body, which should be responsive to the call of the people ignores their desires and labels the demand as socialism then, gentlemen, this has ceased to be a representative legislative body.

Gentlemen, you know that the continuation of controls is not socialistic in any manner, form, or shape. It is merely a safeguard erected by the people's representatives against the profiteer who would heartlessly take advantage of existing conditions. You know in your hearts that this is the only way that we can prevent the inflation that has bled Europe and Asia white. You further know that this is simple Christian justice that recognizes the problem of the American citizen. However, from the way the Republican side has voted all day, it is evident that once again you are not interested in human rights. You are taking your dictation from the National Association of Manufacturers. You are taking it from the United States Chamber of Commerce and the American real estate boards. To you, human rights do not mean anything. However, the day of reckoning is coming in November and the people of this country who fortunately have an opportunity to express themselves every 2 years will reaffirm their faith in all the things that the Democratic Party has fought for for the last 20 years.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, I would like to say in answer to the gentleman from New York who just spoke, that every charge that he made, that the Republican Party or those of us who want to see some semblance of common sense knocked into this Production Control Act, is absolutely false on the record. The Republican Party throughout the years has played a very strong part in making this the strongest Government in the world. It has tried to protect the working people of this country and it has, and always will have, a large share of the support of the working people of this country. We in the Republican Party oppose policies that we know are detrimental or unfair to labor. We tell the rank and file of labor why we do so and do not try to deceive them. We support legislation beneficial to labor.

If those who follow the dictates of the left-wing crowd continue as they have, then the great bulk of the Jeffersonian Democrats and the great bulk of labor will be with the Republican Party. Your party has exploited labor too long now for political purposes. Labor has got on to your political motives, your unbearable taxes, and will continue to leave you.

May I say further that there are some pretty formidable elements, good people who want to do away with controls. If we must keep them, they do not want controls kept for the sole purpose of playing politics in order to continue to spend \$68,000,000 a year for 13,600 political jobs, many of which are not necessary. I refer to the great Farm Bureau representing millions of producers. I refer, yes, to the chambers of commerce of this country, and to a great many of the finest patriotic, thinking people in America.

Those who are administering price control are absolutely in the opposite direction from the purposes of the act, which was to get greater production. Their controls are decreasing production. The consumers know they cannot consume goods that are not produced. That prices go up when manufactured and agriculture production goes down. That prices go down when as production increases. What we need is greater production to help reduce the high cost of living.

The OPS retards and reduces production. It hurts the consumer as well as the producer. It is bad for both of them. It is a farce and should be abolished.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I have before me an editorial from one of America's most distinguished newspapers, the Philadelphia Inquirer, which for a hundred years has been the bible of the Republican Party in Pennsylvania. This is an editorial of June 23. It reads as follows:

What was in actuality a minority of the House of Representatives has voted a series of stultifying amendments that have virtually crippled the anti-inflation bill.

If these actions prevail, the bill would eliminate curbs on just about everything but rents and wages, would kill credit and price restrictions except on commodities which are rationed or allocated.

This bit-in-the-teeth runaway system of dealing with a question of vast national importance is downright shocking. The serious aspect of the matter is that the action put over in a lightly attended House session can involve highly dangerous consequences. In the present delicate situation of the American economy there is a good deal of force in the heated protest of Economic Stabilizer Roger L. Putnam that the votes jammed through to take the heart out of controls were actually votes for inflation.

We are not fond of controls. Few people are. But it is by no means established that conditions have arisen to justify discarding them entirely and let food and other necessities run wild. Last week saw the cost of living at its highest peak. With all restraints taken off the prices ahead of us may become appalling.

Steps such as are contemplated in the current House amendments should be taken only after the most thoughtful study, not shoved through by a headstrong group that took advantage of week-end absenteeism.

Fortunately what has been attempted is not irretrievable. The amendments must be approved by a roll call vote Wednesday. This whole illogical mess, which proposes to keep wage controls but permits costs of living to go whenever they may, ought to be cleared up. The amendments should be expunged.

Congress should not pass a fake controls bill which has been rendered meaningless. It must consider the inflationary dangers grimly close to us now. It must not gamble on the effects upon the defense program, on numerous labor contracts, and on the living standards of American homes if prices are to be permitted to go where they please, because they will go up.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, the remarks I was about to make have been much better made by the previous speaker who read the editorial from a paper which has been friendly to, and has worked with the Republican Party throughout the years. Therefore, I will not be repetitious, but simply want to say that it is about time we calmed down and considered what we are doing for the best interests of the American people.

Mr. Chairman, last Friday a series of amendments to the price stabilization provisions of the Defense Production Act were offered to the Committee of the Whole House and adopted. One of these is such an outrageous piece of legislation that I want to examine it briefly with you. I refer to the amend-

ment sponsored by the gentleman from Iowa [Mr. TALLE].

I congratulate Mr. TALLE, and his fellow Republicans. Rarely has the work of the advocates of profiteering and complete decontrol been done so thoroughly and so well.

The Talle amendment would end price controls on all food, on all clothing and apparel, on all other consumer goods, on all things farmers buy, on practically everything business buys, on almost everything the Government buys; and it would do so immediately, by next Monday.

Does this legislation come right out and say this is its intent? If it did, I think I could respect its forthrightness, much as I might deplore its willingness to scuttle the only safeguards this country has against the threat of a crippling inflation.

But the Talle amendment is not forthright. It is not clear. Instead, it cloaks itself in some 158 words of pious double talk. It pretends concern for some program of protective controls. It has been designed to wear the engaging air of plausibility, to appear in the light of sense and reason, not only to the gentlemen of the House, but to the American public as well.

I am not shocked to find that the gentlemen on the Republican side of the House are up to their old tricks of defending the schemes of privileged business, to get rid of price controls. I expect this. What horrifies me is the smiling treachery behind this particular attack, and its callous disregard of the economic facts of our time.

The amendment has two parts. The first part would prohibit the Office of Price Stabilization from placing controls on the price of any commodity that has sold below ceilings for 3 months or more. The second part would forbid ceilings for any commodity in "adequate supply." Mr. TALLE's amendment would consider that a commodity not being allocated or rationed by the Government is in adequate supply. Let me speak of the second part of this amazing document first.

At first blush, the words "adequate supply" are disarming. If goods are in adequate supply, they argue, there should be no need to be concerned with their prices in any way.

Mr. Chairman, to my certain knowledge there has been no rationing of consumer goods of any kind in the last 2 years. Using the logic of the amendment of the gentleman from Iowa there should have been no need for any concern about prices. Prices should have adjusted themselves right along, happily for the consumer and the businessman, and the farmer.

But have they? Does anyone acquainted with the record think that prices, although there has been no need for rationing, have not consistently presented the picture of a dangerous inflationary trend?

Here are the facts. In the last 2 years, and with no slightest hint of rationing for consumers' goods, prices as measured by the Bureau of Labor Statistics have been steadily rising. The cost of living has gone up 11 percent. Eight percent

of that rise came before the institution of direct price controls.

Today, the cost of living is within one-tenth of 1 percent of its all-time high.

Apparently, inflation does not always obey the simple rules which the amendment offered by the gentleman from Iowa would lay down for it. Apparently, we can have, and have had, dangerous inflationary pressures, without the accompanying scarcities the gentleman from Iowa would have us believe are the inevitable concomitant of higher prices.

Were there any real shortages, right after Korea, when prices zoomed suddenly? You all know that the real shortages were few. Actually, what we in this country were treated to then, in the 8 months that followed Korea, and before direct price controls, working with other Government controls, took effect, was a dangerous rash of scare buying, pure and simple.

Nobody was talking about rationing anything.

Businessmen, concerned over stocks of raw materials, built up inventories.

People spent out of their savings. They borrowed if they lacked cash. Total consumer credit rose to a record \$20,000,000,000 at the end of 1950.

Wholesale prices were leaping.

Consumers' prices rose at the average rate of 1 percent a month.

A family that was spending \$3,600 annually for its cost-of-living budget in January 1950 suddenly found, 8 months after Korea, that an additional \$300 was needed to purchase what \$3,600 bought before. Where the family income remained the same—and there are undoubtedly many millions of Americans whose income has remained the same—the family was \$300 poorer.

These losses, these price rises, this really dangerous flurry of inflation had not a thing in the world to do with whether or not the commodities concerned were in adequate supply. They had not a thing in the world to do with any real or supposed need for rationing.

Mr. Chairman, I submit that when we look at the Talle amendment in this way all its fine pretense of reason and logic fall away and what is disclosed is a fraud, and the smiling fraud walks among us, wired for sound, and the sound track seems to be saying: "Look, we Republicans, we defenders of privileged businesses, are really anxious to retain all necessary price controls. But let us put price controls only on things that are not in adequate supply."

Once you tie price control to rationing, you have really opened the door to higher and higher prices. You are really doing the bidding of big business, which wants all price protections removed so it can take higher and higher profits at the expense of millions and millions of Americans. Once say unless it is rationed, no ceilings, no controls, and you would see prices rocket right off into space. You could have no price controls unless a program of rationing with all the red tape of ration books and blue points and red points and lining up at the stores went along with the price controls.

But the first part of the amendment of the gentleman from Iowa makes an-

other set of assumptions. It assumes that prices are generally below ceilings and are going to remain below. It assumes that there is a soft-market bandwagon rolling and all the consumer has to do is go out and jump aboard.

Where is this soft-market bandwagon?

It does not show up in recent investigations by the Bureau of Labor Statistics. The cost of living, as I said earlier, is right now within one-tenth of 1 percent of its all-time high.

Among the items that BLS recently found selling at or near their 1951-52 peak prices were corn flakes, corn meal, bread, vanilla cookies, milk, ice cream, bananas, onions, flour, rolled oats, veal cutlets, cheese, apples, canned peaches, canned corn, and canned baby food. Women's suits, boys' suits, men's and children's shoes, and other items of apparel were at their peaks or close to them. Automobiles, auto repairs, and insurance were also. Rents, beer, haircuts, permanent waves—I could go on with the list. In March, items representing one-half the average urban consumer's purchases were at their peaks. Practically 71 percent were within 2 percent of their peaks. Less than a tenth were as much as 10 percent below their peaks.

Where prices have been materially below established ceilings OPS has realistically been proceeding with a program of orderly suspensions. I do not need to go into that. The House knows that whatever suspensions are economically, safely possible are going forward. There is no warrant at all for the propaganda which tries to give the impression that unnecessary controls are being maintained.

Our economy today is not a soft one. Basically, the economy is firm, with widespread upward pressures on prices.

Recently OPS found that food retailers, as an industry, were right in their claim that they needed some price relief. Higher retail mark-ups had to be granted on a wide range of foods, including dry cereals, canned vegetables and fruits and soups, and frozen foods. The price increases for these items are expected to be about 1 cent an item. The Nation's food bill, as a result of this one necessary action, is probably going to have to go up another \$100,000,000 a year.

The dairy industry has been asking for higher ceilings. High-protein feeds, which affect beef prices, are currently pressing OPS ceilings. Increases in freight costs are bringing other pressures for price increases. OPS has recently been compelled to issue a number of special regulations permitting distributors to pass on increases in transportation costs.

In the service trades generally, OPS is constantly receiving requests for higher ceilings because of increasing labor costs, usually the largest single cost item in this field.

That is the picture that confronts us today. It is a picture of production at high levels, with goods of nearly every kind available, no scarcities worth even the mention of the need for rationing, and yet prices are rising. Prices are,

for the most part, at peak or right up to peak. And they are still rising.

I submit that the job before the House of Representatives is not one of trying to find ways to kill price control with feigning talk. We are not here to joust with such will-o'-the-wisps as "adequate supply." Our responsibility is prices. Let us confine ourselves to what has happened to prices, and what is likely to happen to them, without adequate controls. Let us not be bemused by the generally irrelevant talk of items or commodities that may be selling below the protective ceilings, or by the myth which would set up scarcities and rationing as the only preconditions requiring a firm program of price controls.

That is special interests double-talk of the most dangerous sort. But it does not fool the American people. They are up to their necks in high prices right now. They are not likely to look kindly on this latest Republican big business move to push them under.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 22, noes 82.

So the amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 3, strike out from line 19 to line 4 on page 4, inclusive.

Mr. JAVITS. Mr. Chairman, this amendment proposes to strike out that provision of this bill which places a floor under food prices instead of dealing with a ceiling on them. And it does that by legislating into effect a fixed floor of 90 percent of parity for basic agricultural commodities for another year. Right now, or at the end of this crop year, the law provides in these basic commodities that parity may be established at a sliding scale of 75 percent to 90 percent, depending upon whether there has been a surplus of growing according to the Secretary of Agriculture in which case he fixes the parity percentage low, and if there is a shortage he fixes the parity percentage high in order to encourage growing.

There is a bill pending upon which a rule has been obtained by the Committee on Agriculture seeking to do this very thing, and one other thing which is not important for the discussion here for 2 years, whereas the provision in this DPA bill makes it 1 year.

It seems to me that in the interest of even fundamental and orderly legislating we should not pass this here, but we should wait until debate takes place and the opportunity occurs for the consideration of the bill, upon which a rule has been granted, which bill is H. R. 8122.

Mr. Chairman, I would like to state for myself why I have taken this position with respect to agricultural bills. I hope very much that the Members from the cities, and this is very important to them, will listen. The general idea here seems to be that all matters affecting agriculture are the business only of those who represent rural areas or those who

are members of the Committee on Agriculture. I do not think anything else could be further from what is right for Members of the Congress, and if we needed any proof of it, here is the proof. The fact is that the Bureau of Labor Statistics, which makes the consumers' price index now shows for May 15, which is the last figure, that the index for food prices has climbed to 230.8 which is almost the high which was reached between November 1951 and January 1952, and that the food price index far outstrips the index for everything which is at 189, again close to the high mark. Anyone who has analyzed food costs in his own community will realize that food costs have generally gone up an average of one-third more than price increases across the board of everything else which enters into the cost of living. Business has gotten bad in the big cities in soft goods, because the people say they do not have the money to pay for their food and the taxes which are necessarily being levied in connection with the defense mobilization program.

All I say about these farm price parities and farm price floors is that there has to be an adversary proceeding. Somebody has to have an interest which will test out whether these increases in the guaranties and price flows for agricultural commodities are right or wrong. They cannot be permitted to go by default. They cannot be permitted to go by consent.

The farm people themselves do not want it that way. Two of the great national organizations in the farm field, the National Grange and the American Farm Bureau Federation, have recorded themselves as being against H. R. 8122 on which a rule has been granted.

It is an oversimplification to think that everybody can get a cut at will out of this economic pie. That is, if food prices go up, then wages will go up, and the thing will equalize itself. The farmer has got into a squeeze on that, because in 1951 he had the highest total gross income he had ever had, \$37,000,000,000, yet his net was \$3,000,000,000 lower than it was in 1947—\$14,000,000,000 against \$17,000,000,000. The answer is that this kind of situation is catching up with him and his costs are taking away from him what he gains by the higher guaranties of the farm price program.

Now, there are many millions of people in our country who are pure consumers—Government workers, social security beneficiaries, veterans on pension and their families, and many who live on savings and annuities. Not enough of us seem to realize that. They cannot get their cut out of any increase in wages or salaries or prices in order to make up what they pay in inflationary prices for food and other items. To these are to be added millions of nonfactory workers, white collar whose salaries lag behind the cost of living. Then, too, all other workers are caught in the squeeze of rising prices and taxes to eat up rising wages. All these need the protection for which I am contending.

The CHAIRMAN. The time of the gentleman from New York has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 9, line 8, after "are", strike out "7 per centum or more."

Mr. ROGERS of Florida. Mr. Chairman, this is a simple amendment, an amendment that seems to me would bring some benefit not only to the consumer but to the little merchants, producers, and manufacturers.

The only thing this amendment does is this: It provides that if the little merchant sells material or services for less than ceiling, he does not have to make a report to the President. Now, that looks like sense.

Our merchants are so encumbered at the present time with all of these rules and regulations that they just pile up on the desk. People cannot even read them. I just want to read one that came to the Atlanta office. This is a verbatim copy of an order. It reads like this:

He—

Retailer—

may establish his ceiling price by referring to the listing of comparable categories in appendix C of Ceiling Price Regulation 7 and using pricing rule 5 for mark-up. If necessary he may use rule 6 and appendixes D and F. The extension of in-line pricing is effected by expanding use of appendixes C, D, and F of CPR 7 to give additional categories (860-985 and 1050-1070). These categories were previously added to appendix B by amendments 2 and 8 to CPR 7.

If there is any Member of Congress who can interpret this I will pay for the time he spends trying to interpret it. When we are trying to bring about some simplification, why should we not say to these merchants, "Now, so long as you stay below the ceiling price you make no report to the President or anyone else?"

Instead of that it is 7 percent. He would have to hire a Philadelphia lawyer to determine whether or not he is above or below 7 percent, as provided in this section.

I say to you this would help the little merchant, because he will not have to employ men to help him see whether or not he sold 7 percent or below at the ceiling price that has been promulgated.

The only thing he has got to do if you pass my amendment is to say: "Go ahead and do your business; we are with you, but if you sell below ceiling prices you make no report." That would be an incentive for the merchant to keep his goods below ceiling prices, which, I say, is good for the consumer. Certainly it would be worth something to him instead of going ahead and having to make out all these reports and to figure out whether it is 7 percent, 1 percent, half a percent, or 6½ percent below ceiling. In other words, you have a play of from 1 to 7 percent to penalize him for refusing to send in a report, and do not think they would not penalize him. They sent out 14,000 warnings the other day in south Florida alone, according to a report in the Miami Herald.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I cannot; my time is too limited.

Mr. MORANO. I want to support the gentleman's amendment.

Mr. ROGERS of Florida. Then I shall have to yield to the gentleman.

Mr. MORANO. The gentleman is making a splendid statement. He has made a real contribution to the small-business man, and I am going to support his amendment when the vote comes.

Mr. ROGERS of Florida. I thank the gentleman for his support and endorsement of this amendment.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. My time is so limited; I hope the gentleman will not press it.

Mr. RAINS. I am with the gentleman, too.

Mr. ROGERS of Florida. I thank the gentleman.

Just to show the type of orders that they have issued, listen to this: I have been informed that the OPS in setting the price of an article passed an order containing 26,911 words dealing with that article. Whereas you might be interested to know that the Declaration of Independence contains only 1,458 words, including the signatures; the Constitution of the United States has only 4,543 words, including the signatures; the Ten Commandments have only 297 words, Lincoln's Gettysburg Address has only 266 words, and the Lord's Prayer has only 56 words. But when you get to the OPS they send out an order which the little merchant would have to spend half his time trying to read. Generally, a simple regulation is never used when a complicated one can be used instead by the OPS.

Mr. RIVERS. If the gentleman will yield, the OPS never heard of the Lord's Prayer.

Mr. ROGERS of Florida. I am not going to say that, but I do think this amendment ought to be adopted.

Mr. BROWN of Georgia. Is the gentleman's amendment designed to help the merchants, the producers, or the consumers?

Mr. ROGERS of Florida. It is designed to help all of them, every one of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Page 6, line 15, strike out section 106 and insert as follows:

"The first sentence of section 402 (k) of the Defense Production Act of 1950 as amended, is amended to read as follows:

"No rule, regulation, order, or amendment thereto shall be issued under this title or remain in effect under this title, for more than 60 days after the date of the enactment of the Defense Production Act amendments of 1952, which shall deny a seller of materials at retail or wholesale his customary percent-

age margins over costs of the materials or his customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by his records during such period, except as to any one specific item of a line of material sold by such seller which is in short supply as evidenced by specific Government action to encourage production of the item in question."

Mr. COLE of Kansas. Mr. Chairman, the purpose of my amendment is to permit wholesalers and retailers to have their historical and individual mark-up. This is an amendment to what was originally known as the Herlong amendment. When the House passed the Herlong amendment last year, it was passed in the same form and manner as I have presented this amendment. In other words, the House of Representatives believed that an individual wholesaler or retailer had the right to mark his goods on the basis of his historical individual practices. This amendment permits the individual wholesaler or retailer to follow that customary practice.

The other day I walked through one of the great department stores of Washington, and there I saw offered for sale hundreds and hundreds of items. Some of the items were large, some of the items were medium-sized, and some of them were quite small. Following that I went through a hardware store, and there I saw hundreds of items offered for sale, some of them large and some of them small. Then I went to a clothing store, and I saw hundreds of items offered for sale. This is the interesting thing: The Office of Price Stabilization has permitted drygoods and department stores their individual mark-ups, their historical individual mark-ups. The Office of Price Stabilization has permitted the hardware merchants and wholesalers their individual historical mark-ups. They have permitted the clothing merchant to do the same. As a matter of fact, only one group of merchants has been discriminated against arbitrarily, and I say this advisedly, and not permitted their individual historical mark-up, while over a million wholesalers and retailers in this country are granted that relief.

Mr. Chairman, individual mark-ups for the nonfood retailer, with very few exceptions, are permitted. The grocers in the small and large towns are required to follow a mark-up system provided for them by the OPS.

Mr. Chairman, some people say that it may be impossible for the OPS to go into these various businesses and determine whether or not they are complying with the regulations. If that is true in one branch of the wholesale and retail trade, it must be true in the millions of others. So the only purpose of my amendment is to permit a fair and reasonable mark-up for the grocers, both large and small, and to bring them in line with the rule laid down for other wholesalers and retailers.

I hope the committee will accept the amendment, because once before the House did accept it, believing that it was a fair and proper manner of fixing prices.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, those who administer price control believe that this amendment would make it impossible of administration. If we are going to have individual cases, if the administration has to get evidence on the historical mark-up of each individual, it seems that it would be labor that would be absolutely impossible to perform. I venture to say that the distinguished gentleman, for whom I have a high regard, will not vote for this bill whether this amendment is in it or is not in it. I am sorry, instead of having these whittling amendments, that the issue is not clearly made as to whether or not we want price control. The gentleman from Iowa a little while ago said that his amendment was not destructive of price control at all, but as I understand his amendment it will take off ceilings and they cannot be put back in until rationing is established. As one of the characters in Shakespeare said: The wound is not so deep as a well or not as wide as a church door, but it is enough. This is another amendment that will have the same purpose.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and on a division (demanded by Mr. RIVERS) there were—ayes 56, noes 42.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. COLE of Kansas and Mr. MULTER.

The committee again divided, and the tellers reported that there were—ayes 105, noes 83.

So the amendment was agreed to.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 5, after line 3, insert a new section to read as follows:

"Sec. 105. (a) Paragraph (iii) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(iii) Price of rentals for (a) materials furnished for publication by any press association of feature service, or (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by or wages paid to any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion picture or other theater enterprise, or outdoor advertising facilities."

Mr. JONES of Missouri. Mr. Chairman, do not get alarmed over the reading of that long amendment. Actually, it is just quoting from the present law. This is not a whittling amendment; it is not a crippling amendment; it is offered in the spirit of bringing into conformity the present law, and also to make this section in the present law conform to the amendments which have been included in this bill by the Committee.

I have talked to members of the committee on both sides of the aisle, and all the members I have talked to have voiced no objection to this amendment.

Briefly, what it does is this: Under the present law there is no ceiling on prices charged by newspapers, periodicals, magazines, radio stations, television stations, motion picture houses, and so forth.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Kentucky.

Mr. SPENCE. When there is no price control, there should be no wage control. That is the basis of the gentleman's amendment?

Mr. JONES of Missouri. That is the basis of the amendment.

Mr. SPENCE. I have no objection to it.

CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: On page 6, line 11, add a new subsection to be numbered 105 (f) to read as follows:

"The provisions of section 12 of the Fair Labor Standards Act of 1938, as amended (29 U. S. Code, sec. 212), relating to child labor shall not apply with respect to any employee employed in agriculture while not legally required to attend school."

Mr. MULTER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the bill.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. ROGERS of Texas. Yes sir, I do, Mr. Chairman.

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. ROGERS of Texas. Mr. Chairman, my position is simply this: As I understand, this is emergency legislation. I presume that the point of order made by the gentleman from New York is based on the proposition that this is an attempt to amend another law in the Defense Production Act. My position is that this is emergency legislation, and that it does not amend another law, but merely creates an exemption during the effective period of this act, and has nothing in the world to do with amending or appealing any section of the Fair Labor Standards Act.

The CHAIRMAN. Does the gentleman from New York desire to be heard further on the point of order?

Mr. MULTER. Mr. Chairman, the point is that the amendment offered by the gentleman from Texas will amend the Fair Labor Standards Act, which is not a part of this act and, therefore, is not germane to the bill now before us.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule. The gentleman from Texas [Mr. ROGERS] offers an amendment to which the gentleman from New York [Mr. MULTER] makes a point of order on the ground

that the amendment is not germane to the bill before the committee. The Chair has had an opportunity to read the amendment offered by the gentleman from Texas [Mr. ROGERS]. The Chair is of the opinion that the amendment is not germane to the bill before the Committee since it proposes in effect an amendment to another law with reference to which the Committee on Banking and Currency would have no jurisdiction. Therefore, the point of order is sustained.

Mr. ROGERS of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS of Texas. Mr. Chairman, I have the amendment in other language, which I think meets the objection raised by the gentleman. May I offer it at this time.

The CHAIRMAN. The gentleman may offer an amendment at this time, if he desires to do so.

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: On page 6, after line 11, add a new subsection to be numbered 105 (f) to read as follows:

"Employment of any employee in agriculture, while such employee is not legally required to attend school shall be deemed to not constitute oppressive child labor."

Mr. MULTER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Texas on the point of order.

Mr. ROGERS of Texas. Mr. Chairman, my position is the same as it was on the other amendment, that it is not an amendment to any existing law.

Mr. MULTER. Mr. Chairman, what I have said on the other amendment applies to this amendment with equal force.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule. The gentleman from Texas [Mr. ROGERS] offers an amendment to which the gentleman from New York makes the point of order on the ground that it is not germane. The Chair has had opportunity to read the amendment offered by the gentlemen from Texas [Mr. ROGERS] and, of course, the section of the bill to which the amendment is offered. The Chair is of the opinion that the amendment in its present form is germane in that the gentleman from Texas proposes a further exemption from the wage control provisions of the existing bill. Therefore, the Chair overrules the point of order raised by the gentleman from New York.

Mr. ROGERS of Texas. Mr. Chairman, it is my understanding that the Secretary of Agriculture has called upon the farmers in this country for larger production. Production, of course, will provide the bulwark against rationing and against price controls. In 1949, the Congress amended the Fair Labor Standards Act of 1938, and I want to read that amendment to show you how unfair it was to the farmers and to the people who are depending upon their ability to ob-

tain work at harvesttime in order to earn a livelihood.

Subsection C of section 213 reads as follows:

The provisions of section 212 of this title relating to child labor shall not apply with respect to any employee employed in agriculture outside of school hours for the school district where such employee is living while he is so employed, or to any child employed as an actor or performer in motion pictures or theatrical productions or in radio or television productions.

The next section goes on and extends it to newspaper boys.

Of course, this in effect says that it is more important to this country to have a bunch of kids acting on the stage and in motion pictures to entertain people than it is to have a bunch of children learning the responsibilities of life and how to be honest Americans and pay their bills and not depend upon the state for sustenance. If that is the place that this country has gotten to, we had better take stock and back up a little bit.

This amendment I have offered does not in any manner exploit child labor. I do not care what some of these sob-sisters have put out in the way of propaganda all over this country to try to exploit child labor and jump on a bill which I introduced before this Congress. It does not do anything in the world but put compulsory school attendance of the child back in the hands of the State where it belongs.

Under the present law a child can go and make a fabulous sum in motion pictures and entertain you and the rest of the people, while he should be in school, but another child, maybe the child of a poor migrant worker family does not have the same right—and I am not talking about wetbacks now—don't get crossed up on that—these are people who live in the United States and depend upon the harvest to make their living to carry them through the winter and into the next harvest season. Those children, even though they are not legally required to attend school in the particular State or district, because they have already met the compulsory attendance requirements, cannot go into the field and help their families make a living for themselves if school is in session in the district where the harvest is being had, or where they have moved with their families.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Michigan.

Mr. CRAWFORD. You say they cannot do that, although they have met all the legal requirements in the State where they came from?

Mr. ROGERS of Texas. That is exactly correct. In other words, if you have a 120-day compulsory attendance provision in a State and the child has attended 120 days in that State already and has gotten it behind him, and he goes with his parents and his brothers and sisters into a harvest area simply because any school in the district is in session, he cannot work, and if the farmer puts him to work some of these labor agents come in and threaten to put the

man in jail and fine him \$10,000 for doing it.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield further?

Mr. ROGERS of Texas. I yield.

Mr. CRAWFORD. In some agricultural areas they organize the school days to fit in with the harvest days also?

Mr. ROGERS of Texas. That is exactly right, simply for the reason that man has not been able to change nature yet, as much as we have tried sometimes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Michigan.

Mr. DONDERO. The further fact is that it is almost impossible today to get labor out on the farms to harvest the crops.

Mr. ROGERS of Texas. Mr. DONDERO, this device in this law of 1949 was nothing in the world but a device designed to cut off a pipeline of labor to the small farmers in this country, so that farm labor could be organized; and when it is, you are going to break the small farmers in the United States, and there are going to be some hungry people in this country.

I repeat that this amendment does not exploit children, and if anyone will show me that it does I would be willing to withdraw the amendment. The truth is that children will be exploited if the amendment is not adopted.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BAILEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. ROGERS].

Mr. Chairman, may I recall, for the information of my colleagues, that I am a member of the Committee on Education and Labor, which considered the amendment to the Fair Labor Standards Act in the Eighty-first Congress. This matter was thoroughly discussed when that legislation was written. All of these people have had ample opportunity to come before our committee and we turned down their request, the same request that the gentleman is making today, because we did not feel that we should encroach upon the standards set up for the protection of children in this country from exploitation by anyone who desired to take advantage.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

I know that the House has been doing some peculiar things today, but I sincerely hope they have not lost their equilibrium to the point that they are going to violate the child-labor laws of this country or approve an amendment that will in any way interfere with the standards that have already been set up, standards that are upheld and observed all over the Nation with the exception of that peculiar section down near the Rio Grande.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mrs. CHURCH. I wonder if the gentleman would explain at what age the gentleman from Texas is attempting to relax current provisions affecting children in farm labor?

Mr. BAILEY. Any age from the time they are large enough to do any work up until they come out from under the provisions of the Child Labor Standards Act.

Mrs. CHURCH. May I say to the gentleman from West Virginia that I think any such move would be a step backward in the matter of protecting our children. I shall most certainly oppose the amendment.

Mr. BAILEY. As I recall, this question arose in the Eighty-first Congress and it refused to cut the work age down to as low as 11 or 12.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I do not yield.

Mr. ROGERS of Texas. Misstatements have been made, and I challenge them.

Mr. BAILEY. I sincerely hope that without any further discussion the House will vote down this amendment. Everybody knows the child-labor laws of this country. We have standards set up that should not be violated. We gave these people permission to use wetback Mexican labor down there, but now they want to go further and put the children to work in violation of the child-labor laws of the country and I am opposed to it.

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. McCARTHY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the present Child Labor Standards Act States are permitted to shut down the schools during seasons of unusual agricultural labor needs and let all the school children work in the fields if they want to. What is proposed in this amendment is to keep the schools going for some of the children so that they can continue their study, but to permit the taking of other children from the school for work in the fields.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. That is one of the main points in this entire situation. Your school systems have been concentrated and the result has been that if you close down the schools in the agricultural areas you are penalizing 75 percent of the children because only 25 percent are working in agriculture. Why not let them be legally excused and do the work?

Mr. McCARTHY. That establishes the point. Some children will be taken out of school, but the school will be continued. If work in the field is such a good thing, as the gentleman from Michigan states, it must be good for all of the children and the whole school system should be shut down. I do not think the committee should accept this amendment which is clearly discriminatory and permits the withdrawal from the schools of about 25 to 30 percent of the children.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Nebraska.

Mr. BUFFETT. Will this amendment permit them to work on their own farms or on the farms of other families?

Mr. McCARTHY. As I understand the amendment, they could be used on any farm.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from New York.

Mr. O'TOOLE. Does the gentleman from Michigan believe in putting a harness on the children or just pulling the truck without the benefit of a harness?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman from New York knows that is a perfectly asinine statement, unfair and demagogic, and should not have been made on the floor of this House.

Mrs. CHURCH. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the gentleman from Texas has tried to indicate that I am not familiar with this problem. I confess that I am a product of the city streets, but I have grown up in a strong knowledge of what good value there is in farm work; and I have been a proud member of an Illinois farm family since my marriage 34 years ago. I make distinction however, between working upon one's own family farm as against the gentleman's proposition to remove present protection from our children working commercially for hire, on farms. It has taken us years to build up this protection.

I would say to the gentleman from Texas that there is one thing with which I am thoroughly familiar and that is the long struggle in this country to take American children out of any possible exploitation, a struggle in which I have gladly taken part. I believe that farm work is health-building and character-building, as stated by the gentleman from Michigan, and I also think that discipline taught by any means is much needed. Any one step nevertheless which might even tend to put more of our children into the path of what we have known as the evils of child labor should not be taken by this House. I would particularly say to those who believe as I do that industry merits much protection and also to those who agree that we are in an emergency. If we relax one iota in the protection of our children, we shall not survive; and I am not sure that we should.

Mr. ROGERS of Texas. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. The gentlewoman misunderstands the amendment and I want to point it out, because I think she is fair and I think she tries to do the right thing. The language in this amendment is the identical lan-

guage that was employed in the Fair Labor Standards Act from 1938 to 1949 when the Labor Department conceived some trick language down here to make their enforcement problems easier.

Mrs. CHURCH. If I had misunderstood the amendment, I would be happy so to state. I do not think however, that I have misunderstood it, or its implications. Whether the language was tricky or not tricky, this amendment would relax a protection on some of our children, and I would not take a chance on that.

Mr. ROGERS of Texas. Does not the gentlewoman think the children of the migrant labor on our farms should have the same rights as the children in the cities?

Mrs. CHURCH. I think that all children merit the continuation of all protection previously written into law.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

[Mr. FOGARTY addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The question was taken; and on a division (demanded by Mr. ROGERS of Texas), there were—ayes 10, noes 97.

Mr. O'TOOLE. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. SPENCE. Mr. Chairman, may I ask how many amendments are at the desk?

The CHAIRMAN. The Chair understands there are now 15 amendments at the desk, to all sections of the bill.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that debate on each amendment that is offered to the bill be limited to not to exceed 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Reserving the right to object, Mr. Chairman, I do this for this purpose. There may be amendments which for clear understanding demand more than 10 minutes of debate. There may be other amendments which may be disposed of in 2 minutes. I am afraid that if we set the time at 10 minutes on each amendment, it is an invitation to speak 10 minutes on each amendment whether we have to or not.

I would think the better procedure might be to dispose of as many amendments as we can, restricting the time on each amendment as we come to it.

May I say that when we have disposed of the amendments which are in order at the present time, then if the gentleman cares to ask unanimous consent that the reading of the rest of the bill be dispensed with, I do not think there will be any objection to it. At that time the gentleman may be able to limit debate on all the remaining amendments.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Never since I have been here have I placed myself in opposition to a chairman's request of this nature, but in view of the proceedings here today and on this bill in the last several days, I will object to any limitation of debate on any amendment or upon the bill itself. I think the public should be fully acquainted with the conduct of the House on such extremely important legislation as this. If nobody else objects, I will.

Mr. SPENCE. I withdraw my request, Mr. Chairman.

Mr. DAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAGUE: On page 6, insert "or services" after "materials" in lines 16 and 17.

(Mr. DAGUE asked and was given permission to revise and extend his remarks.)

Mr. DAGUE. Mr. Chairman, the purpose of my amendment is to reach the problem which faces the Nation's frozen food locker plants insofar as processing charges are concerned. This problem arises from the fact that the Office of Price Stabilization has frozen processing charges which locker plants may levy but will provide no price adjustment relief to compensate for increased costs.

Locker plants perform many functions in each community. They enable their patrons to spread out the use of seasonal surpluses of food by packaging and quick freezing it and then storing it at zero degrees in separate lockers. Besides renting lockers, these plants provide a wide scope of meat processing services, including slaughtering, chilling, aging, cutting, grinding, wrapping, labeling, quick-freezing, smoking, and curing. Not all plants provide slaughtering, smoking, and curing services, but nearly all of them do provide the other meat-processing services. Most of these services are performed at a very low cost to the consumer, the average charge for chilling, cutting, wrapping, and freezing of carcass meats being only 3 to 4 cents per pound for the entire job. These charges together with locker rentals are today frozen at their January 1951 level. These are controlled by ceiling price regulation 34 which is administered by the Service Trades Branch of the Office of Price Stabilization.

Up until only a few years ago many locker plants actually operated their processing departments at a loss. This service was provided as a sort of loss leader to make the use of frozen food lockers attractive. This loss was entirely offset by the subsidy received from the rental of lockers. But the advent of the home freezer has changed this picture. Today it is no longer possible for locker plants to gain locker rental income from each customer thus subsidizing the processing that is done for him because more and more home freezers customers are having their meat processing done at locker plants and then are storing the meat at home in their home cabinets.

This processing volume continues to increase while locker rentals decline.

There is another and far more important factor—this is the matter of rising processing costs. Recently Locker Management magazine, the leading trade publication in the locker field, conducted a survey to ascertain the average direct and indirect processing cost increases which have taken place during the past year. This survey reveals the following percent increases which locker plants have had to absorb:

	Percent
Paper.....	20.8
Tape.....	22.3
Cures, seasoning.....	31.7
Wages.....	15.3
Electric power.....	15.7
Water.....	8.8
Fuel.....	9.0
Repairs.....	48.0
Office supplies.....	41.2
Insurance.....	16.6
Laundry.....	38.0
Taxes.....	15.2

The only basis for relief which is now available to locker plants is one of overall financial hardship. According to OPS, a locker plant which can prove that it is making less profit that it did in 1949 will be eligible for relief and will be granted permission to raise its prices. Incidentally, 1949 was one of the worst profit years the industry has ever had and is, therefore, a very unrealistic base for this purpose. Since many plants have taken on the sale of frozen foods, meats, packaging supplies, and so forth in the past few years, many of them have been able to hold to or even improve their profit positions as compared to 1949, in spite of the fact that they are losing money in their processing departments. Thus, since OPS will grant no locker plant departmental relief, the progressive operators are the ones who are being penalized. This policy will result in the creation of many inequities and discourages rather than encourages progressive advancement in the industry.

It is clearly understood that the intention of the Defense Production Act of 1950, as amended in 1951, was to guarantee American industry its customary margins and to permit the pass-through of cost increases. However, since the act does not specifically make this provision in regards to retail services, the Office of Price Stabilization has refused to provide relief from mounting locker plant processing costs. This stand has also been taken by the Office of Price Stabilization in regards to retail services provided by other service industries—laundries, dry-cleaning establishments, and so forth. In order to correct this problem by legislative action, we respectfully recommend, therefore, that the wording of section 106, paragraph (k) of the Defense Production Act, as amended, be amended by the appropriate addition of two words throughout the section, making it read as follows:

No rule, regulation, order, or amendment thereto shall be issued or remain in effect under this title, which shall deny to sellers of materials or services at retail or wholesale their customary percentage margins over costs of the materials or services during the period May 24, 1950, to June 24, 1950—

And so forth.

We believe that this slight addition to the wording of the act will make mandatory the granting of relief to our Nation's retail service industries by the Office of Price Stabilization and will, therefore, broaden the scope of the fair and equitable treatment intended by the act as previously amended.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DAGUE].

The amendment was agreed to.

Mr. COLE of Kansas. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Page 9, line 3, insert a new section as follows:

"SEC. 110. Notwithstanding the other provisions of this section, administration of salary stabilization for executive, administrative, supervisory, and professional personnel shall be under the jurisdiction of the Bureau of Internal Revenue, under stabilization policies promulgated by the Economic Stabilization Administrator. The term 'supervisory personnel' as used herein shall have the same meaning as the term 'supervisor' as defined by the 'Labor-Management Relations Act, 1947,' and the terms 'executive,' 'administrative,' and 'professional' shall have the same meaning as the corresponding terms as defined in existing regulations of the Administrator of the Wage and Hour Division for the purposes of the Fair Labor Standards Act."

Mr. MULTER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the bill but attempts to add other legislation that is not before us. It attempts to impose other duties upon the Bureau of Internal Revenue, Treasury Department, and also attempts to change the Fair Labor Standards Act.

The CHAIRMAN. Does the gentleman from Kansas desire to be heard on the point of order?

Mr. COLE of Kansas. Mr. Chairman, the purpose of this amendment is to place the responsibility for salary stabilization in the Bureau of Internal Revenue. The purpose of the bill before the House is to determine the process and the laws in connection with salary stabilization. The amendment which I offer merely transfers the responsibility of salary stabilization from the Wage Stabilization Board to the Bureau of Internal Revenue, as it was during World War II.

Mr. WOLCOTT. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Michigan.

Mr. WOLCOTT. Mr. Chairman, the title which we are considering in this bill has to do with price controls, wage and salary stabilization. The manner of stabilizing salaries and wages surely is not only germane to the bill, because the bill compels the President to stabilize wages and salaries when he controls prices, but in this particular section he is compelled to stabilize wages and salaries, even though the present act was silent on the manner in which he stabilizes salaries. An amendment which provides the machinery for stabilization of salaries would surely be in order.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule.

The gentleman from Kansas [Mr. COLE] offers an amendment to the bill. The gentleman from New York [Mr. MULTER] makes a point of order against the amendment on the ground that it is not germane.

The Chair has had an opportunity to read the amendment proposed by the gentleman from Kansas [Mr. COLE]. The Chair has also had an opportunity to reread section 403 of the Defense Production Act of 1950, as amended.

The Chair is of the opinion that the amendment offered by the gentleman from Kansas [Mr. COLE] proposes to change the existing provisions of section 403 by making specific, whereas 403 now leaves discretion.

The Chair is of the opinion, therefore, that the amendment offered by the gentleman from Kansas [Mr. COLE] is germane and therefore overrules the point of order made by the gentleman from New York [Mr. MULTER].

The gentleman from Kansas [Mr. COLE] is recognized in support of his amendment.

Mr. COLE of Kansas. Mr. Chairman, salary stabilization and wage stabilization are handled by two separate administrative bodies today; salary stabilization is now processed by the Salary Stabilization Board. Wages are administered by the Wage Stabilization Board. During the last war salary stabilization was handled by an appropriate division of the Bureau of Internal Revenue. The Bureau of Internal Revenue now has all the facts, statistics, and information necessary properly to administer salary stabilization laws, regulations, and rules. The Salary Stabilization Board is thus required to duplicate 100 percent all of the work, the gathering of statistics and facts which are already in the possession of the Bureau of Internal Revenue.

During the last war the salary stabilization program was handled satisfactorily, efficiently, and ably by the Bureau of Internal Revenue.

There are reasons why there should be a distinction between the methods of handling and processing wage stabilization and salary stabilization, for the latter has to do with executives and supervisory personnel, and it can be done more efficiently by the Bureau of Internal Revenue.

This appears to be not a very controversial issue, but one which I think would correct the situation as it now prevails. This proposed amendment will provide that the administration of salary stabilization shall be handled by the Bureau of Internal Revenue while the basic policy will be set up by the Economic Stabilizer.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. HALLECK. I want to commend the gentleman for offering this amendment and to express the hope that it is adopted.

The gentleman has well pointed out that the Bureau of Internal Revenue handled this matter of salary stabilization very well during World War II.

The necessity for the adoption of this amendment arises out of the fact that the present Wage Stabilization Board is to be abolished and a new statutory board created in its place; hence comes the necessity for providing for the manner of salary stabilization to which the gentleman's amendment refers. As I said before, I hope the amendment is adopted.

Mr. COLE of Kansas. I thank the gentleman.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. McKINNON. Is it not true that with the adoption of the Lucas amendment the newly created Wage Stabilization Board is given jurisdiction over and the responsibility of establishing wage and salary policies, and the gentleman's amendment would simply create a duality of control?

Mr. COLE of Kansas. I would say to the gentleman that it does change perhaps the policy not only of present law but although not in any material sense, it might also change a part of the Lucas amendment.

The Lucas amendment is an effort to process wage-stabilization problems. Frankly, it has nothing to do with nor is it basically concerned with salary stabilization; salary stabilization is completely different; it involves different problems; it does not involve the usual bargaining between labor and management and all of those various ramifications that are involved in wage stabilization. So I do not believe it would materially affect the Lucas amendment having to do with wage stabilization.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. COLE of Kansas. I yield.

Mr. HALLECK. I think it should be pointed out in respect to what the gentleman from California has just said, that the Lucas amendment preserves the tripartite character of the make-up of the Wage Stabilization Board. That is, there are representatives of labor and of industry, then there are representatives of the general public. That is a perfectly reasonable manner in which to handle wage stabilization matters. You do not have any necessity for any such tripartite arrangement in respect to salary stabilization because there is no such diversity of interest as exists in respect to wage stabilization.

Mr. COLE of Kansas. That is just what I was trying to say.

Mr. McKINNON. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Minnesota.

Mr. WIER. Let me make an observation on the debate that has just taken place. We of the Committee on Education and Labor have heard all of the testimony of Mr. Wilson. In that testimony was much testimony dealing with the stabilization of salaries brought in there by management. In many cases management has offered to employees salaried positions where there was no

organization existing at all. They came along and asked for increases for these salaried employees. So they did process them in connection with the yardstick they had but not beyond that. So the question of salaries is very important in this discussion. If the Lucas amendment is left in the bill they will still be concerned with salaries as well as wages.

Mr. McKINNON. Mr. Chairman, it occurs to me that the whole intent of the House in recent years has been to follow the recommendations of the Hoover Commission report which is to streamline our Government and put responsibility in the hands of a single agency to do the whole job. In line with that thinking one of the great problems of management is where wages stop and salaries begin, who is the man who is working as a wage earner and where does the wage earner stop when the position is turned into a supervisory job or salaried position? Ofttimes it is hard to determine between a man on salary and a man on wages. In view of the Hoover Commission report, in view of the idea of streamlining the Government and making it more effective and efficient, in view of the fact we have adopted the Lucas amendment setting up a new Stabilization Board, it appears to me a wise solution to the situation would be to let one agency, the Wage Stabilization Board, take over the whole stabilization program, administering wages as well as salaries. In that way you do not have the conflict of jurisdiction between two separate boards or agencies. You would have a streamlining effect and a quicker operation. We have too much delay now in the matter of wage stabilization without complicating it further.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Indiana.

Mr. HALLECK. I take it the gentleman understands that presently under the Defense Production Act by Executive order a salary stabilization board has been created that is right now dealing with matters of salary stabilization, but matters of wage stabilization have been left to the Wage Stabilization Board up to this time.

Mr. McKINNON. I think the gentleman has given a better argument against the amendment than I could, if present conditions allow the law already in operation to operate satisfactorily. Furthermore, may I say that the present two boards are closely correlated; they work closely together, whereas if this amendment is adopted you would have them completely separated; you would have a lack of cooperation which is so essential in our wage-stabilization program.

Mr. HALLECK. Certainly what I said is not an argument against the amendment; it is an argument for the amendment. If the Lucas amendment stands up in the House there is no need for the recreation of a Wage Stabilization Board as we have it under Executive order. This simply tries to cure that deficiency by availing ourselves of the services of an already constituted agency

of the Government that is well qualified to handle the matter.

Mr. McKINNON. I might point out to the gentleman that the Lucas amendment does basically two things: It creates a new tripartite board with certain jurisdiction. The jurisdiction and the limitations on jurisdiction that the Lucas amendment sets forth as opposed to the old law is such that the newly created Wage Stabilization Board will be more limited than the old Wage Stabilization Board has been. But it still does not take away the necessity for streamlining the stabilization of wages and salaries into one over-all board and one over-all group, and under the Cole amendment you would have the Internal Revenue Bureau completely independent of the Wage Stabilization Board, while the need is to keep them together.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. The basic policies will still be fixed by the Economic Stabilizer under my amendment, and it will have a direct line of supervision.

Mr. McKINNON. What is the sense then of having two separate agencies?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. COLE].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 59, noes 56.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. COLE of Kansas and Mr. McKINNON.

The Committee again divided; and the tellers reported that there were—ayes 95, noes 77.

So the amendment was agreed to.

The CHAIRMAN. If there are no further amendments to the pending section, the Clerk will read.

Mr. SHELLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHELLEY. At what point of the bill are we now? I have an amendment to offer.

The CHAIRMAN. The Clerk has read through line 10 on page 9 of the bill.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, about half an hour ago I had the opportunity of reading to the Committee an editorial from the Philadelphia Inquirer criticizing severely the action of this Committee in adopting the amendments thus far agreed to. Certainly nobody would accuse the Philadelphia Inquirer of being pro-Democratic. It has been the bible of the Republican Party for 100 years.

I have a statement here which Mr. Bernard Baruch wrote to a distinguished Member of the other body.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The editorial writer who wrote that editorial did not sit on the committee for 6 weeks and hear all the evidence, did he?

Mr. FLOOD. But I am sure the conclusion of the Philadelphia Inquirer for my friends on that side of the aisle should be paramount and absolute whether or not he did.

Mr. Baruch had this to say:

Removal of price, wage, rent, and other mobilization controls would be a tragic, perhaps mortal, blow to our efforts to rebuild our defenses in time to avert another war.

I might say that Mr. Baruch repeated those words this week before the War College here in Washington. Mr. Baruch is certainly no long-haired, flat-heeled, wild and woolly left-wing screwball by any stretch of the imagination.

Mr. Baruch said that there should be absolutely no exemption or favoritism for any group. His letter hit hard, without citing names, at recent testimony before the Banking and Currency Committee in which large organizations have asked either that all price and wage control be removed or that their own groups be given immunity.

Mr. Baruch said:

The issue before your committee—and the Nation—is a simple one. It is a question of which is to be put first—the national interest or the selfish interest.

It is not how little in the way of economic controls we stagger along with, but of how much we are willing to give up in the defense of our liberties.

This is Mr. Baruch. The elder statesman, in answer to a question by a distinguished Member of the other body, said further:

Whether the greatest danger of inflation is behind us or ahead depends upon the law the Congress enacts and the courage with which it is administered.

Mr. Baruch declared that removing prices and wage controls would sap the stability and soundness of our economic system, and would double or treble the cost to the people in rearming for defense. There is no avoiding the issue; until the gap between Soviet armament and our American defenses is bridged, there can be no basis for peace or the elimination of control.

In a curt note to the Senator, Mr. Baruch says further:

You know well enough what to do, damn the political torpedoes, full speed ahead.

Those are the words of that brave, old American.

Mr. Baruch said that the issue before the Congress has now become this and I quote:

The test of what we prize most highly—

Mark this—

petty profits and trivial comforts or freedom—American freedom.

Mr. Baruch said it is the test of whether we are a nation united in awareness of our common interests, or whether we are a mere aggregation of pressure groups divided in a scramble for selfish gain.

There are words far beyond your poor power, gentlemen, to detract. There are the words of an American whose patriotism cannot be questioned.

Mr. MULTER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it seems that everybody in the country except the Members of Congress know that what Mr. Baruch has said is absolutely true. I have been informed that since yesterday morning and up to 1 hour ago the telegraph office of the Capitol had received in excess of 8,000 telegraphic messages protesting against the decontrol action taken in this House.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. FLOOD. I have here a memo taken from the wire ticker which I am advised says that tomorrow General Eisenhower will make a statement at Denver that gradually, and very gradually only should any change be made in existing controls on prices and wages.

Mr. MULTER. Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, we all know Mr. Baruch is a great and wise man. The gentleman spoke about physical hardships. I never heard of Mr. Baruch suffering any physical hardship. My understanding from the press is that two or three, maybe more, Presidents have invited him down here to advise them, and that he has given them sound advice. However, I never learned or have been aware that he had ever been a candidate and then elected to any public office where he is responsible to anyone for the success of a program. Last week, my colleague the gentleman from Michigan [Mr. POTTER] offered an amendment which he believed would have taken care of some of these thousands and perhaps hundreds of thousands who have been thrown out of employment and others who will be out of employment because of production activities being changed over from civilian production to war production.

Our colleague the gentleman from Georgia [Mr. BROWN] used that occasion to call up the old, old issue of sectionalism. In at least four, perhaps five, instances he referred to the issue as being one of sectionalism. See the daily CONGRESSIONAL RECORD, page 7852. Then he stated that I had abused him because I had said they dragged out the "old bloody shirt" issue. He, not I, brought up the issue of sectionalism. What he actually said was, "Let us not fight the War Between the States over again." If commenting on an issue he raised is abuse, then I am guilty of abusing him. Then, inadvertently, he went on to pay me a compliment or two, refusing to yield for a reply or correction. He said I was a great friend of labor. I plead guilty to that, even though he made the statement with intent to belittle it—did not mean it. A friend of labor? Yes, I always have been. What section of labor? The men and women who do the work,

the laborer, the worker. Friend of what group? Not—and do not mistake me for one moment—not for one moment a friend or advocate of those who in labor organizations seek power for their own benefit or for the benefit of some political organization.

Ever since the last day of 1936 and the first day of 1937, from the well of this House and in other places I have opposed the programs of John L. Lewis, of Walter Reuther, and of Phil Murray, the latter of whom now has under control and dictates what 650,000 working men and women shall do; programs designed to gather more power to themselves to control government; that is, to say whether women and men shall or shall not work at jobs and wages with which they are satisfied.

I voted in favor of asking the President to use the Taft-Hartley Act, although I do not think that will solve the present situation in the steel strike or in other strikes to follow. Labor is in the position of power it is today because and only because this Congress has given labor organizations and the members of labor organizations special privileges. Privileges for which I voted in many instances and which were designed to strengthen unions. What would I do to provide a remedy when employees go on strike in an industry where the strike adversely affects the public health, safety, and welfare? I would take away from those on strike those special privileges. Just as if a father who lets his boy drive the car and when he finds that the boy is driving at an excessive speed, going through stop lights, getting a group of his friends in the car and racing down the street, takes the car away from that young man. I would do the same thing with labor organizations when they make the public suffer. When they go on a strike which ties up steel production, which prevents an adequate supply of munitions of war or equipment to the men who have been drafted to fight abroad, I would say, "All right. We cannot make you work, that is true; we do not intend to make you work, but get out of the way and let someone else work. Go on strike. Remain on strike for an unreasonable length of time and you are out of a job and we will hire someone else to make what is needed to protect the public. If you want to come back later on without the special privileges, which otherwise would be yours; come back and you will be welcome."

It is true that you cannot make men work, but there is no reason why if you can draft young men to fight abroad you cannot say to these men here, "You shall continue production, or get out of the way for those who will stand back of the men who have been conscripted."

The true issue was earlier stated by the gentleman from Virginia [Mr. SMITH] when he said in effect that it was time we learned just who governed this country.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that section 111, through section 114 of the bill, be con-

sidered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, would it be in keeping for the Chairman at this time to add a limitation of time on the balance of the bill, say until 4:30?

Mr. SPENCE. I do not think that is desirable. I do not know how much damage could be done to the bill, when after all time had expired amendments might be presented which we would not have any opportunity to know what they contain.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The bill reads as follows:

SEC. 111. (a) Title VI of the Defense Production Act of 1950, as amended, is hereby repealed. The table of contents in the first section of the Defense Production Act of 1950, as amended, is amended by striking out "Title VI. Control of consumer and real estate credit," and inserting in lieu thereof "Title VI. [Repealed]."

(b) Section 708 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(f) After the date of enactment of the Defense Production Act amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section."

SEC. 112. The first sentence of section 707 of the Defense Production Act of 1950, as amended, is amended by striking out the word "his."

SEC. 113. Section 717 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(d) No action for the recovery of any cooperative payment made to a cooperative association by a market administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within 90 days after the date of enactment of the Defense Production Act amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within 90 days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this act, no termination date shall be applicable to this subsection."

SEC. 114. (a) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out "1952" and inserting in lieu thereof "1953."

(b) Subsection (a) of section 717 of the Defense Production Act of 1950, as amended, is amended by striking out "1952" and inserting in lieu thereof "1953."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 9, after line 23, insert a new section as follows:

"Sec. 701 (c) of the Defense Production Act of 1950, as amended, is hereby amended by striking out the colon at the end of the first sentence thereof and adding the following: 'during such period.'"

The CHAIRMAN. The gentleman from Michigan is recognized in support of his amendment.

Mr. WOLCOTT. Mr. Chairman, I offered an amendment to this section of the bill which has to do with the competitive position of established business. The base period was the period preceding June 24, 1950. There seems to have been some uncertainty in respect to the intent of the language which was enacted at that time, so there has been a little confusion in the administration of the law. I have offered this amendment merely to clarify the fact that it is the period preceding June 24, 1950, that is meant when we say that the competitive position of established business shall be maintained.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: Page 9, strike out everything in lines 11 to 23, inclusive.

Mr. MULTER. Mr. Chairman, originally when the Defense Production Act was passed it contained provisions for credit controls. When the bill originally came to the floor we struck out general credit controls but enacted the consumer credit controls and real estate credit controls, and also voluntary bank credit controls.

The bill as it is now before us strikes out all credit controls. My amendment would strike that provision out of the bill so as to restore to the act and continue as part of the law the credit controls as originally enacted. I think that those credit controls, even though we may not need them now, must be continued and should be continued on a standby basis so that if the time occurs either while we are out of session or something happens quickly before the Congress can act again, we would have these standby credit controls in such shape that we could act promptly. I therefore urge the adoption of my amendment.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. NICHOLSON. Does that amendment strike out regulations X and W?

Mr. JAVITS. The amendment, as I understand it, proposes that the power remain to impose regulations X and W if the Federal Reserve Board considers that necessary to control inflation.

Mr. Chairman, I proposed to offer the same amendment which has been offered by my colleague from New York. I would like to spend just a minute in going over the reasons:

First, the power to control credit if needed has been retained in the other body, so it is not a matter of first impression or a matter to be treated lightly. It will arise importantly in the conference.

Second, I think it epitomizes the error into which it is awfully easy to fall.

I think it is demonstrated, with all deference and respect in the adoption of the price decontrol amendment offered by the gentleman from Iowa [Mr. TALLE], which was adopted and which I think is unwise. We are proceeding upon the assumption that the left hand does not know what the right hand is doing. We appropriate colossal sums for military defense. In the year 1952 we will be spending, at the beginning of the year, at the rate of \$55,000,000,000 a year for defense alone, and by the end of the year at the rate of \$60,000,000,000 a year. We will be spending throughout the year 1952 \$42,000,000,000 for hard goods, the actual planes, ships, and tanks of military defense. That is our one hand, our right hand. Then with our left hand we completely disregard the fact that just out of that spending a great inflation can be created and the proposal is to jettison controls.

It is one thing to say that you want this decontrolled and you do not want reports sent in on that, and you want to set standards by which there should be mandatory decontrol. Those could be matters of detail; but it is quite another thing to dismantle and put the fire department, created to extinguish an inflation fire, and put it out of business. I fear that is what is being done with respect to prices by saying that no food prices may be decontrolled unless there is rationing which we know there is not going to be, according to the amendment offered by the gentleman from Iowa [Mr. TALLE], and in the amendment to take fresh and canned fruits and vegetables out from under control; and we fall into the same error if we defeat the amendment offered by the gentleman from New York on the credit control machinery.

The Federal Reserve Board has shown itself very sensitive to the fact where real estate credit controls under regulation X or consumer credit control under regulation W are not required, they have been rather quick to withdraw them. Instead of encouraging them in that kind of action, which has been responsive to our financial and economic situation, the bill now proposes to withdraw completely that power, and to leave the country defenseless as to a threat of credit inflation in the next 6 months, I say advisedly, 6 months in which the world and the Russians are waiting for the country to be defenseless in any respect, 6 months in which policy may be in suspense in connection with the heat of a controversial presidential campaign, 6 months in which, if we ever needed control machinery, we ought to keep it in effect. I think it is very unwise if we take this out.

You dismantle what we have had dealing with the engines of inflation, consumer credit, and real estate credit, and you leave only the power to cope with bank credit which does not begin to answer the situation at a time when consumer credit alone is around the \$14,000,000 or \$15,000,000 mark. I repeat, we have been acting in a way in which the left hand does not know what the right hand is doing and is an evidence of it.

I hope very much that good common sense will reassert itself and that we will pass this amendment and cause this effort to dismantle the credit control machinery to be stricken out of the bill.

[Mr. NICHOLSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. RIVERS. Mr. Chairman, I move to strike out the last word.

I oppose the amendment.

Mr. Chairman, last year when this bill was under discussion I made this statement verbatim, punctuatum, litteratim, and spellatim. The only scarcity in America today is the scarcity of storage space. When we thought this stupid, ill-advised, nonsensical regulation W should have been repealed a year ago, I called that to the attention of this august body, but the body down at the other end of the Capitol did not see fit to give the people of this Nation 21 months for installment buying last year. With great reluctance the brass heads in the Federal Reserve, came here the other day and agreed to remove regulation W with production at an all time high. The people down here on F Street in Washington were begging you to take television sets for practically nothing. Refrigerators, furniture, and all kinds of merchandise were sticking out their ears. All of the retailers and wholesalers had their shelves full. Why, you could not find a foot of storage space in Charlotte, N. C., Atlanta, Ga., or Memphis, Tenn., or any of the other sections of this country. You could not find storage space with a microscope. Then these school boys—and that is what I call them, advisedly, with no reflection on my distinguished friend—in the departments beg you for standby controls over these items.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The committee, by a substantial vote, cut out consumers credit and real estate credit.

Mr. RIVERS. Why, of course you did. The distinguished gentleman from Georgia was the leader in that. That indicates his fine vision for which he is noted, and I am glad to be on his side in this. I want to say this to you in that connection, and I want to get this in, too: You heard about the song "Marching Through Georgia." I saw the gentleman march through Michigan the other day without any encumbrances or road blocks. But, I will say this to you, if you fall asleep for one fleeting moment and give these people controls through regulation W and regulation X, your con-

science will smite you for the next 6 months. There is not enough money and there is not enough credit in the United States to buy all the consumer goods on hand in 6 months. If we need these things we will be back here in plenty of time. Do not lapse for 1 minute. Keep the controls out of their hands and your people one of these days will rise up and call you blessed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was rejected.

Mr. BYRNES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 9, after line 23, insert the following new section:

"Sec. 705 of the Defense Production Act of 1950, as amended, is amended by adding thereto the following new subsection:

"(f) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

Mr. SPENCE. Mr. Chairman, I believe every man has a right to counsel by reason of the Constitution of the United States. I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The amendment was agreed to.

Mr. BARDEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: On page 11, line 10, after "1953", insert "Provided, however, That title 4 and all authority thereunder shall terminate at the close of July 31, 1952."

Mr. BARDEN. Mr. Chairman, on several occasions during the debate on this measure the call has been made for an outright vote on the continuation of wage and price controls. I have thought and now think that under the existing circumstances in the world and in this country that the allocation of strategic materials should remain in force. I have felt that the provisions for loans and other activities which would tend to produce the materials necessary for carrying on our present war and defense production should remain in effect. But I think if there has been anything clearly demonstrated in this House it has been that there is no need for price control.

I hold in my hand a magazine, a nationally known and pretty well accepted magazine, that contains a solid page listing the articles that now are selling under ceiling prices. Call on the textile folks and they will tell you that some of them at the present time would be delighted to get cost of production. One of the largest producers in the country told me just 2 days ago over the phone that he would be glad to get cost of production if he could, that then he would not have to shut down four of the largest textile plants in this country on Saturday night.

What were we doing the other day? We were talking of 18 States in which a tremendous amount of unemployment exists. Why? Because the plants are closed down and there is no market for their products.

Mr. Chairman, this does not affect the other parts of the bill. It permits price and wage control, and I might say we have had very little wage control, to remain in effect until July 31, 1952. That will give them time to bundle up their unused blanks, petitions, regulations, orders, and so forth, that they are so busily engaged in passing out at this time.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Minnesota.

Mr. WIER. Does the gentleman's amendment eliminate rent control?

Mr. BARDEN. No, it has no bearing on rent control, it has no bearing on the allocation of strategic materials, it has no bearing on the defense plant construction loans and those things. It simply relates to price and wage control. And neither price nor wage control should be abolished without the other—if one goes the other should go.

Mr. Chairman, let us think for a moment. We have just listened to a debate here that is clear evidence to me that at the present moment there is a lack of faith and confidence in our economic system. Have we become so afraid? Do we not have faith in our American way of life? Do we not have faith in our competitive economic system? Have we reached the point that we cannot leave this House for 6 months without shuddering for fear something is going to come down and destroy our economy? I sometimes wonder how those people figured out a comfortable living this long. These laws are for economic emergencies. If we permit them to gnaw into the very vitals of our economic system we will wake up some day and find that our normal American economy will not function. Think for instance of France, which now has every single control, every one of the regimentation acts that were passed in World War I, plus many others. In what condition is France today? Her economy is paralyzed.

You can look at Great Britain. Do you think the regimentation, the detailed regulation of the internal economy of Great Britain is strengthening the functioning of that economy? I do not think so.

I do not think there is a man or woman in this House who can stand up here now and name even one-third enough items that are selling for even ceiling prices to justify the continuing of price and wage controls.

This amendment is just bringing it down to a practical point. I do not think the House wants to continue price control. I believe I can sense the feeling of this House. At any rate this is the time for each Member to use his best judgment regardless of how the total vote adds up.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I compliment the gentleman for his honesty in offering this amendment. It seems he wants to do that which by indirection we have been doing all day. He says the natural law of supply and demand should now gov-

ern our commercial and industrial world. I wish that were true. But is the world in a normal condition? Are there any reasons for apprehension? On the horizon in the east there are always dark and ominous clouds, and every now and then we can hear the hiss of the angry winds that come before the storm. You can sometimes see a flash in the distance, and hear the rumble of thunder. I do not want price control or wage control unless it is necessary. But, I think in this vote you are holding in the hollow of your hand the destiny of your country. There is no more insidious enemy to the American people, and there is no more insidious enemy to the economy of our Nation than inflation. Who knows what the result will be if you strike down price control and wage control? I am in favor of discontinuing wage control if you destroy price control. But with the Government of the United States spending more than a billion dollars a week for defense and going into the pockets of our people, and with the national characteristic of the American citizen to buy what he wants regardless of the price, what is going to be the effect of destroying price controls at this time? Why have we been considering the bill these last few days if it is the opinion of this House that these things should be stricken down? Why did we not strike them down at the commencement of the consideration of the bill so that we might avoid taking up all the time that we have taken up, and avoid using all the energy that has been used in consideration of these matters? I hope you will not vote on this matter lightly. If the minority party, aided by some of the Members on our side, do this, then the responsibility will be known. The Democratic Party is in favor of the continuation of price controls and of wage controls, and everybody who has studied the conditions and the history of our country for the last few years knows that. You can use your own judgment about this. But, when you cast your vote, you will be casting one of the most important votes that you have ever cast since you have been Members of the Congress. If the injury occurs, it cannot be repaired. If you continue price controls for the next year, or the next 6 months, we can then consider the discontinuance of it. But right now, with the condition of the world, and with the uncertainty of what may take place abroad, and whether or not we may be engulfed in a world war, no man knows. We cannot afford under the circumstances which now exist to do away with price controls and wage controls. Not only will a spiral of inflation rob our people and destroy their savings but it will also rob our Government. The immense amount of materials it must purchase for our defense effort involving billions upon billions of dollars is also under price control; and a rise in these prices will cost the Government a sum that cannot be estimated. The appropriations for this purpose will have to be supplemented and supplemented if the destruction of price control results as I anticipate. Has price control held down prices in the United States? I do not think anyone can deny that they

have, and I do not think anyone would deny that for a continuation of the stability of our prices we must have price control. I hope the committee will not agree to this amendment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. COLE of Kansas. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is a very simple amendment. It extends price and wage controls until July 31, 1952, and all the authority thereunder shall cease as of that date.

Mr. Chairman, I am well aware of the seriousness of this occasion. I am well aware of the need of our country to protect itself by mobilizing our military might. I voted for price and wage controls in World War II. I voted for the price and wage stabilization bill of 1950 because at that time I, together with many Members of this House, believed that it was quite possible the Korean war might become inflamed to such an extent that we would be immersed in a worldwide conflagration. That we would then siphon from consumer production a great percentage of the goods needed for our military. But the situation today is different. I want to read to you parts of two articles which set forth the difference in the situation today and as it was then, and why today we should end price and wage controls.

First I read to you from a pamphlet, "Ending price-wage controls, a statement by the program committee of the Committee for Economic Development." The Committee for Economic Development is a committee of businessmen who have in the past supported price and wage controls, and their policies are forward-looking and progressive. I quote:

The need for price and wage controls is rapidly passing, if it has not already passed. We believe that price and wage controls are inappropriate instruments for the control of inflation except in times of great emergency. No emergency now exists which requires their use. Price and wage controls place too much power in the hands of Government. They tend to distort production and limit the ability of the economy to respond to changing needs. They involve substantial waste and inefficiencies in production and distribution and, as now employed, are unfair to large sections of the economy.

Any renewal of inflation during the present rearmament period should be met by action with respect to taxes, Government expenditures, and monetary and credit policy. Such measures can effectively control inflation except in extreme emergencies, and do not involve the heavy economic costs of price and wage controls.

WE ARE NO LONGER IN AN EMERGENCY THAT CALLS FOR PRICE AND WAGE CONTROLS

In the past 15 months there has been little evidence of general inflationary pressure. Many prices have fallen below their ceilings, and many more would not rise if their ceilings were removed. We do not believe that removal of price and wage controls would be the signal for a general increase in prices.

Defense expenditures are still rising, and are scheduled to continue to increase until the end of the year, after which they are scheduled to remain at their peak level for about 2 years. We believe, however, that the impact of the defense program on the economy has already largely been felt, even though Government expenditures have not reached their scheduled high point. This

is so because business firms buy and install the machinery needed to produce military equipment, hire and train the necessary labor, purchase needed materials, and put production lines into operation before the Government pays for the goods delivered to it under the rearmament program. The public has already anticipated the change in civilian markets brought on by the defense program.

I hold in my hand another very interesting statement which appears in the Journal of Commerce of Friday, June 20, 1952. It is a statement by Mr. Leon H. Keyserling, chairman of President Truman's Council of Economic Advisers.

He predicted today that there will be a continuing, noninflationary pick-up in business activity throughout the last half of this year and the first half of 1953.

I want you to listen to this. Chairman Keyserling says:

There is no serious danger of inflationary pressures of a generalized and over-all character over the next year, the President's top economist told a national group of business editors. This means that the United States can maintain price stability, he added.

Mr. Keyserling said his appraisal of the next 12 months is based upon the fundamental relationship between supply and demand. He emphasized the expansion of national production since Korea, particularly in essential defense areas, has made a more important contribution than credit restraints or wage and price controls to the growing easiness in the United States economy.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to my chairman.

Mr. SPENCE. If it appears desirable to discontinue price control, why did not the amendment provide that it should be discontinued on June 30 as the present law provides, instead of July 31?

Mr. COLE of Kansas. I shall not argue with the gentleman about that.

Mr. ROGERS of Florida. Mr. Chairman, I rise to support the amendment of the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, will the gentleman yield that I may answer the question of the chairman who asked why it did not provide for it to end June 30 instead of July 31?

Mr. ROGERS of Florida. I yield.

Mr. BARDEN. For the simple reason that I gave when I was on the floor; and that was it allows a period of 1 month for an orderly closing up of their offices.

Mr. ROGERS of Florida. Mr. Chairman, I think this is a fine amendment for this reason: Those of us—and I am one of them—who are opposed to the continuation of controls on prices and wages will have an opportunity to express ourselves on this one particular subject. Unless it is stricken from the bill and the bill comes up on a final vote with this title in it, we cannot vote against the bill, since a number of us favor allocations, a number of us favor the Smith amendment, and other good things in the bill. This amendment is the only way to vote out controls and vote for the other good provisions in the bill.

Those of us who have watched price control and what it is doing to the dealers in our districts feel very intensely over it. I have more complaints about the operation of control over prices than any other complaint. To let the memberships know how the people of my district feel, I will tell you about a questionnaire I sent out recently. The citizenry of my district is like the citizenry of yours—good, common people who want to do right. I submit a questionnaire to them every year. I do not send that questionnaire directly to them because when the answers come back it would be said that I had picked out the ones to whom I had sent the questionnaire; I send it to the papers in my district and they publish it as a public service.

I got some 1,200 answers to this questionnaire I speak of, and as I say, the people of my district are just like the people in yours. There were 20 questions that I asked, but I shall read you only three and give the answers received. I asked: "Do you favor regulation of prices and wages?" The answers came back: Yes, 271; no, 883.

I asked: "Do you favor control of consumer credit?" The answers were: Yes, 279; no, 837.

Consumer credit has since been done away with, regulation W or X.

"Do you favor imposing Federal quotas for beef slaughter?" The answers came back: Yes, 104; no, 1,029.

That comes from the people of my district who are against controls on wages and on prices. I think this Congress should give those people some relief. I want my people to know that I am against the continuation of these controls but that I am for some of the other provisions of this bill.

In my opinion there is absolutely no excuse for such price controls as we now have in effect, in a free Nation, except in case of total war. Total war forces many undesirable things upon us. Controls have never worked and they never will work except in a totalitarian government. Controls kill the incentive to produce and eventually drive what goods that are available into the black market.

Continued price control will lead to a breakdown of respect for the law, and a consequent breakdown in public morality. Price controls create an opportunity for the unscrupulous to make money by violating price-ceiling regulations with only a slight possibility of getting caught. They establish a premium for dishonesty and violation of law. The disrespect for law created by price controls and related measures inevitably will result in the deterioration of the moral stamina of all citizens. Price controls continued for any significant period of time thus break down those ideals and concepts which are basic to a Christian democracy.

Controls waste manpower—our scarcest resource—not only in the Government where millions of man-hours must be spent on the unproductive job of writing regulations and the impossible job of enforcing them, but at every level of

industry where people subject to regulations must try to interpret and comply with them. In time, price controls lead to subsidies, because special incentives become necessary to get needed production. Subsidies increase Government costs in a period when the Federal budget is already inflated. They conceal the true cost of an item and give the public an unrealistic idea of its worth. Some contend that controls will hold down prices and prevent inflation but while they may hold down prices to a certain extent, I believe it far better to have plenty of goods at some price than no goods at a controlled price. It is better to maintain the incentive to produce than to place prices in a strait-jacket. Controls do not prevent inflation—I believe we have seen that fallacy demonstrated in the last couple of years.

So many OPS rules and regulations have been put out that the average small-business man does not have time to read them—in many instances they have to take one of their employees off the work he has been doing and give him the job of endeavoring to read the OPS regulations in order that the business-man can continue to run his small business and not be harassed with the thought that he is breaking some OPS rule or regulation. Not only are these rules and regulations numerous but they are almost impossible for the average person to interpret.

Only harm to our economy and thus to our mobilization effort can come from the continuation of price, wage, and civilian material controls. The record against economic controls is overwhelming. They impede production, impair incentives, and increase costs both to industry and Government, and they require tons of useless red tape. They lead to demands for ever more controls to attempt to shore up the inevitable failures of existing controls. One of the most vicious aspects of all Government controls is the fact that control mechanism, in addition to being ineffective, inevitably lead to exercise of additional powers entirely removed from congressional intent at the time that controls were adopted.

I am sure the membership of this House has been receiving complaints, as have I, from business people. They are told that they must file an application before they can do certain things—then an order comes out that the application must be filed on a certain form but have you ever tried to secure one of those specified forms? We are told they are not available—they have not come from the printer, and so forth. Our people will file a request, under the OPS rules and regulations, and wait weeks to hear something. They then contact their Congressman and in some instances the Congressman has to make daily phone calls for even weeks, before he can secure any information—and we are told there is insufficient staff; however, on page 1132 of the hearings before the Committee on Banking and Currency, on H. R. 6546, a witness stated that in Helena, Mont., where they have a district office, the OPS payroll was \$246,780 a year. This is an indication of the

high cost of the price stabilization program—and remember that is the cost for just one OPS office.

We have recently been very conscious of the Constitution. In 1777 Mr. Witherspoon, in a letter to George Washington, stated:

To fix the price of goods, especially provisions in the market, is as impractical as it is unreasonable. The whole persons concerned, buyers and sellers, will use every art to defeat it and will certainly succeed.

Controls do not work any better today than they did then. We have learned a lot since 1777, but I do not believe that we will ever learn enough to substitute successfully man-made controls for that great old law of ours, supply and demand. We should return to the system that we know works, free enterprise, and the rewarding of individual initiative.

I think it is unnecessary to extend controls any further. The matter of controls is a fallacy.

Price control is expensive, wasteful, and unfair and does not prevent inflation. Production and distribution is the answer and only answer to inflation.

We have reached the place where there is just too much Government in business and too little business in Government.

I am including in my remarks, for the information of the House, an editorial in the Fort Lauderdale Daily News. It exemplifies the burden that the taxpayer is carrying to maintain this expensive agency.

READ THIS AND WEEP

Back in March of this year the enterprising Missoula Times in Missoula, Mont., sent its reporters around to the district office of the OPS in Helena, Mont., with the assignment to find out, if possible, what it was costing United States taxpayers each year just to pay the salaries of the employees in this one, fairly small office.

The Times reporters were fortunate enough to obtain the payroll figures for this office as they stood on February 12 of this year. The Times published these payroll figures in the March 14 issue and they must have been quite an eye opener for the citizens and taxpayers around Missoula and Helena.

As a public service to taxpayers in this area we are reprinting below the figures published by the Missoula Times and we sincerely hope all of our readers will take the time to examine this payroll for it shows in cold, hard figures the full extent of the terrible rooking American taxpayers are taking from a politically inspired and economically worthless Federal Government effort to control prices. Here are the figures just as they appeared in the Missoula Times.

Payroll—Helena district office employees, Office of Price Stabilization, February 12, 1952

Title	Base salary
District director.....	\$9,600
Clerk stenographer.....	3,175
District price executive.....	8,360
Clerk stenographer.....	2,950
District price economist.....	7,040
Price economist.....	5,940
Chief, food branch.....	7,040
Business analyst.....	5,940
Business analyst.....	5,060
File clerk.....	2,750
Business analyst.....	5,940
File clerk.....	2,750
Chief, Ind. Nat. and Mfg. Goods.....	7,040
Business analyst.....	5,940
Business analyst.....	5,060
Clerk stenographer.....	2,950

Payroll—Helena district office employees, Office of Price Stabilization, February 12, 1952—Continued

Title	Base salary
Clerk stenographer.....	\$2,950
Chief, fuel and chemicals.....	7,040
Business analyst.....	5,940
Clerk typist.....	2,750
Business analyst.....	5,940
Attorney adviser.....	7,040
Clerk stenographer.....	2,950
District enforcement director.....	9,600
Clerk.....	3,410
Clerk stenographer.....	2,950
Chief, trial section, attorney.....	8,360
Trial attorney.....	7,040
Clerk stenographer.....	2,950
General attorney (supervisor).....	7,040
General attorney.....	5,940
General attorney.....	5,060
General attorney.....	5,940
Special agent in charge.....	7,040
Investigator.....	5,940
Investigator.....	5,940
Livestock marketing specialist.....	5,660
Investigator.....	4,205
File clerk.....	2,750
District information officer.....	7,040
Clerk stenographer.....	2,950
District executive officer.....	7,040
Administrative assistant.....	4,205
File clerk.....	3,175
Clerk typist.....	2,750
Clerk.....	2,750
File clerk.....	2,750
File clerk.....	2,750

Total..... 246,780

There you see it. In this one OPS district office we, the taxpayers, are supporting 48 Federal employees at a total payroll cost of \$246,780 a year. Multiply this figure by all the other district OPS offices in the country, most of which are larger than the Helena office, and you can begin to see how a political party perpetuates itself in power. Then add to the costs of maintaining the district offices the costs of the innumerable local OPS offices and it becomes quite clear why the Federal Government finds it necessary to grab off one-third of our entire national income just to support itself and its millions of employees.

The ordinary citizen might think that now that many price controls are being relaxed and there is less for the OPS to do that some of these fancy-titled employees could be released. But that wouldn't be wise in an election year. So instead of reducing its payroll the OPS just keeps on growing bigger and ever bigger and adding more and more employees all of whom can vote next November for the party responsible for their pay checks.

We, the poor, bemused little taxpayers are supposed to stand up and cheer because the Federal Government is making such a tremendous effort to protect our pocketbooks from high prices. But the catch is that we still have high prices and in addition we are paying the salaries of an army of employees whose major function seems to be to pat themselves on the back for a marvelous job. The truth of the matter is that the taxpayers of this country are shelling out for something they could easily do without. Price control has now become a matter of wasting dollars to save pennies. It is no bargain for us taxpayers and the sooner we can get rid of this bureaucratic monstrosity the better off we will be.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the author of this amendment, the gentleman from North Carolina [Mr. BARDEN] is a very fine character and thoroughly sincere. He is against control of wages and con-

trol of prices. The gentleman who has just left the well of the House, Mr. ROGERS, of Florida, I am sure, is sincere. The gentleman from Kansas [Mr. COLE] is one of the best men on our committee. He is against continuing controls and always has been against controls and has been conscientious about that. There are a lot of people throughout the various sections of the country and in this Chamber against continuing controls and they are thoroughly conscientious in their views.

Mr. Chairman, I do not like controls either, but I am afraid to take them off of wages and prices at this particular time. Why do I make that statement? Of the \$133,000,000,000 that we have appropriated for national defense, more than \$100,000,000,000 remains to be spent. I am afraid we would make a mistake to take controls off of wages and off of prices at this particular time.

Mr. MULTER. Mr. Chairman, I rise in opposition to the pending amendment.

It seems that the very people who are constantly clamoring for economy in the operation of emergency agencies and for simplification of the work and for elimination of duplication are the same people who constantly sponsor amendments to complicate, confuse, duplicate, and make it more expensive, if not impossible to administer the controls legislation. While we are on the subject of economy, incidentally, permit me to correct a few of the inaccuracies that we have heard with reference to these emergency agencies.

Among other things we have been told that the Office of Price Stabilization is increasing its staff and now has in excess of 16,000 employees. The facts with reference to that statement are as follows: The Office of Price Stabilization never had more than 12,263 employees. Since April 30, 1952, the agency has separated 347 employees. Because of the decontrol actions OPS is taking, that agency will release an average of 160 employees per month, each and every month, from July 1952 through February 1953.

You heard considerable about the delays in getting action on applications filed with the various emergency agencies. These agencies now require that all applications must be processed and action taken within 30 days after the filing thereof.

Particular attention has been given by every emergency agency to small business, with the result that all the procedures have been streamlined so that small business can have its wants and needs attended to and taken care of with a minimum of paper work and with maximum speed.

The instant amendment flies in the face of all of those procedures. It would have the Economic Stabilization Administration attempt to set policy. It would have the Wage Stabilization Board attempt to stabilize wages and then would require the same businessmen who must supply those two agencies with information on which they must act, to go to the Internal Revenue Bureau and start all over again when they desire to adjust salaries. Throughout all of the de-

bate up to this time we have not heard a word of criticism leveled at the Salary Stabilization Board, yet this amendment would destroy that Board and require a new department to be set up in the Treasury Department under the jurisdiction of the Internal Revenue Bureau to do the work that is now being done so well.

The amendment should be defeated.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. BARDEN].

Mr. SHORT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MULTER and Mr. BARDEN.

The Committee divided; and the tellers reported that there were—ayes 118, noes 87.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1953

Mr. THOMAS submitted the following conference report and statement on the bill (H. R. 7072) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1953, and for other purposes.

CONFERENCE REPORT (H. REPT. No. 2315)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7072) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1953, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 40, 42, 98, 103, 105, 123, 131 and 132.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 12, 14, 15, 16, 18, 28, 67, 76, 77,

79, 82, 87, 119, 124, 127, and 129, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$59,250"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,461,200"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,475"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,590"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,509,350"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$479,250"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$321,450,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$6,408,460"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$88,525"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$202,500"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,085,700"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$142,235"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$4,053,800"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,062,500"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,960,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert:

"Executive direction and staff operations: For necessary expenses in the performance of executive direction and staff operations for activities under the control of the General Services Administration; including not to exceed \$97,385 for expenses of travel; not to exceed \$250 for purchase of newspapers and periodicals; and processing and determining net renegotiation rebates; \$4,140,750.

"Public Buildings Service: For necessary expenses of real property management and related activities as provided by law; including the salary of the Commissioner of Public Buildings at the rate of \$16,500 per annum so long as the position is held by the present incumbent; repair and improvement of public buildings and grounds (including furnishings and equipment) under the control of the General Services Administration; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies in connection with the assignment, allocation, and transfer of building space; demolition of buildings; acquisition by purchase or otherwise and disposal by sale or otherwise of real estate and interests therein; purchase of not to exceed three passenger motor vehicles for replacement only; and not to exceed \$177,335 for expenses of travel; \$101,046,030: *Provided*, That the foregoing appropriation shall not be available to effect the moving of Government agencies from the District of Columbia into buildings acquired to accomplish the dispersal of departmental functions of the executive establishment into areas outside of but accessible to the District of Columbia.

"Federal Supply Service: For necessary expenses of personal property management and related activities as provided by law; including not to exceed \$250 for the purchase of newspapers and periodicals; not to exceed \$77,600 for expenses of travel; and the purchase of not to exceed one passenger motor vehicle for replacement only; \$2,164,100.

"National Archives and Records Service: For necessary expenses in connection with Federal records management and related activities as provided by law; including preparation of guides and other finding aids to records of the Second World War; purchase of not to exceed one passenger motor vehicle for replacement only; and not to exceed \$23,340 for expenses of travel; \$4,868,200."

And the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$24,300"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,750,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$37,550"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,250,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$74,500"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$133,900"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$14,536,500"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$160,425"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$237,500"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,606,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment, amended to read as follows: ", but such nonadministrative expenses shall not exceed \$455,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "\$112,500"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert: "*Provided further*, That notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not, with respect to projects initiated after March 1, 1949, (1) authorize during the fiscal year 1953 the commencement of construction of in excess of thirty-five thousand dwelling units, or (2) after the date of approval of this Act, enter into any agreement, contract, or other arrangement which will bind the Public Housing Administration with respect to loans, annual contributions, or authorizations for commencement of construction, for dwelling

units aggregating in excess of thirty-five thousand to be authorized for commencement of construction during any one fiscal year subsequent to the fiscal year 1953, unless a greater number of units is hereafter authorized by the Congress"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,000,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$91,400"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,275"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$230,650"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,319,500"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$163,050"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$974,500"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$112,620"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$709,500"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$240,050"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$48,586,100"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$24,940"; and the Senate agree to the same.

on notice that in view of the bombing of the Yalu power plants and the possibility of a breakdown in truce negotiations, if it becomes necessary for United Nations troops to move to the Yalu this House put the aggressor on notice, through the U. N., that with a move to the Yalu, we will automatically zone off a safety belt north of the Yalu for patrolling of our planes; if U. N. troops occupy the Yalu they will certainly expect frontal protection against surprise or other attack. I recommend that the Congress, through proper authorities, forthwith advise the United Nations that if we move to the Yalu, a safety-belt will be zoned off. Precedent exists for the step. The Soviet is loaded with safety belts—its satellites.

HANDICAPPED PEOPLE

(Mr. FURCOLO asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FURCOLO. Mr. Speaker, I want to again call the attention not only of the Members but also of the Nation, and particularly the employers of the Nation, to the work that our handicapped people are able to do if given an opportunity.

Members will recall that during the past few years I have often spoken with them about the handicapped people and their problems.

Several weeks ago I mentioned several instances where various departments and agencies of the Federal Government had hired people who were deaf or blind or crippled, or had some other handicap. The people so hired did wonderful work. In fact, they did such an excellent job that more handicapped people were hired. They proved what many of us have always believed; namely, that handicapped people do not ask for anything more than a chance to prove their ability. They are willing to go on their own merit and ability. They do not ask any favors or special concessions. They simply say, "Give me a chance. If I don't work out, let me go. But do not refuse me the chance to prove that I can do the work in spite of my handicap."

Today I want to direct the country's attention to the fact that approximately 10 percent of the civilian employees working in the Air Force of the United States are handicapped people. More than 30,000 such persons—physically handicapped—are doing a good job for the Air Force. They are proving their worth every day. They are proving that they can make a contribution to this Nation.

Among their number is almost every type of physically handicapped person. There are literally hundreds of illustrations and all who hire people should be familiar with them.

I hope the employers of this Nation will give some thought to those illustrations. I hope they will think that that is some proof that handicapped people can do a job—perhaps may be able to fill positions that are vacant right in the employer's own establishment.

Giving employment to a physically handicapped person will not only be

helpful to both the employer and the employee, but it will also benefit this Nation. The manpower shortage is going to increase and we cannot overlook the productive potential of the handicapped. They can do a job and they have something to offer. Let us give them their opportunity.

If the Members and the employers of the Nation will investigate, they will find there is ample proof that they can do a job and contribute to this Nation's productive effort.

I ask the employers of this Nation to consider the cases that have been cited and then to give some thought to whether or not they may have openings for handicapped people.

CORRECTION OF ROLL CALL

Mr. IRVING. Mr. Speaker, on roll call No. 100, on Friday last, I was recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PRICE CONTROL

(Mr. KENNEDY asked and was given permission to extend his remarks at this point.)

Mr. KENNEDY. Mr. Speaker, since the start of the Korean war, 2 years ago, I have been a vigorous supporter of strict across-the-board controls in order to offset inflation and keep the cost of living within bounds.

Last year I spoke at length, on the floor, urging the House of Representatives to strengthen the 1950 defense production bill. The original bill was, however, weakened rather than strengthened by Congress in 1951.

And now, again this year, we witness the same forces who were responsible for the weakened 1951 bill going all-out to completely kill controls.

In hearing the arguments of these anticontrols forces, one is supposed to be convinced that the inflation danger is past.

And yet just last week the cost-of-living index published by the Bureau of Labor Statistics showed prices to be just one-tenth of 1 percent under the all-time peak reached in January. When one considers the fact, moreover, that since a drop last February prices have been steadily increasing, it is obvious that the threat of inflation has not been turned aside.

There are many deficiencies in this controls bill before us, most of them the result of House action last week. The most dangerous of these, of course, is the Talle amendment, which would virtually kill controls. And now by the acceptance of the Barden amendment, which would end all controls next month, this House is faced with a most serious situation.

I want to take this opportunity of recording my unalterable opposition to any such injustice to the American consumer. Tomorrow I will vote to rescind

the action of the House last week by voting against the Talle amendment.

I will likewise vote against the Lucas amendment to abolish the present Wage Stabilization Board. I believe, as the Education and Labor Committee's minority report, in which I concurred said last week, "that the wage-stabilization program should be administered by a board tripartite in nature"; and the attempt to abolish it is but another method of loosening or invalidating presently set up stabilization processes.

With the cost of living still on the upgrade, with the Korean struggle continuing, with defense expenditures expected to exceed \$60,000,000,000 in the next year, the duty of the House is clear.

SPECIAL ORDER GRANTED

Mr. KENNEDY asked and was given permission to address the House today for 15 minutes, following the conclusion of special orders heretofore entered.

RESIGNATION FROM A COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation from a committee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 25, 1952.
HON. SAM RAYBURN,
Speaker, House of Representatives,
United States Capitol, Washington,
D. C.

DEAR MR. SPEAKER: I herewith submit my resignation as a member of the House Committee on the Judiciary effective immediately.

Sincerely yours,

TOM PICKETT,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

BRIDGE ACROSS DELAWARE RIVER

Mr. FALLON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8315) granting the consent of Congress to a supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this the Pennsylvania-New Jersey bridge bill?

Mr. FALLON. That is right. It grants the consent of the Congress to build an additional bridge across the Delaware River under a compact between the two States of Pennsylvania and New Jersey.

Mr. MARTIN of Massachusetts. As I understand it, there is no difference of opinion on this matter and it is not controversial.

Mr. FALLON. The gentleman is correct.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

(Mr. WOLVERTON asked and was given permission to extend his remarks at this point.)

Mr. WOLVERTON. Mr. Speaker, I am in favor of the bill now before the House and the one that is to follow. They are companion bills, and are similar to the bills I have introduced dealing with the same matters.

The purpose of the bills is to provide for the development of the port of Philadelphia, and the area surrounding it in the States of Pennsylvania and New Jersey.

The need for increased port facilities, an additional crossing of the Delaware River, and rapid transit for the surrounding area is recognized by all business, financial, civic, and governmental agencies. There is a unanimous demand for this legislation by all parties. Both political parties have supported it locally, in the State legislatures, and now in Congress. There is not a dissenting voice. It is imperative to have favorable action at the earliest possible day to the end that the development program can be started and the public be given early relief.

In urging the passage of the pending bills, I wish to bring to your attention the industrial importance of that section of the Delaware River that comes within the objectives of the pending compacts.

That portion of the States of Pennsylvania and New Jersey lying on either side of the Delaware River, for many miles north and south of Philadelphia on the Pennsylvania side, and Camden on the New Jersey side, comprises what is generally known as the port of Philadelphia.

This portion of these two States constitutes one of the greatest industrial areas within the entire United States. It is unnecessary for me to enumerate the numerous and varied industries in the city of Philadelphia and along the Pennsylvania side of the river that go to make that portion of the State of preeminent importance, and the port of Philadelphia the second largest in the Nation.

It is also appropriate that I should bring to your attention that on the New Jersey side of the river, and, within what may be described as the port of Philadelphia, an area that also has an outstanding number and variety of industrial establishments. In the city of Camden, directly opposite the city of Philadelphia, there are industries of Nation-wide and world-wide reputation. I need only mention the RCA Victor plant, that manufactures radios, television sets, and electronical instruments of untold value in our defense effort; the Campbell Soup Co., with a capacity of making 7,000,000 cans of soup in a single day; the Esterbrook Pen works whose products are also known around the world; the New York Shipbuilding Corp. that is one of the largest shipbuilding plants in the world, and, from which has gone forth some of our greatest naval and commercial ships; the R. H. Hollingshead Co., the Radio

Condenser Co., and many others too numerous to mention. In addition to these, all along the river front are great petroleum plants operated by the Cities Service, Texaco, and Socony-Vacuum Companies; and on the Pennsylvania side of the river are facilities operated by the Atlantic, Gulf, Sinclair, and Sun Oil Cos. On the lower Delaware, on the New Jersey side, are the great Dupont factories, together with Government installations. Adding to the greatness of this area is the plant of the National Steel Co., soon to be built on the New Jersey side and the U. S. Steel Co. works on the Pennsylvania side almost completed. The latter when completed will be the greatest steel plant in the world.

The products from all these local establishments, the manufactured goods, the products of our mines and farms, as well as those that come from foreign countries make this one of the greatest shipping ports in the world. The port of Philadelphia is second only to that of New York.

In addition to all this industrial activity the area that is brought within the jurisdiction of these compacts constitutes a great residential area. Philadelphia is known as the city of homes. New Jersey is an area that is fast building up residential facilities that are increasing the population of all the south Jersey counties to a degree that is astonishing.

The future of all this area is beyond description. Already the growth has been phenomenal. Each day brings a new problem because of the rapid growth that is taking place. It is to provide for this expansion, both industrial and residential, that has brought together on both sides of the river the political, civic, educational, industrial and all other progressive groups to devise ways and means of meeting the situation. After years of conferring and studying it was determined the problem could be solved only by the manner provided in these compacts now awaiting your approval.

When the plan was determined upon it was laid before the legislatures of the two States. It was approved by each of them and the governors of the two States. The plan calls for a port authority, similar to that which has produced such satisfactory results in the New York area. It enables an authority composed of representatives of both States to do any or all of those things that will promote the welfare of the industrial, commercial and individual welfare of the citizens by providing the facilities that are necessary to enable commerce, both interstate and intrastate, to progress and move in a satisfactory way. It sets up a great service organization that requires the cooperation of both States if it is to succeed.

If the affected area did not lie within two States either State could, through its own legislature, provide the necessary legislation to make it effective, but, as the area covers a part of two States across a State boundary line, and, al-

though both States agree, it is nevertheless necessary to come to Congress to obtain its approval. All this because it is an agreement between two States.

I submit that it is the duty of Congress to grant approval. The clause in the Constitution that requires congressional approval was never intended to interfere or prevent a matter of this kind. That clause was adopted when our States, especially the small ones, were suspicious, jealous, and fearful of larger States or States of a section of the country combining against others in a manner that would be detrimental to their best interests. This is no such case. These compacts are detrimental to no State or the citizens of any State. They do not financially obligate the Federal Government. They accomplish something for the benefit of commerce in the building of wharves, docks, bridges, tunnels, terminals, warehouses, and rapid transportation between the two States for all citizens that would have use for these facilities regardless of what State or section of our country they happen to be residents.

It is inconceivable that the Congress would fail to give its approval. To do so would be setting up a theory of government that would stifle all progress. It would prevent two sovereign States from accomplishing something that would be of great benefit to a whole area and to all the people.

In conclusion, I wish to emphasize the fact that these bills only give the same privilege to New Jersey and Pennsylvania as had already been given to New York and New Jersey. We seek to have the same advantages in the Philadelphia area as now prevail in the New York area. There is no disadvantage shown to exist to the citizens of the United States as a result of the port of New York Authority, nor will there be any as a result of a similar authority for the port of Philadelphia. We respectfully urge approval of the compacts.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. FALLON]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to the supplemental compact or agreement set forth below, and to each and every term and provision thereof: *Provided*, That nothing therein contained shall be construed to affect, impair, or diminish any right, power, or jurisdiction of the United States or of any court, department, board, bureau, officer, or official of the United States, over or in regard to any navigable waters, or any commerce between the States or with foreign countries, or any bridge, railroad, highway, pier, wharf, or other facility or improvement, or any other person, matter, or thing, forming the subject matter of said supplemental compact or agreement or otherwise affected by the terms thereof: *Provided further*, That the consent of Congress hereby given shall not be construed to affect in any manner whatsoever the application of the internal-revenue laws of the United States to the bonds or other securities or obligations issued by the commission, their transfer and the income therefrom (including any profits made on the sale thereof):

matter, that the soundest form of organization is one in which the top man is given full power and also full flexibility as to how he is to exercise it. I, therefore, cannot object in theory to any legislation which follows that principle—though I would object to legislation which required the Secretary of Defense to exercise any of his powers through a particular individual, or which required him actually to operate a supply or distribution system. The legislation your report outlines troubles me by prescribing how the Secretary shall exercise his power and by implying that he should actually operate warehouses, depots, and the like.

Mr. Speaker, I want to state emphatically that our subcommittee is disturbed, as all should be, at the thought that the present Munitions Board is inadequate from the standpoint of full mobilization as Mr. Lovett states. As we have repeatedly pointed out, and the Secretary of Defense himself confirms, we are certainly facing difficulty if this situation is not corrected at the earliest possible date.

There is a military maxim that says, "In time of peace prepare for war." Certainly in times of partial mobilization we should lay the base for full mobilization. We do not want a Pearl Harbor before we take steps to strengthen an ineffective defense organization.

Discrimination

SPEECH OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 19, 1952

Mrs. ROGERS of Massachusetts. Mr. Speaker, I again wish to bring before the House the matter of discrimination that I think is practiced against New England, and I have reference particularly to Massachusetts, in the awarding of Government contracts. I refer also to discrimination against helping those industries after the contracts have been awarded to complete the contracts, even to the extent of forcing an industry or industries to go into bankruptcy, whereas a little help, a little patience, and a little more in the way of loans would enable business to progress. These loans will be repaid in full as was the case in World War II. People will be able to work.

I have in mind one company in particular that makes a very vital defense product. When an industry goes into bankruptcy it requires about 9 months for another industry to take over and make the product which is needed so vitally in our national defense. It is incredible to me and I cannot understand why this is done.

Many people in the Department of the Army want to help, and people in other departments want to help, but someone steps in and stops their efforts and it is all over. People are thrown out of work and there is experienced great difficulty on the part of creditors to get their money and, of course, there is great lack of production for national defense.

Mr. Speaker, I find that the Navy does not seem to be practicing this discrimination to the same extent. The Navy awards seem to be more justly given. I know of a case in my district where a man was \$20,000 low in his bid on a cotton product yet he was not awarded the contract on account of a very flimsy technicality, a false excuse. If he had the will to fight, I am sure the Comptroller General would have agreed with him and he would have had a \$250,000 order. But he was afraid to fight the Government. That seems like Russia—not free America.

I do not know why the Army Department seems to be more difficult in this respect than the Navy. There is confusion in many of the special commissions that are appointed. They want to do all they can, but, in my opinion, many of them simply go around in circles. They get to the point of getting an industry started or they will help an industry, then the whole project collapses. There are numerous board meetings where nothing is accomplished; in the meantime we are lacking many items in our defense production.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Texas.

Mr. LYLE. I have watched the gentlewoman for a number of years and I always admire the interest which she has in her great State of Massachusetts. It is a wonderful thing to love and fight for your country. But, you know, I have also heard people say that if the Government assists industry, it is socialism and if they do not, it is tyranny. Of course this does not apply to the able gentlewoman from Massachusetts. What would the gentleman suggest we do? It is socialistic if Government agencies assist industry and loan them money, and if they do not, it is tyranny, and throwing them into bankruptcy.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much. I know that he has always been interested in public and national affairs. They are in many instances helping industry by loans in different parts of the country. Massachusetts should have its fair share of loans.

Mr. LYLE. But it has been said on the floor that any time the Government undertakes to assist industry, that is either fraud or socialism.

Mrs. ROGERS of Massachusetts. Not always. I will say to the gentleman that many areas secure many loans for industry and many contracts are awarded when New England cannot receive them. I have never said that it is fraud or socialism to help war industries.

Mr. LYLE. The gentlewoman will find that statement in the RECORD.

Mrs. ROGERS of Massachusetts. I have spoken on the floor frequently and I have never so stated that.

Mr. LYLE. Not the gentlewoman from Massachusetts. But, you understand, the cry is made.

Mrs. ROGERS of Massachusetts. Not that I am doing it personally.

Mr. LYLE. No; never have I heard the gentlewoman say that, but the cry is made that if the Government attempts

to assist industry, that that is socialism; they ought to go to the banks; they ought to borrow from the RFC and let the people completely alone. And, if they do not do it, it is tyranny, and they run them into bankruptcy. So, actually, to the detriment of many small businesses, they are often relegated to take some great industry, well financed and well engineered, and give them the prime contract, and then let it dribble down to small industry.

Mrs. ROGERS of Massachusetts. I think it is very confusing, I will say to the gentleman from Texas. I think there is a lack of coordination and cooperation, and above all great favoritism is shown to certain areas of the country. I doubt very much if the Secretary of National Defense has much power himself. The whole national-defense system today is ineffective.

John Ashmead for Congress

EXTENSION OF REMARKS OF

HON. ANTONI N. SADLAK

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. SADLAK. Mr. Speaker, the request to extend my remarks today was made for the purpose of including an editorial describing the fine character, sterling qualifications, public-spirit, occupational expertness of the man who on Saturday won the privilege to contest as the Republican candidate for the Connecticut First Congressional District. This appeared in the Tuesday, June 24, edition of the Hartford (Conn.) Courant as follows:

JOHN ASHMEAD FOR CONGRESS

In choosing John Ashmead, of Windsor, as their candidate for Representative in Congress, the Republicans of Hartford County have shown good judgment. Mr. Ashmead will take on the incumbent A. A. Ribicoff, whose ability and willingness to depart from the orthodox Democratic line have given him a hold on his constituency that sometimes crosses party lines. But instead of repeating the mistake of trying to match the qualities of a strong opponent as closely as possible, the First District Republicans have had the sense to offer something different.

Mr. Ashmead is not a lawyer, as is Representative Ribicoff. Neither is he a professionally a politician now in a position to seek a reward from the party organization. He does not represent any faction, political or otherwise. He is not espousing causes designed to appeal to groups and divisions of the population. But he is, and this should be a help in this district, a widely known insurance man with a record of public service. Mr. Ashmead is a secretary of the Phoenix (Fire) Insurance Co.

In fire prevention he is a national authority. For years the work of the Red Cross has been one of his major interests, and he has served as chairman of the committee concerned with disaster relief. He has had long experience in advertising. The chamber of commerce is indebted to him for his service in several capacities. He is a man of many talents. Like Lieutenant Governor Allen, whose campaign he managed in the last election, he is an artist. His interest

in music led to his election as trustee of the Hartt School of Music.

Born in New York City, John Ashmead grew up in the shadow of Tammany Hall. That, he enjoys telling his friends, is why he has always been a Republican. Politics and public speaking have been two of his avocations. Both may now be brought into play effectively as he maps out his campaign to beat RIBICOFF. Mr. Ashmead obviously has no easy assignment. But it would be characteristic to find him carrying the Republican torch through every precinct in the county, speaking on street corners, and in general letting the people know that John Ashmead expects to go to Congress next year to help support a Republican President.

Of the three original towns in Connecticut—Hartford, Wethersfield, and Windsor—only Windsor, which lays claim to being the oldest, has never sent a Representative to Congress. As a member of the Connecticut Society of the Sons of the American Revolution, Mr. Ashmead must be irked by this state of affairs. He will work hard to set things right at long last. The interests of the First District will be in good hands if he does.

Congress, the Court, and the Country

EXTENSION OF REMARKS

OF

HON. GEORGE M. RHODES

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. RHODES. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include herewith an editorial from the Progressive, a publication founded by former Senator Robert M. LaFollette, Sr.:

CONGRESS, THE COURT, AND THE COUNTRY

Now that the great constitutional crisis belongs to the historians, a monthly magazine which found events breaking too swiftly for comment during the fitful course of the steel conflict may be entitled, in its leisurely way, to the reflection that the crisis provided a reassuring demonstration of the strength of American institutions and the maturity of the American people.

Here in a Presidential campaign year were a great labor-management crisis, a war-production crisis, and a constitutional crisis rolled into one mischief-breeding struggle which would almost certainly have torn dangerous holes in a less stable society.

It is a measure of our maturity that no commentator we heard or editorial writer we read or man-in-the-street we overheard thought it worthy of even the most casual mention that there was no violence, no damage to property, and not even much in the way of harsh language back and forth when the Supreme Court handed down its historic decision in a conflict so charged with explosive possibilities.

For most Americans the Court's decision was accepted with the same finality as the last put-out in the last inning of the last game of a world series. The steel industry allowed itself an "I told you so" chortle; the steel workers banked the fires in the great furnaces and quietly went out on strike; both sides resumed negotiations; both sides agreed to the astonishing proposal that they produce steel for essential defense needs while the strike goes on; the President met the Court's invalidation of his emergency seizure of the steel industry with studied calm and silence, and made the White House available for new negotiations

between industry and labor; Congress blew off an astonishingly modest amount of steam, and the rest of us in the country found other headlines to brood about or the first radish in the garden to admire and savor. It was as uncomplicated as all that.

The universal calm which greeted the outcome of the epic struggle—certainly one of the finest fruits of a disciplined democracy—was no measure of the historic significance of the issue involved or the decision that resolved it.

The majority opinion, written by Justice Black, expressed what seems to us the only defensible position under our Constitution. His conclusion that "the Constitution did not subject the law-making power of Congress to Presidential or military supervision or control," may well provide the country for many years with a major bulwark against the usurpation of power by tyrannical civilians—among whom Harry Truman cannot possibly be counted—or a domineering "we-know-what's-best-for-the-country" military oligarchy run wild.

It is significant that the Court's minority of three, headed by Chief Justice Vinson, did not in any way sustain the President's basic claim—that he possessed the authority to seize the steel mills for the purpose of fixing wages and conditions of employment as a means of keeping steel production rolling in a crisis situation.

Rather, the minority sustained the President's power of seizure as a device to "act in an emergency to maintain the status quo"—to "save the situation until Congress could act."

Thus, majority and minority alike place the responsibility for action squarely where it belongs—on Congress. But this Congress, which has a shameful record of vacillation, buck-passing, negativism, and petty bickering, seems oblivious to the challenge with which the Court and the country have confronted it.

The Supreme Court has resolved the constitutional issue, but the practical problem that raised the legal issue remains unsettled. Involved is a profoundly important question of morals, politics, and ideology: Shall our Government draft money as well as men in a period of crisis?

Congress has passed legislation empowering the President to conscript men in the present emergency. It has refused up to now to empower the President to conscript wealth—i. e., seize and operate industry vital to the defense effort when a strike or lock-out would imperil the production of materials without which the lives of conscripted men are placed in great danger.

The country demands of Congress that it stop placing property values above human values. The issue is as deep-going and as simple as that. As Senator WAYNE MORSE expressed it so curtly the other day: "The most costly strike in the United States today is the strike of Congress against acting for the best interest of the people."

Protectionism Gone Mad

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. MULTER. Mr. Speaker, I wish to call to the attention of my colleagues the following editorial which appeared in the June 23 issue of the Journal of Commerce:

PROTECTIONISM GONE MAD

Congress should kick out the Ramsay amendment to the Defense Production Act without losing any time in order to prevent severe damage to our whole foreign economic policy.

The Ramsay amendment is protectionism at its worst. As approved by the House, it would set up a procedure to limit foreign imports of all products in whose manufacture materials are used which are under priorities or allocation controls in the United States. It doesn't even say that these products have to be made "chiefly" from such materials. The metal snap fastener on a glove would qualify gloves for such import curbs if anybody—who represents a "substantial" interest in the industry—asks for it.

Such a procedure would be an open invitation to ask for such "protection" against imports.

The amendment, by the way, would restrict imports of such products, to 100 percent of their 1947-1949 average volume. That is a bit better than the restriction to 50 percent of their pre-Korean volume originally proposed by Senator CAPEHART—but it is just as bad in principle and dangerous in practice.

The Ramsay amendment, of course, has nothing at all to do with the Defense Production Act.

It's just another demonstration of the congressional misuse of legislative "riders." Whenever there is a vital piece of legislation at stake—and the Defense Production Act definitely is that—the temptation seems to be too much for some of our legislators to tie some of their pet legislative ideas to such a law. This is obviously done for the purpose of slipping something over on the Congress, the administration or the public that otherwise probably would have little chance of becoming the law of the land.

Ever since the restriction on cheese imports was thus maneuvered into the Defense Production Act last year, protectionists in Congress have looked upon this act as a convenient trap.

It would indeed be highly deplorable if, instead of throwing the cheese import restriction out completely, Congress would use this year's extension of the Defense Production Act for the purpose of compounding its first error in this field.

The adoption of new restrictive proposals aimed at reducing the volume of a wide range of imported products would indeed, as the head of National Council of American Importers expressed it, destroy confidence in the sincerity of the international economic policy of the United States.

During the past few years it has been our policy to help friendly nations to strengthen their economies. In doing that, we have certainly created the general impression abroad that we want to help them earn the United States dollars they need to buy the American exports they actually require.

Last year's cheese import restriction rider was inconsistent with such a policy and created amazement among our foreign friends. The Ramsay amendment would confirm the worst fears expressed abroad.

It does not make much difference whether or not such an amendment would be widely used or not. As it is being proposed at a time when the materials shortages in this country are rapidly evaporating—a trend which permits the rather rapid ending of allocation controls—it is unlikely that many industries will be able to apply for this type of protection.

What is much more important is that proposals such as the Ramsay and Capehart amendments as well as the related Hunter bill, are typical of a state of mind that must be highly disturbing to our friends abroad and actually is harmful to our own best foreign trade interests.

The trouble is that all too many of us still do not realize that we cannot expect to export our own products unless we are willing to accept imports from abroad.

Actually, as the world's most important creditor nation we should have an import surplus rather than an export surplus, excluding, of course, our foreign aid exports.

Actually, most businessmen accept this theory—in principle. The trouble starts when the problems of a specific industry are under discussion.

We believe that our current laws and procedures offer sufficient protection against injurious foreign competition. They contain what is popularly known as the escape clause procedure. In addition, the Agricultural Adjustment Act and the Tariff Act of 1930 also contain provisions to insure such protection.

That should be enough. Anything that goes beyond these existing procedures will not be in the best interests of our over-all economy and its all too often forgotten man—the consumer.

Air Build-Up Warning From Senate Group

EXTENSION OF REMARKS

OF

HON. L. GARY CLEMENTE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1952

Mr. CLEMENTE. Mr. Speaker, one of the major factors of our national defense is the maintenance of air supremacy. We must not make it a temporary matter, for air supremacy is a sustained item. Therefore we must have a program for air supremacy which will assure us of it at a very early date.

The editorial in the Syracuse Herald-American of June 22, 1952, points up the need for such supremacy:

AIR BUILD-UP WARNING FROM SENATE GROUP

The Senate Preparedness Subcommittee calls for the quickest possible build-up of the Nation's air strength to the 143 groups recommended by the Joint Chiefs of Staff.

The alternative, Senators solemnly warn, is possible extinction of our way of life.

Probably that is no exaggeration.

We must control the air in order to survive.

At the very minimum, we must be in a position to prevent Soviet Russia from controlling it.

Frequently during the last 6 months Americans have been told that the Reds are out in front in plane production. They have more jets in action and building than we have.

The inference is that the Bolsheviks are forging ahead of us in the air.

That is an intolerable situation.

After one considers the implications, one gets a better understanding of those ominous words from the Senate committee about the "possible extinction of our way of life."

The original program of expanding the Air Forces to 143 wings by 1954 should have been followed aggressively.

That probably would have given us control of the air. If not, it would at least have given us a mighty punch in the air that neither Soviet Russia nor anyone else would dare challenge.

But that program was shot full of holes by the administration plan to achieve maximum air power at a later date and by the House plan to reduce appropriations.

If we are to have national security, the right course is to get back to that first plan to reach maximum air strength in 1954.

That's the year the Joint Chiefs of Staff say the Soviets will reach their maximum strength. Hence, that is the year of peril.

In order to be on the safe side, we must be tops at that time.

When do we wake up?

Delay in Build-Up of Our Air Force Is a Grave Risk to Our Country's Future

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1952

Mr. PRICE. Mr. Speaker, the Senate Preparedness Investigating Subcommittee, in its thirty-ninth report, forthrightly faces the fact that we cannot match the Soviets in mobilizing foot soldiers," especially when considering the great masses of Chinese, among others, at their command." This committee solemnly warns the whole Congress that "further delay in the build-up of our air strength is dangerous and most certainly involves a grave risk to the future of our country."

The subcommittee report lays down—black on white—that, in the opinion of every authoritative source they could interrogate, the greatest danger to our national existence will come during the calendar year 1954. They bluntly state that we must be prepared by that time and that "any postponement of our preparedness increases our danger, with no creditable evidence to the contrary available."

This all points up to the immediate necessity for elimination of the "stretch-out" of our Air Force, as well as to the immediate necessity of achieving our maximum strength in air power at the earliest possible moment.

Those among us who favor extending the period at which we should achieve the requisite Air Force to a date beyond 1954 have stated that they do so in an effort to economize Treasury expenditures. However, Mr. Speaker, there is no real economy effected by merely deferring the date at which we will find ourselves possessed of the 143-group Air Force recommended as requisite. How can there be any reduction in costs if the proponents of the so-called stretch-out or drag-out admit that we will spend the money next year rather than this year? That is merely a postponement of the expenditure and is in no sense whatever an effective economy.

On the other hand, I am authoritatively advised that true economy and dollar savings in the cost of building the necessary Air Force strength to 143 wings would be achieved if we procured the airplanes now.

In the operation of any business enterprise, fixed charges are the same whether the plant is working 8 hours or 24 hours per day 2 or 7 days a week. The tax on the land, the depletion on plant and structures, is the same. The fire insurance is the same. The overhead charges for executive and administrative expenses are the same whether the plant

turns out 5 airplanes or 50 airplanes per day. Hence, it follows that increased production, with the same fixed overhead charges, would enable us to effect a sensible reduction in the cost of contracting to build more planes than fewer planes.

It, therefore, also follows that—in the interest of economy alone—we should eliminate the hazards and the danger to our country by acquiring the airplanes now—before it is too late. Even now it is later than most of us like to think it is.

No thoughtful man could read the thirty-ninth report of the Senate Preparedness Investigating Subcommittee without coming to the conclusion that the very existence of our Nation and our people are in dire peril.

The Senate Preparedness Investigating Subcommittee, in presenting their report, introduced it with these four significant statements:

The study upon which this interim report is based has been lengthy and detailed. It has involved the sworn testimony of our country's top defense officials; exhaustive interviews with prominent scientists and technicians and the informal but thorough interrogation of many industrial leaders.

Much of the material which we have gleaned over the many months of patient inquiry must be held for further analysis and study. But on the major issue of adequacy—adequacy from the sole standpoint of defense against aggression—we are ready to present the firm conclusions of the men responsible for our military protection.

They do not believe we have the strength we need; they do not believe we will have the strength we need unless we raise our sights at once and raise them drastically.

There are compelling reasons for presenting this conclusion at this particular time. We are still living in the days when the United States can determine its own destiny. But those days are numbered and the numbers may not be very great in magnitude.

Mr. Speaker, this Nation has never had any Committee that has devoted more patience, intelligence, and hard work, to securing the lives, the welfare, and all that we hold sacred in these United States—than has the Senate Preparedness Investigating Subcommittee.

I know of no man in the whole Congress who will dispute the fact that nothing has contained the Russian communistic forces except the Strategic Command of the United States Air Force—our great intercontinental bombers, the B-36's—and our stockpile of atom bombs.

Were it not for the dogged determination and foresight on the part of our Air Force to build these three tremendous arms of national defense—who knows but that we would now be involved in cataclysmic worldwide global warfare?

The Subcommittee on Preparedness bluntly declared:

We find nothing to indicate that the Communist countries, led by Russia, have in any way changed their objectives of world domination. We feel it our duty to lay before the Congress and the country the simple fact that all the responsible leaders of our Defense Establishment, as well as others whose opinions must be respected, who have appeared before our committee, have solemnly warned us that further delay in the build-up of our air strength is dangerous and most certainly involves a grave risk to the future of our country.

The figures of our aircraft inventory at the start of the Korean war and at the present time leave no room for comfort. We have examined the best estimate of Soviet production and capacity for production. They are shockingly high.

Despite this, instead of doubling and redoubling our efforts to fortify ourselves, we have proceeded deliberately to postpone the date when our strength will entitle us to some feeling of security in a turbulent and hostile environment.

No congressional report has ever come to my notice—with respect to the strength, the disposition, the successes, and the contradictions which our Air Force has met in Korea—which has been more complete than is the statement made by Secretary of the Air Force Finletter before the New Orleans Chamber of Commerce on Thursday, June 19, 1952.

Mr. Finletter has successfully condensed into a few pages the entire history of our air action in Korea. It is almost a daily blow-by-blow description of all operations—land as well as air—and certainly makes evident the fact that, as far as the United Nations and our own ground forces are concerned, they have never had a single day's worry about attack by air. Rather they have been free for the entire duration to move about almost at will.

The extraordinary disregard for human life—

Mr. Finletter stated—

as shown by the enemy in ground warfare has certainly not been carried into air warfare.

The enemy has used the past year and a half to train and season his apprentice air force. He has rotated his squadrons in and out of the combat zone so as to broaden his experience. The enemy air power now drawn up against us beyond the Yalu has increased spectacularly both in quantity as well as in quality.

Therefore, I say, that we are confronted with a grave threat. It rests now with the enemy to decide whether the Korean war is to enter a new and expanding phase or whether there will be an armistice. As matters stand today, the choice will be his, not ours.

The address of Secretary Finletter so completely clarifies all questions as to the use of air power in Korea that I am extending my remarks and including therein his talk made before the New Orleans Chamber of Commerce Thursday last.

Mr. Finletter's talk was as follows:

Now as I have said the 126-combat wing Air Force is essentially a deterrent force. So far as its major combat elements are concerned, it is primarily designed as a central reserve of mobile striking power to be used in defense of this Nation and its allies in the event of a major war. It contains no war reserves in the usual meaning of that term. It contains no hidden surplus for dealing with wars such as we are fighting in Korea. Nevertheless, for the past 2 years the Air Force has been deeply and increasingly involved in such a war in Korea, and resources that otherwise would have gone toward deepening the central reservoir of air power and fulfilling our commitments in Europe has been steadily pulled westward across the Pacific.

This is a good time to tell you something about the manner in which the Air Force has used its resources in Korea. It is a good time because not many people seem to understand precisely how our air power

has worked and continues to work in that difficult and always dangerous arena into which this Nation, for the noblest of motives, was drawn 2 years ago today, lacking only a week. The condition of stalemate that has existed for the past year on the ground has tended to obscure the true meaning of the air war that has raged with increasing intensity above the battlefield. I can tell you that from the Air Force's view it is a bitter and costly war. It has drawn upon the Air Force to the extent of a third of our total available combat resources. It has cut into the build-up of the force.

The Korean war, as it has developed during the 2-year span, has confronted the Air Force with four major combat tasks.

The first task was to gain control of the air over the Korean Peninsula.

The second was to destroy deep in the enemy's rear those strategic targets that were essential to the continuation of his war effort.

The third was to cut the enemy's lines of communications to the front, and to deny freedom of movement to enemy armies.

The fourth was to give close air support to our own ground forces in contact with the enemy.

Now these are the classical tasks of military air power. There is nothing particularly novel or unusual about them. Nevertheless, in Korea our desire to avoid a global war and our recognition of our global commitments has from the beginning limited the use of military force. The conventional air pattern has developed certain peculiarities, and as a result the classical sequence, at least during the early months of the war, was upset.

The task of gaining air ascendancy, which against a first-rate air force would have been an enormous undertaking, was rapidly accomplished. The relatively feeble North Korean Air Force consisting of about 150 World War II type airplanes, was quickly driven from the skies. As a matter of simple historical record, United Nations ground forces throughout the entire course of fighting have never had to worry about enemy air opposition. Insofar as enemy air opposition is concerned, our ground forces have always been free to move at will. There is no greater advantage that air power can confer upon ground forces, especially when those ground forces are heavily outnumbered, as is the case in Korea.

I come now to the second task—the destruction by air power of the enemy's war production capacity. In a general war against a first-class power, as any student of strategic air warfare knows, the accomplishment of this task can decide the eventual outcome of the war. The object of this phase of the air war is to reduce the enemy's war-making capacity below the level required to support his existing forces, and at the same time to prevent his building up additional forces. But in Korea we were limited by larger considerations. The principal industrial sources of supply, both of the original North Korean armies and of their Chinese Communist successors, lay outside North Korea and therefore were not submitted to strategic air attack. Actually in all North Korea there were barely a score of targets that could be described as strategic, and these were swiftly destroyed by our strategic air arm, using only a fraction of its strength.

Given these military abnormalities—first, the absence of effective enemy air opposition; and second, the inhibitions upon the full use of the strategic air arm against the prime sources of enemy strength—the task of supplementing the ground forces' organic firepower in the immediate battle area assumed for the Air Force a position of extraordinary importance. This responsibility was made all the more acute, particularly during the first

summer's fighting, primarily because our ground forces were rushed to the support of the South Koreans without even their normal complement of heavy weapons such as artillery and tanks. Fortunately, since there was no longer an enemy air force to contend with, it was possible to concentrate all our air resources—Air Force, Navy, and Marines—in the close support role whenever necessary. The important contribution of air power in the close support role, first in defense of the Pusan perimeter and later in covering the withdrawal of our ground forces from the upper reaches of North Korea, have been publicly acknowledged by our Army leaders.

In addition, both before and after those two major crises in the ground struggle, our air power was heavily engaged in attacking the enemy's interior lines of communication, using such resources as could be spared from the close air support of our hard-pressed ground forces. The airmen's term for this air task is "interdiction," meaning a kind of internal blockade to restrict the flow of the enemy's supplies and reinforcements to the front. Although the competing demands of the other air tasks precluded at this stage the development of a full-scale interdiction campaign during the first year's fighting, it is significant that the enemy was unable, despite his enormous superiority in numbers, to sustain a major ground offensive for a period longer than 1 week.

The opportunity for the use of air power in a full-scale interdiction campaign did not in fact develop until last summer. By that time the onrush of the Chinese Communist armies had been contained; our ground forces had fought their way back to advantageous positions of their choosing along the thirty-eighth parallel; and these circumstances in combination with the truce negotiations, produced a stalemate on the ground—a condition that still prevails.

This new set of circumstances combined at this stage to elevate the task of air interdiction to a position of primary importance. With the ground armies more or less at a standstill, the air offered the only avenue open to us for pressing the offensive—for carrying the war continuously to the enemy. There then began last August a systematic, full-scale air attack against the enemy's lines of communication in North Korea—the air campaign known as Operation Strangle. This was not an exclusive Air Force effort. It was in the best meaning of the word, a joint affair, with the Army, the Navy and the Marines all participating. The object of this air effort was to prevent the enemy from accumulating at his front lines sufficient supplies to sustain another major offensive. Toward that end our aircraft, ranging clear to the Yalu River, have relentlessly pounded the enemy's transportation system, his supply dumps, his marshalling yards, and his troop concentrations. We know that we have destroyed many thousands of enemy trucks and huge quantities of supplies and ammunition. We have made a shambles of his railway system. That Operation Strangle has hurt the enemy badly there can be no doubt. But at the same time we must remember that in the absence of heavy fighting on the ground, the enemy's consumption of supplies has been relatively small, and even a daily trickle of supplies to the front over so long a period is bound to produce a considerable increment for him. Whether the enemy is now in a position to undertake another ground offensive with the confidence that he can sustain it, is a question for which only events can supply a positive answer. We have been warned by our Army leaders in Korea that the aggressor armies still retain the power to launch an offensive. But we have been assured that our own forces, well entrenched in excellent positions, are capable of dealing with it.

there exists in the textile industry, primarily in the South, a widespread conspiracy to prevent union organization and to destroy those unions which now exist." End of quote.

The Senate subcommittee found that there was much evidence to prove this accusation.

Five exhaustive case studies were conducted. Public hearings were held and invitations were extended to representatives of southern textile management to testify. Some ignored the opportunity to present their side of the case. Others were subpoenaed. The few who did testify were usually frank in their admission of hostility toward unions.

Antiunion techniques fall into two classifications: (1) Those used to prevent union organization; and (2) those employed to break an established union. The subcommittee made plain that all employers do not resort to such tactics. But the frequency of their occurrence in situations brought to the attention of the Senators was so impressive as to warrant serious concern for the rights of self-organization.

In stopping a union organizing campaign, employers will use some or all of the following methods: Shadowing organizers and union followers, propaganda through rumors, letters, news stories, advertisements, speeches to employees; denial of free speech and assembly to the union; organization of the whole community for antiunion activity; labor espionage; discharge of union sympathizers; violence and gunplay; injunctions; the closing or moving of the mill; endless litigation before the NLRB and the courts, etc. If all this fails, the employer will try to stall, in slow succession, first the election, then the certification of the union, and finally the negotiation of a contract. Few organizing campaigns survive these pressures.

When the union organizer arrives in town, he is sometimes ordered to leave by the police. If he doesn't scare easily, he will find that he is followed and watched, constantly. If the organizer begins to meet with some success, the opposition employs stronger methods. A kidnapping of one organizer and the forcible ejection from town of another at the American Thread Co., in Tallapoosa, Ga., was revealed in the case study. In Alexander City, Ala., the organizer was beaten by two company employees. At Hillsboro Cotton Mills, Hillsboro, Tex., the president of the union local was beaten in the presence of the plant overseer. When he sought the intervention of the overseer, the latter made no effort to stop the assault.

Other forces are also put to work. At Stowe Spinning Co., the mill management owned the entire village, including all public buildings suitable for assembly. When the use of the community hall was denied to the union, an unfair-labor-practice charge was filed with the National Labor Relations Board. Four years later the Supreme Court of the United States upheld the union in its charges, but it came too late, for the union had been crushed in the meantime.

While the union is thus being blocked in its efforts to meet, or effectively present its case to the workers, the company is actively promoting a propaganda campaign among the employees. In the plant this may start with casual conversations between supervisors and employees. The conversations usually include appeals to prejudice, implications of the venality and subversiveness of union leaders, assertions that the union is unable to do anything for the employees that the employer would not do voluntarily, and veiled or open threats that employees sympathetic to the union will be fired, or evicted from their homes in the mill village, or that the mill will close if the union comes in.

In many instances the employer is able to call on powerful support from other parts of the community to reinforce the antiunion campaign.

On occasion the union is able to get and win an election and be certified. It then normally requests a conference with the employer to negotiate a labor contract. But all it gets out of these conferences is talk, talk, talk from management. Management keeps postponing the collective-bargaining agreement. Even court enforcement orders to bargain bring no results.

On August 13, 1948, the president of the company wrote a letter to the employees of Roanoke Mills No. 1, in which he noted that all employees in the nonunion mills would receive a raise in pay. No raises, he said, could be granted to the organized employees until successful negotiations had been completed with the union. Thus, the employer, while meeting the legal requirements of bargaining, had purposely avoided a full agreement with the union in order to make it appear that organized workers had lost out on the pay raise because of the union. At the end of the 12-month period which the law requires between elections a petition was filed for decertification, and, quite naturally, the employees voted out their union. The company's union-busting strategy had worked.

Burlington Mills Corp. shows resistance to union organization and collective bargaining on a large scale. This firm operates 45 mills in the South. Union organization has been undertaken in 15 of these mills. The NLRB has issued at least nine orders directing the company to cease and desist from unfair labor practices, such as interference with employees in their right to organize, discharges of employees for union activity, and refusal to bargain in good faith. In at least two instances, the Board secured enforcement decrees in the Federal courts. Though the union had been certified as bargaining representative in eight of Burlington's mills over the last 12 years, not a single agreement has ever been negotiated before the Senate subcommittee looked into these evasions. Who says that investigations don't do some good? This company has been served notice that it must comply with the law, and apparently realizes that it can't have its own way in these matters.

Techniques for breaking established unions follow a similar pattern of mounting pressures. Some employers have sold their plants or transferred machinery to other locations rather than to bargain with the union. In the case of the large chains, this procedure is only a minor inconvenience to the owners.

Much of the campaign to bust unions in southern textile industry is being conducted in shocking violation of the Labor-Management Relations Act, and the NLRB appears powerless to cope with the situation.

The rights of workers to self-organization and collective bargaining are guaranteed by Federal law, and yet thousands of workers in the southern textile industry who have sought the protection of the law have failed to find it.

This is not a union law. It is the law of the United States, and it must be enforced in the South as well as the North.

If any northern manufacturers are thinking of moving south to take advantage of this slave-labor angle, I advise them not to.

Collective bargaining is here to stay as a means of settling industrial labor relations. If the South is backward in complying with the law then the Congress of the United States must see to it that this legislation is applied uniformly in practice as well as theory.

To emancipate southern workers and to protect both northern workers and northern management in the big and important textile industry, we need equal rights based on improving standards.

The Forgotten Weapon

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. LANE. Mr. Speaker, under leave to extend my remarks, I wish to include the following article from the Boston Sunday Herald of June 22, 1952:

THE FORGOTTEN WEAPON

The tank is the forgotten weapon of the rhetorical war. That is the "perhaps" World War III that is being fought over bars and coffee tables. That is war on which all strategy is based on one super weapon—be it a huge bomb, a giant air armada, or hordes of free men armed with nothing but bayonets and grim looks.

It is romantic war. The creaky and greasy old tank is forgotten as old hat. And the Pentagon—either entranced by new weapons or busy defending the ones used at Waterloo—often seems to have forgotten the tank. Certainly it does not have high priority.

At long last production is being started, but it will be one of the first essential industries to be hit by the steel shortage. The light tanks need 68,800 pounds of steel, including spare parts, and the medium tank 118,000. It is a secret exactly what the heavy tank uses, but you can be sure it is plenty. In Detroit it has been announced that M-47 tank production would be cut 30 percent in July and the arsenal there will be closed by August 1. The Cadillac plant, which is turning out the Walker Bulldog light tank, has only enough steel for a fortnight. Tanks will not roll off assembly lines and roar forward at the front lines this summer—the third summer of the Korean war.

It is a great tragedy, for tanks are not forgotten at the Korean front—or along the defense lines in Europe or Asia which may become battle lines any day. The battle-ship of the ground forces which is just rising to full maturity is a versatile and valuable weapon. Today a regular infantry division has more tanks than the first armored divisions did. It is ironical that the United States—which has led the world in developing, producing and absorbing the automobile into its life—should have missed the boat on the tank.

The tank was made practical by the British in World War I, and its tactics developed by the Germans in their blitzkriegs. At the end of the second World War many of our tanks were inferior to those of the enemy, although we had learned to use their lessons of strategy. When Korea came along the Russians tossed tanks into the battle that made ours look silly and puny. It is hard to understand why we never learned how important the tank is, for without Patton's tank columns the European War would have been delayed years and might have been lost. Tanks almost pushed us out of Korea 2 years ago.

The facts are that the tank is an all-around weapon which is certain to play a decisive part in the next war.

On the offense, tanks can pierce far into enemy territory to investigate, make damaging raids, or encircle the enemy. They can provide an advancing column with a spearhead of steel or with mobile artillery support. They can destroy defense positions which regular infantry cannot attack, and armor can rescue units which have been surrounded. In a mobile war they can apply heavy pressure to the enemy lines in differ-

ent points, on short notice, as the changing situation dictates.

On the defense, each tank becomes a fortress of steel, armed with a great variety of weapons. Armor is able to cover retreating infantry, block roads and bridges, parry the blows of the enemy across a broad front—first here, then there, and then back. They can free troops out off in a successful enemy advance. And they will lead the counter-attack.

Those, and many more, are their tasks, and they do them well. Now, at last, the tank is not only used in massed divisions, but has been integrated with each infantry unit. It is used with the company, the platoon, and the squad. It is a formidable weapon that is needed on the battlefield of today—and tomorrow. Our failure to produce tanks may not only be a mistake. History may show it to be our tragedy.

Rampage in the House

EXTENSION OF REMARKS OF

HON. HARRY P. O'NEILL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. O'NEILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following editorial which appeared in the Evening Bulletin, Philadelphia, Pa., on June 23, 1952:

RAMPAGE IN THE HOUSE

By a rapid-fire series of votes the House proceeded to cut the heart out of price controls and approved an entirely original set-up for the Wage Stabilization Board, although why any board at all should be necessary if we are to have no price controls is not clear. The motive of the House is reliably reported to be a desire to slap the administration. It is impossible in such a mood for Congressmen to work out sane principles to guide the defense production program.

The let-down in the attitude of Congress and the country toward national defense is little short of appalling. A year ago well-informed authorities here and abroad of both political parties warned of the danger we are in from Russian aggression. There is not the slightest doubt the menace is as great as it was then. But today the temper of Congress and a large section of the public runs in favor of dismantling the machinery set up a little over a year ago to promote rearmament and equitably distribute civilian supplies.

When the fighting ended in the world war loud cries went out that our boys should be brought home immediately. In response the United States demobilized, almost in disorderly fashion, the great military forces we had built up. Russia at once stepped in to take advantage of our weakness.

It is incredible that political quarrels between the President and Congress and an approaching election should lead the Nation to repeat the blunder. No doubt politicians think it popular to suggest lower taxes, freedom from Government controls, and some easy method, such as building up a huge air force, to assure our safety. But Russia still threatens, and inflation is not licked.

As long as these dangers exist it is only sound sense to put national defense first and political advantage second.

LAWS AND RULES FOR PUBLICATION OF THE CONGRESSIONAL RECORD

CODE OF LAWS OF THE UNITED STATES

TITLE 44, SECTION 181. CONGRESSIONAL RECORD; ARRANGEMENT, STYLE, CONTENTS, AND INDEXES.—The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of proceedings shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and at the close thereof. (Jan. 12, 1895, c. 23, § 13, 28 Stat. 603.)

TITLE 44, SECTION 182b. SAME; ILLUSTRATIONS, MAPS, DIAGRAMS.—No maps, diagrams, or illustrations may be inserted in the RECORD without the approval of the Joint Committee on Printing. (June 20, 1936, c. 630, § 2, 49 Stat. 1546.)

Pursuant to the foregoing statute and in order to provide for the prompt publication and delivery of the CONGRESSIONAL RECORD the Joint Committee on Printing has adopted the following rules, to which the attention of Senators, Representatives, and Delegates is respectfully invited:

1. *Arrangement of the daily Record.*—The Public Printer will arrange the contents of the daily Record as follows: First, the Senate proceedings; second, the House proceedings; third, the Appendix: *Provided*, That when the proceedings of the Senate are not received in time to follow this arrangement, the Public Printer may begin the Record with the House proceedings. The proceedings of each House and the Appendix shall each begin a new page, with appropriate headings centered thereon.

2. *Type and style.*—The Public Printer shall print the report of the proceedings and debates of the Senate and House of Representatives, as furnished by the official reporters of the CONGRESSIONAL RECORD, in 7½-point type; and all matter included in the remarks or speeches of Members of Congress, other than their own words, and all reports, documents, and other matter authorized to be inserted in the RECORD shall be printed in 8½-point type; and all roll calls shall be printed in 6-point type. No italic or black type nor words in capitals or small capitals shall be used for emphasis or prominence; nor will unusual indentions be permitted. These restrictions do not apply to the printing of or quotations from historical, official, or legal documents or papers of which a literal reproduction is necessary.

3. *Return of manuscript.*—When manuscript is submitted to Members for revision it should be returned to the Government Printing Office not later than 9 o'clock p. m., in order to insure publication in the RECORD issued on the following morning; and if all of said manuscript is not furnished at the time specified, the Public Printer is authorized to withhold it from the RECORD for 1 day. In no case will a speech be printed in the RECORD of the day of its delivery if the manuscript is furnished later than 12 o'clock midnight.

4. *Tabular matter.*—The manuscript of speeches containing tabular statements to be published in the RECORD shall be in the hands of the Public Printer not later than 7 o'clock p. m., to insure publication the following morning.

5. *Proof furnished.*—Proofs of "leave to print" and advance speeches will not be furnished the day the manuscript is received but will be submitted the following day, whenever possible to do so without causing delay in the publication of the regular proceedings of Congress. Advance speeches shall be set in the RECORD style of type, and not more than six sets of proofs may be furnished to Members without charge.

6. *Notation of withheld remarks.*—If manuscript or proofs have not been returned in time for publication in the proceedings, the

Public Printer will insert the words "Mr. ——— addressed the Senate (House or Committee). His remarks will appear hereafter in the Appendix," and proceed with the printing of the RECORD.

7. *Thirty-day limit.*—The Public Printer shall not publish in the CONGRESSIONAL RECORD any speech or extension of remarks which has been withheld for a period exceeding 30 calendar days from the date when its printing was authorized: *Provided*, That at the expiration of each session of Congress the time limit herein fixed shall be 10 days, unless otherwise ordered by the committee.

8. *Appendix to daily Record.*—When either House has granted leave to print (1) a speech not delivered in either House, (2) a newspaper or magazine article, or (3) any other matter not germane to the proceedings, the same shall be published in the Appendix, but this rule shall not apply to quotations which form part of a speech of a Member, or to an authorized extension of his own remarks: *Provided*, That no address, speech, or article delivered or released subsequently to the final adjournment of a session of Congress may be printed in the CONGRESSIONAL RECORD.

9. *Official reporters.*—The official reporters of each House shall indicate on the manuscript and prepare headings for all matter to be printed in the Appendix, and shall make suitable reference thereto at the proper place in the proceedings.

10. *Estimate of cost.*—No extraneous matter in excess of two pages in any one instance may be printed in the CONGRESSIONAL RECORD by a Member under leave to print or to extend his remarks unless the manuscript is accompanied by an estimate in writing from the Public Printer of the probable cost of publishing the same, which estimate of cost must be announced by the Member when such leave is requested; but this restriction shall not apply to excerpts from letters, telegrams, or articles presented in connection with a speech delivered in the course of debate or to communications from State legislatures, addresses or articles by the President and the members of his Cabinet, the Vice President, or a Member of Congress. The Public Printer or the official reporters of the House or Senate shall return to the Member of the respective House any matter submitted for the CONGRESSIONAL RECORD which is in contravention of this paragraph.

11. *Illustrations.*—Pursuant to section 182b, title 44, United States Code (as shown above), requests for authority to insert an illustration in the RECORD should be submitted to the Joint Committee on Printing through the chairman of the Committee on Printing of the respective House in which the speech desired to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD and shall be line cuts only. Copy for illustrations must be furnished to the Public Printer not later than 12:30 o'clock p. m. of the day preceding publication.

12. *Corrections.*—The permanent RECORD is made up for printing and binding 30 days before all corrections must be sent to the Public Printer after each daily publication is issued; there-*Printer* within that time: *Provided*, That upon the final adjournment of each session of Congress the time limit shall be 10 days, unless otherwise ordered by the committee: *Provided further*, That no Member of Congress shall be entitled to make more than one revision. Any revision shall consist only of corrections of the original copy and shall not include deletions of correct material, substitutions for correct material, or additions of new subject matter.

13. *Appendix to permanent Record.*—The Public Printer shall publish an Appendix to the permanent RECORD, which shall contain all extraneous matter not germane to the proceedings.

14. The Public Printer shall not publish in the CONGRESSIONAL RECORD Appendix the full report or print of any committee or subcommittee when said report or print has been previously printed.

82D CONGRESS
2D SESSION

S. 2594

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1952

Ordered to be printed with the amendment of the House of Representatives

AN ACT

To amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Defense Production Act
4 Amendments of 1952".

5 TITLE I—AMENDMENTS TO DEFENSE PRODUC-
6 TION ACT OF 1950, AS AMENDED

7 PRIORITIES AND ALLOCATIONS

8 SEC. 101. Section 101 of the Defense Production Act
9 of 1950, as amended, is amended by adding at the end
10 thereof the following: "If the domestic production of any
11 commodity is in excess of the amount necessary to meet

1 allocations for defense, stockpiling, and military assistance
2 to any foreign nation authorized by any Act of Congress,
3 then no restriction or other limitation shall be imposed under
4 this title upon the right of any person to purchase such
5 commodity in any foreign country and to import and use
6 the same in the United States. No restriction or other
7 limitation shall be imposed under this title if the domestic
8 production of any commodity is sufficient to meet all
9 civilian domestic requirements and the requirements for
10 defense, stockpiling, and military assistance to any foreign
11 nation authorized by any Act of Congress."

12 SEC. 102. Section 104 of the Defense Production Act of
13 1950, as amended, is hereby amended to read as follows:

14 "SEC. 104. Notwithstanding any other provision of law,
15 title III of the Second War Powers Act, 1942, as amended,
16 and the amendments to existing law made by such title are
17 hereby revived and shall continue in effect until June 30,
18 1953, for the purpose of authorizing and exercising, admin-
19 istering, and enforcing of import controls with respect to fats
20 and oils (including oil-bearing materials, fatty acids, and
21 soap and soap powder, but excluding petroleum and petroleum
22 products and coconuts and coconut products), peanuts,
23 butter, cheese and other dairy products, and rice and rice
24 products, upon a determination by the President that such
25 controls are (a) essential to the acquisition or distribution of

1 products in world short supply, or (b) essential to the orderly
2 liquidation of temporary surpluses of stocks owned or con-
3 trolled by the Government: *Provided, however,* That such
4 controls shall be removed as soon as the conditions giving rise
5 to them have ceased. This section shall not be construed to
6 limit the authority contained in sections 101 and 704 of this
7 Act."

8 SEC. 103. Paragraph ~~(3)~~ of subsection (d) of section
9 402 of the Defense Production Act of 1950, as amended,
10 is amended by adding at the end thereof the following: "No
11 ceiling shall be established or maintained under this title for
12 fresh fruits or vegetables."

13 SEC. 104. Title I of the Defense Production Act of
14 1950, as amended, is further amended by adding at the
15 end thereof the following new section:

16 "SEC. 105. (a) In carrying out the policy of the
17 United States as set forth in section 2 of this Act, the
18 President, by and with the advice and consent of the Senate,
19 may appoint representatives to confer with other friendly
20 nations through the mechanism of the International Ma-
21 terials Conference in an effort to ascertain the existing and
22 potential supply of materials useful in the economic mobiliza-
23 tion of this and such other nations, as well as the most
24 effective distribution of such materials in executing that
25 policy. Upon a finding by the President, reached after a

1 hearing at which interested parties may express their views,
2 that a pattern of international distribution recommended
3 after such consultation is necessary or appropriate to pro-
4 mote the national defense and compatible with the best
5 interests of the United States, he may, any other provision
6 of this title to the contrary notwithstanding, use the author-
7 ity vested in him by this Act to make it possible for this
8 Nation to carry out the recommendations made by any such
9 conference.

10 “(b) Subject to the provisions of subsection (a) of this
11 section, nothing contained in this Act shall impair the
12 authority of the President under this Act to exercise alloca-
13 tion and priorities controls over materials both domestically
14 produced and imported and facilities through the controlled
15 materials plan or other methods of allocation.”

16 PRICE AND WAGE STABILIZATION

17 SEC. 105. Paragraph (4) of subsection (d) of section
18 402 of the Defense Production Act of 1950, as amended, is
19 amended by adding at the end thereof the following: “The
20 provisions of this paragraph shall not apply in the case of a
21 seller of a material at retail or wholesale within the meaning
22 of subsection (k) of this section.”

23 SEC. 106. (a) Subsection (e) of section 402 of the
24 Defense Production Act of 1950, as amended, is amended by
25 adding after the word “profession” in paragraph (ii) thereof

1 the following: “; wages, salaries, and other compensation
2 paid to professional engineers employed in a professional
3 capacity; wages, salaries, and other compensation paid to
4 professional architects employed in a professional capacity
5 by an architect or firm of architects engaged in the practice
6 of his or their profession; and wages, salaries, and other
7 compensation paid to certified public accountants licensed
8 to practice as such employed in a professional capacity by
9 a certified public accountant or firm of certified public ac-
10 countants engaged in the practice of his or their profession”.

11 (b) Declaratory of existing law, paragraph (v) of sub-
12 section (c) of section 402 of the Defense Production Act of
13 1950, as amended, is amended to read as follows:

14 “(v) (1) Rates and charges by any common carrier
15 or other public utility, including rates charged by any per-
16 son subject to the Shipping Act, 1916 (Public Law 260,
17 Sixty-fourth Congress), as amended, and including com-
18 pensation for the use by others of a common carrier's cars or
19 other transportation equipment; charges for the use of wash-
20 room and toilet facilities in terminals and stations, and
21 charges for repairing cars or other transportation equipment
22 owned by others; charges for the use of parking facilities
23 operated by common carriers in connection with their com-
24 mon carrier operations; and (2) charges paid by common
25 carriers for the performance of a part of their transportation

1 services to the public, including the use of cars or other trans-
 2 portation equipment owned by a person other than a common
 3 carrier, protective service against heat or cold to property
 4 transported or to be transported, and pickup and delivery
 5 and local transfer services: *Provided*, That no common ear-
 6 rier or other public utility shall at any time after the Presi-
 7 dent shall have issued any stabilization regulations and orders
 8 under subsection (b) make any increase in its charges for
 9 property or services sold by it for resale to the public, for
 10 which application is filed after the date of issuance of such
 11 stabilization regulations and orders, before the Federal, State,
 12 or municipal authority, if any, having jurisdiction to con-
 13 sider such increase, unless it first gives thirty days' notice
 14 to the President, or such agency as he may designate, and
 15 consents to timely intervention by such agency before the
 16 Federal, State, or municipal authority, if any, having juris-
 17 diction to consider such increase;''

18 (c) Subsection (c) of section 402 of the Defense Pro-
 19 duction Act of 1950, as amended, is amended by adding at
 20 the end thereof the following new paragraph:

21 "(viii) Rates, fees, and charges for materials or serv-
 22 ices supplied directly by the States, Territories, and posses-
 23 sions of the United States, and their political subdivisions
 24 and municipalities, the District of Columbia, and any agency
 25 of any of the foregoing."

1 ~~(d)~~ Subsection ~~(e)~~ of section 402 of the Defense
2 Production Act of 1950, as amended, is amended by adding
3 at the end thereof the following new paragraph:

4 “(ix) Annual or semiannual payments in the nature
5 of compensation made to employees or officers of a business
6 or enterprise which constitutes a distribution of a portion or
7 percentage of its profits according to a profit-sharing plan
8 or practice which was established and in effect on or before
9 January 15, 1950. If the determination of any amount or
10 part of the plan or practice involves the exercise of the
11 discretion of managers of the business or enterprise, such
12 plan or practices may be continued and payments made
13 thereunder so long as the discretion is exercised according
14 to the same policy standards and principles which were
15 applicable and in effect on or before January 15, 1950.”

16 SEC. 107. Subsection ~~(k)~~ of section 402 of the Defense
17 Production Act of 1950, as amended, is amended by striking
18 out the word “hereafter” in the first sentence thereof.

19 SEC. 108. Section 402 ~~(k)~~ of the Defense Production
20 Act of 1950, as amended, is further amended by adding at
21 the end of the first sentence thereof before the period the
22 following proviso: “: *Provided, however,* That if the anti-
23 trust laws of any State have been construed to prohibit
24 adherence by sellers of materials for wholesale or retail to
25 uniform suggested retail resale prices, the President shall

1 issue regulations giving full consideration to the customary
2 percentage margins of such sellers during the period here-
3 inbefore set forth”.

4 SEC. 109. Section 402 of the Defense Production Act of
5 1950, as amended, is further amended by adding at the end
6 thereof two new subsections as follows:

7 “(l) No rule, regulation, order, or amendment thereto
8 issued under this title shall fix a ceiling on the price paid
9 or received on the sale or delivery of any material in any
10 State below the minimum sales price of such material fixed
11 by the State law (other than any so-called ‘fair trade law’)
12 or regulation now in effect.

13 “(m) If the domestic production of any commodity is
14 in excess of the amount necessary to meet allocations for
15 defense, stockpiling, and military assistance to any foreign
16 nation authorized by any Act of Congress, no rule, regula-
17 tion, or order issued under this title shall apply to purchases
18 by any person of any material outside of the United States
19 or its Territories and possessions for importation into the
20 United States for his own use or for fabrication by him into
21 other products for resale.”

22 SEC. 110. Notwithstanding any other provision of this
23 Act, whenever price ceilings are declared in effect on any
24 agricultural commodity at the farm level, the Director of

1 Price Stabilization must at the same time put into effect
2 margin controls on processors, wholesalers, and retailers;
3 such margin controls to allow the processors, wholesalers,
4 and retailers the normal mark-ups as provided under this
5 Act, except that under no circumstances are the sellers to be
6 allowed greater than their normal margins of profit.

7 SEC. 111. Section 403 of the Defense Production Act
8 of 1950, as amended, is amended by inserting “(a)” after
9 “403.” and by adding at the end thereof the following new
10 subsection:

11 “(b) (1) There is hereby created, in the present
12 Economic Stabilization Agency, or any successor agency,
13 a Wage Stabilization Board (hereinafter in this subsection
14 referred to as the “Board”), which shall be composed, in
15 equal numbers, of members representative of the general
16 public, members representative of labor, and members repre-
17 sentative of business and industry. The number of offices
18 on the Board shall be established by Executive order.

19 “(2) The members representative of the general public
20 shall be appointed by the President, by and with the advice
21 and consent of the Senate. The members representative
22 of labor, and the members representative of business and
23 industry, shall be appointed by the President, by and with

1 the advice and consent of the Senate. The President shall
2 designate a Chairman and Vice Chairman of the Board from
3 among the members representative of the general public.

4 “(3) The term of office of the members of the Board
5 shall terminate on March 1, 1953. Any member appointed
6 to fill a vacancy occurring prior to the expiration of the term
7 for which his predecessor was appointed shall be appointed
8 for the remainder of such term.

9 “(4) Each member representative of the general public
10 shall receive compensation at the rate of \$15,000 a year,
11 and while a member of the Board shall engage in no other
12 business, vocation, or employment. Each member repre-
13 sentative of labor, and each member representative of busi-
14 ness and industry shall receive \$50 for each day he is
15 actually engaged in the performance of his duties as a mem-
16 ber of the Board, and in addition he shall be paid his actual
17 and necessary travel and subsistence expenses in accord-
18 ance with the Travel Expense Act of 1949 while so engaged
19 away from his home or regular place of business. The mem-
20 bers representative of labor, and the members representative
21 of business and industry, shall, in respect of their functions
22 on the Board, be exempt from the operation of sections 281,
23 283, 284, 434, and 1914 of title 18 of the United States
24 Code and section 190 of the Revised Statutes (5 U. S. C.
25 99).

1 “(5) The Board shall, under the supervision and direc-
2 tion of the Economic Stabilization Administrator—

3 “(A) formulate, and recommend to such Adminis-
4 trator for promulgation, general policies and general
5 regulations relating to the stabilizing of wages, sal-
6 aries, and other compensation; and

7 “(B) upon the request of (i) any person sub-
8 stantially affected thereby, or (ii) any Federal depart-
9 ment or agency whose function, as provided by law,
10 may be affected thereby or may have an effect thereon,
11 advise as to the interpretation, or the application to par-
12 ticular circumstances, of policies and regulations promul-
13 gated by such Administrator which relate to the stabiliza-
14 tion of wages, salaries, and other compensation.

15 For the purposes of this Act, stabilization of wages, salaries,
16 and other compensation means prescribing maximum limits
17 thereon. Labor disputes, and labor matters in dispute, which
18 do not involve the interpretation or application of such
19 regulations or policies shall be dealt with, if at all, insofar
20 as the Federal Government is concerned, under the concilia-
21 tion, mediation, emergency, or other provisions of laws
22 heretofore or hereafter enacted by the Congress: *Provided,*
23 *however,* That the Board may undertake to mediate and/or
24 arbitrate labor disputes involving wages, salaries, and other
25 compensation, if the Director of the Federal Mediation and

1 Conciliation Service certifies to the Administrator of the Eco-
 2 nomic Stabilization Agency that all remedies available to the
 3 Service have been exhausted, and (i) the parties themselves
 4 request the Board to mediate and/or arbitrate, or (ii) the
 5 President requests the Board to mediate and/or arbitrate the
 6 dispute and the parties consent: *Provided further*, That in
 7 any effort to mediate and/or arbitrate a labor dispute referred
 8 to the Board pursuant to the terms of the foregoing proviso,
 9 a panel of the Board, the membership of which is constituted
 10 in the same proportion as is the Board itself, may act on
 11 behalf of the Board.

12 “(6) Paragraph (5) of this subsection shall take effect
 13 thirty days after the date on which this subsection is enacted.
 14 The Wage Stabilization Board created by Executive Order
 15 Numbered 10161, and reconstituted by Executive Order
 16 Numbered 10233, as amended by Executive Order Num-
 17 bered 10301, is hereby abolished, effective at the close of
 18 the twenty-ninth day following the date on which this sub-
 19 section is enacted.”

20 SEC. 112. Section 403 of the Defense Production Act of
 21 1950, as amended, is further amended by adding at the end
 22 thereof the following new subsection:

23 “(c) It shall be the express duty, obligation, and func-
 24 tion of the present Economic Stabilization Agency, or any

1 successor agency, to coordinate the relationship between
2 prices and wages, and to stabilize prices and wages."

3 SEC. 113. Title IV of the Defense Production Act of
4 1950, as amended, is amended by adding at the end thereof
5 the following new section:

6 "SUSPENSION OF CONTROLS

7 "SEC. 411. It is hereby declared to be the policy of the
8 Congress that the President shall use the price, wage, and
9 other powers conferred by this Act, as amended, to promote
10 the earliest practicable balance between production and the
11 demand therefor of materials and services, and that the
12 general control of wages and prices shall be terminated as
13 rapidly as possible consistent with the policies and purposes
14 set forth in this Act; and that pending such termination, in
15 order to avoid burdensome and unnecessary reporting and
16 record keeping which retard rather than assist in the achieve-
17 ment of the purposes of this Act, price or wage regulations
18 and orders, or both, shall be suspended in the case of any
19 material or service or type of employment where such factors
20 as condition of supply, existence of below ceiling prices, his-
21 torical volatility of prices, wage pressures and wage relation-
22 ships, or relative importance in relation to business costs or
23 living costs will permit, and to the extent that such action will
24 be consistent with the avoidance of a cumulative and danger-

1 ous unstabilizing effect. It is further the policy of the Con-
2 gress that when the President finds that the termination of
3 the suspension and the restoration of ceilings on the sales or
4 charges for such material or service, or the further stabiliza-
5 tion of such wages, salaries, and other compensation, or both,
6 is necessary in order to effectuate the purposes of this Act,
7 he shall by regulation or order terminate the suspension."

8 SEC. 114. Title V of the Defense Production Act of
9 1950, as amended, is hereby amended by adding a new
10 section, as follows:

11 "SEC. 504. *Resolved*, That, by reason of the work
12 stoppage now existing in the steel industry, the national
13 safety is imperiled, and the Congress requests the President
14 to immediately invoke the national emergency provisions
15 (secs. 206 to 210, inclusive) of the Labor Management
16 Relations Act, 1947, for the purpose of terminating such
17 work stoppage."

18 SEC. 115. The first sentence of section 707 of the De-
19 fense Production Act of 1950, as amended, is amended by
20 striking out the word "his".

21 SEC. 116. (a) Section 717 (a) of the Defense Produ-
22 tion Act of 1950, as amended, is amended to read as
23 follows:

24 "(a) Titles I, II, III, VI, and VII of this Act and

1 all authority conferred thereunder shall terminate at the
2 close of June 30, 1953; and titles IV and V of this Act
3 and all authority conferred thereunder shall terminate at the
4 close of February 28, 1953."

5 (b) Paragraph (4) of subsection (a) of section 714
6 of the Defense Production Act of 1950, as amended, is
7 amended by striking out "June 30, 1952" and inserting in
8 lieu thereof "June 30, 1953."

9 TITLE II—AMENDMENTS TO HOUSING AND RENT

10 ACT OF 1947, AS AMENDED

11 SEC. 201. Subsection (c) of section 4 and subsection
12 (f) of section 204 of the Housing and Rent Act of 1947,
13 as amended, are each amended by striking out "June 30,
14 1953" and inserting in lieu thereof "February 28, 1953".

15 SEC. 202. Section 204 of the Housing and Rent Act
16 of 1947, as amended, is amended by adding at the end
17 thereof the following:

18 "(p) Except in the case of action taken after full com-
19 pliance with subsection (k) of this section, the President
20 shall not reestablish maximum rents in any defense-rental
21 area, including any community owned and operated by the
22 Federal Government, which has previously been decon-
23 trolled under this Act until a public hearing, after thirty
24 days' notice, has been held in such area."

TITLE III—MISCELLANEOUS

PUBLIC CONTRACTS

SEC. 301. The Act entitled “An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes”, approved June 30, 1936 (41 U. S. C. 35-45), is amended (1) by redesignating sections 10 and 11 as sections 11 and 12, respectively, and (2) by inserting immediately following section 9 a new section 10 as follows:

“SEC. 10. (a) Notwithstanding any provision of section 4 of the Administrative Procedure Act, such Act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this Act.

“(b) All wage determinations under section 1 (b) of this Act shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination, may be had within ninety days after such determination is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

1 “(e) Notwithstanding the inclusion of any stipulations
 2 required by any provision of this Act in any contract sub-
 3 ject to this Act, any interested person shall have the right of
 4 judicial review of any legal question which might otherwise
 5 be raised, including, but not limited to, wage determinations
 6 and the interpretation of the terms ‘locality’, ‘regular dealer’,
 7 ‘manufacturer’, and ‘open market’.”

8 *That this Act may be cited as the “Defense Production Act*
 9 *Amendments of 1952.”*

10 *TITLE I—AMENDMENTS TO DEFENSE PRO-*
 11 *DUCTION ACT OF 1950, AS AMENDED*

12 *SEC. 101. Section 101 of the Defense Production Act*
 13 *of 1950, as amended, is hereby amended by adding at the*
 14 *end thereof the following new sentence: “Nor shall any re-*
 15 *striction or other limitation be established or maintained*
 16 *upon the species, type, or grade of livestock killed by any*
 17 *slaughterer, nor upon the types of slaughtering operations,*
 18 *including religious rituals, employed by any slaughterer;*
 19 *nor shall any requirements or regulations be established or*
 20 *maintained relating to the allocation or distribution of meat*
 21 *or meat products unless, and for the period for which, the*
 22 *Secretary of Agriculture shall have determined and certi-*
 23 *fied to the President that the over-all supply of meat and*
 24 *meat products is inadequate to meet the civilian or military*

1 *needs therefor: Provided, That nothing in this Act shall be*
2 *construed to prohibit the President from requiring the grad-*
3 *ing and grade marking of meat and meat products.”*

4 *SEC. 102. Section 101 of the Defense Production Act of*
5 *1950, as amended, is amended by adding at the end thereof*
6 *the following: “When all requirements for the national*
7 *defense, for the stockpiling of critical and strategic materials*
8 *and for military assistance to any foreign nation authorized*
9 *by any Act of Congress have been met through allocations*
10 *and priorities it shall be the policy of the United States to*
11 *encourage the maximum supply of raw materials for the*
12 *civilian economy, including small business, thus increasing*
13 *employment opportunities and minimizing inflationary pres-*
14 *ures. No authority granted under this Act may be used to*
15 *limit the domestic consumption of any material in order to*
16 *restrict total United States consumption to an amount fixed*
17 *by the International Materials Conference.”*

18 *SEC. 103. Section 101 of the Defense Production Act of*
19 *1950, as amended, is amended by adding at the end thereof*
20 *the following new subsection:*

21 *“(c) Whenever priorities are established or allocations*
22 *made under section (a) with respect to any raw material,*
23 *and such priorities or allocations operate to limit the pro-*
24 *duction of articles or products produced in the United States,*
25 *the President shall by proclamation limit the importation,*

1 during the period such priorities or allocations are in ef-
2 fect, of any article or product in the manufacture or pro-
3 duction of which such raw material is used to 100 per
4 centum of the average annual imports of such article or
5 product during the calendar years 1947 through 1949:
6 Provided, That the Tariff Commission has reported to the
7 President that a substantial portion of the American pro-
8 ducers of such article or product, or an article or prod-
9 uct competitive therewith, has requested such limitations on
10 imports: Provided further, That the Secretary of Defense
11 has not certified to the President that the American pro-
12 duction of such article or product is insufficient to supply the
13 essential defense needs therefor. Upon the application of
14 any substantial American producer, the Tariff Commis-
15 sion shall publish the fact of having received such applica-
16 tion, shall hold public hearing thereon and shall report the
17 facts to the President within sixty days of the receipt of
18 such application. Such report to the President shall in-
19 clude the article or product on which the import limitation
20 has been requested, whether it contains any raw material
21 which is under priority or allocation control, whether a
22 substantial portion of the American producers thereof have
23 requested the above-specified import limitation, the maxi-
24 mum quantity of imports which would comply with said
25 import limitation and such other facts as the Tariff Com-

1 mission deems appropriate. A copy of said report to the
2 President shall be submitted to the Secretary of Defense.
3 If said report of the Tariff Commission indicates that the
4 above-specified conditions have been met by the applicant
5 and the Secretary of Defense has not certified to the Presi-
6 dent that the American production of such article or prod-
7 uct is not sufficient to meet the essential defense needs, the
8 President shall proclaim such import limitation within thirty
9 days of his receipt of the report from the Tariff Commis-
10 sion. If the Secretary of Defense has certified that the
11 American production of such article or product is insufficient
12 to meet the essential defense needs therefor, the President
13 shall, by proclamation, limit the imports of such article
14 or product to such quantity as the Secretary of Defense
15 certifies as necessary, in excess of American production,
16 to meet the essential defense needs. All reports of the Tariff
17 Commission and all certifications of the Secretary of Defense
18 made hereunder shall be made public at the time of their
19 issuance.”

20 SEC. 104. Section 104 of the Defense Production Act
21 of 1950, as amended, is amended to read as follows:

22 “SEC. 104. Import controls of fats and oils (including
23 oil-bearing materials, fatty acids, and soap and soap powder,
24 but excluding petroleum and petroleum products and coconuts

1 and coconut products), peanuts, butter, cheese and other
2 dairy products, and rice and rice products are necessary for
3 the protection of the essential security interests and economy
4 of the United States in the existing emergency in interna-
5 tional relations, and imports into the United States of any
6 such commodity or product, by types or varieties, shall be
7 limited to such quantities as the Secretary of Agriculture finds
8 would not (a) impair or reduce the domestic production of
9 any such commodity or product below present production
10 levels, or below such higher levels as the Secretary of Agri-
11 culture may deem necessary in view of domestic and inter-
12 national conditions, or (b) interfere with the orderly domestic
13 storing and marketing of any such commodity or product,
14 or (c) result in any unnecessary burden or expenditures
15 under any Government price support program: Provided,
16 however, That the Secretary of Agriculture after establishing
17 import limitations, may permit additional imports of each
18 type and variety of the commodities specified in this section,
19 not to exceed 10 per centum of the import limitation with
20 respect to each type and variety which he may deem neces-
21 sary, taking into consideration the broad effects upon inter-
22 national relationships and trade. The President shall exer-
23 cise the authority and powers conferred by this section."

24 SEC. 105. The first sentence of section 302 of the De-

1 *fense Production Act of 1950, as amended, is amended by*
2 *inserting before the period at the end thereof the following:*
3 *“, and manufacture of newsprint”.*

4 *SEC. 106. Paragraph (2) of subsection (d) of section*
5 *402 of the Defense Production Act of 1950, as amended, is*
6 *amended by inserting after the first sentence thereof the fol-*
7 *lowing new sentence: “No regulation or order shall be issued*
8 *or remain in effect, under this title which prohibits the pay-*
9 *ment or receipt of hourly wages at a rate of \$1 per hour*
10 *or less.”*

11 *SEC. 107. Section 402 (d) of the Defense Production*
12 *Act of 1950, as amended, is hereby amended by adding at*
13 *the end thereof the following new paragraph:*

14 *“(5) The ceiling price for any material shall be sus-*
15 *pended as long as (1) the material is selling below the ceiling*
16 *price and has sold below that price for a period of three*
17 *months; or (2) the material is in adequate or surplus supply*
18 *to meet current civilian and military consumption and has*
19 *been in such adequate or surplus supply for a period of three*
20 *months. For the purpose of this paragraph, a material shall*
21 *be considered in adequate or surplus supply whenever such*
22 *material is not being allocated for civilian use, or, in the case*
23 *of an agricultural commodity or product processed in whole*
24 *or substantial part therefrom, is not being rationed at the*

1 retail level of consumer goods for household and personal
2 use, under the authority of title I of this Act."

3 SEC. 108. (a) Paragraph (3) of subsection (d) of
4 section 402 of the Defense Production Act of 1950, as
5 amended, is amended by inserting in the fifth sentence
6 thereof after "(1) the Agricultural Act of 1949," the follow-
7 ing: "except that under any price support program an-
8 nounced while this title is in effect the level of support to
9 cooperators shall be 90 per centum of the parity price, or
10 such higher level, as may be established under section 402 of
11 that Act, for any crop of any basic agricultural commodity
12 with respect to which producers have not disapproved
13 marketing quotas,".

14 (b) Paragraph (3) of subsection (d) of section 402
15 of the Defense Production Act of 1950, as amended, is
16 amended by adding at the end thereof the following: "No
17 ceiling prices for products resulting from the processing of
18 agricultural commodities, including livestock, milk, and other
19 dairy products shall be established or maintained in any agri-
20 cultural marketing area at levels which fail to reflect for the
21 processing of such products the cost adjustments provided in
22 paragraph (4) of this subsection and which fail to reflect
23 for the distributing and selling of such products the customary
24 margin or charge provided in subsection (k) of this section.

1 Where a State regulatory body is authorized to establish
 2 minimum and/or maximum prices for sales of fluid milk,
 3 ceiling prices established for such sales under this title shall
 4 (1) not be less than the minimum prices, or (2) be equal to
 5 the maximum prices, established by such regulatory body,
 6 as the case may be: And provided further, That in the case
 7 of prices of milk established by any State regulatory body,
 8 with respect to which price, parties may be deemed to con-
 9 tract, no ceiling price may be maintained under this title
 10 which is less than the price so established. No ceiling shall
 11 be established or maintained under this title for fruits or
 12 vegetables in fresh or processed form.”

13 SEC. 109. Subsection (d) of section 402 of the Defense
 14 Production Act of 1950, as amended, is amended by adding
 15 at the end thereof the following new paragraph:

16 “(6) For the purpose of determining the applicable
 17 ceiling price under the general ceiling price regulation issued
 18 January 26, 1951, as amended, any sale of fertilizer to
 19 the ultimate user by a person who acquired it for resale
 20 shall be considered a retail sale. This paragraph shall take
 21 effect as of January 26, 1951.”

22 SEC. 110. (a) Paragraph (111) of subsection (e) of
 23 section 402 of the Defense Production Act of 1950, as
 24 amended, is amended to read as follows:

25 “(iii) Price of rentals for (a) materials furnished for

1 publication by any press association or feature service, or
2 (b) books, magazines, motion pictures, periodicals, or news-
3 papers, other than as waste or scrap; or rates charged by or
4 wages paid to any person in the business of operating or
5 publishing a newspaper, periodical, or magazine, or operating
6 a radio-broadcasting or television station, a motion picture
7 or other theater enterprise, or outdoor advertising facilities.”

8 SEC. 111. (a) Paragraph (v) of subsection (e) of
9 section 402 of the Defense Production Act of 1950, as
10 amended, is amended to read as follows:

11 “(v) Rates charged by any common carrier or other
12 public utility, including rates charged by any person subject
13 to the Shipping Act, 1916 (Public Law 260, Sixty-fourth
14 Congress), as amended;”.

15 (b) Subsection (e) of section 402 of the Defense Pro-
16 duction Act of 1950, as amended, is amended by adding at
17 the end thereof the following new paragraph:

18 “(viii) Prices charged and wages paid by bowling
19 alleys.”

20 (c) Subsection (e) of section 402 of the Defense Pro-
21 duction Act of 1950, as amended, is amended by adding at
22 the end thereof the following new paragraph:

23 “(ix) Wages paid for agricultural labor.”

24 (d) Subsection (e) of section 402 of the Defense Pro-

1 *duction Act of 1950, as amended, is amended by adding at*
2 *the end thereof the following new paragraph:*

3 *“(e) Wages, salaries, or other compensation of persons*
4 *employed in small-business enterprises as defined in this para-*
5 *graph: Provided, however, That the President may from*
6 *time to time exclude from this exemption such enterprises on*
7 *the basis of industries, types of business, occupations, or*
8 *areas, if their exemption would be unstabilizing with respect*
9 *to wages, salaries, or other compensation, prices, or manpower*
10 *or would otherwise be contrary to the purposes of this Act.*
11 *A small-business enterprise, for the purpose of this paragraph,*
12 *is any enterprise in which a total of eight or less persons*
13 *are employed in all its establishments, branches, units, or*
14 *affiliates. This paragraph shall become effective thirty days*
15 *after its enactment.”*

16 *(e) Subsection 2 of section 402 of the Defense Produc-*
17 *tion Act of 1950, as amended, is amended by adding to the*
18 *end thereof the following new paragraph:*

19 *“(xi) Sales of surplus materials by the States, Terri-*
20 *tories, and possessions of the United States and their political*
21 *subdivisions and municipalities, the District of Columbia,*
22 *and any agency of any of the foregoing.”*

23 *SEC. 112. The first sentence of section 402 (k) of the*
24 *Defense Production Act of 1950, as amended, is amended*

1 to read as follows: "No rule, regulation, order, or amend-
2 ment thereto shall be issued under this title, or remain in
3 effect under this title for more than sixty days after the date
4 of the enactment of the Defense Production Act Amend-
5 ments of 1952, which shall deny a seller of materials or
6 services at retail or wholesale his customary percentage mar-
7 gins over costs of the materials or services or his customary
8 charges during the period May 24, 1950, to June 24, 1950,
9 or on such other nearest representative date determined un-
10 der section 402 (c), as shown by his records during such
11 period, except as to any one specific item of a line of ma-
12 terial sold by such seller which is in short supply as evi-
13 denced by specific government action to encourage produc-
14 tion of the item in question."

15 SEC. 113. Section 402 (k) of the Defense Production
16 Act of 1950, as amended, is further amended by adding at
17 the end of the first sentence thereof before the period the
18 following proviso: " : Provided, however, That if the anti-
19 trust laws of any State have been construed to prohibit
20 adherence by sellers of materials for wholesale or retail
21 to uniform suggested retail resale prices, the President shall
22 issue regulations giving full consideration to the customary
23 percentage margins of such sellers during the period herein-
24 before set forth".

1 *SEC. 114. Section 402 of the Defense Production Act*
2 *of 1950, as amended, is further amended by adding at the*
3 *end thereof the following new subsection:*

4 *“(l) No rule, regulation, order, or amendment thereto*
5 *issued under this title shall fix a ceiling on the price paid*
6 *or received on the sale or delivery of any material in any*
7 *State below the minimum sales price of such material fixed*
8 *by any State law (other than any so-called “fair trade law”)*
9 *enacted prior to July 1, 1952, or by regulation issued pur-*
10 *suant to such law.*

11 *“(m) No rule, regulation, order, or amendment thereto*
12 *shall be issued or maintained under this title, which shall deny*
13 *to any hotel supply house or combination distributor, affiliated*
14 *with any slaughterer or slaughtering establishment, the same*
15 *ceiling price or prices for meat accorded to hotel supply*
16 *houses or combination distributors which are not so affiliated.”*

17 *SEC. 115. Section 403 of the Defense Production Act*
18 *of 1950 as amended by Defense Production Act amend-*
19 *ments of 1951, is amended by inserting “(a)” after “403.”*
20 *and by adding at the end thereof the following new subsection:*

21 *“(b) (1) There is hereby created, in the Economic*
22 *Stabilization Agency, a Wage Stabilization Board (herein-*
23 *after in this subsection referred to as the ‘Board’), which*
24 *shall be composed of members representative of the general*

1 public, members representative of labor, and members rep-
 2 resentative of business and industry. The number of offices
 3 on the Board shall be established by Executive order, but
 4 the number of members representative of the general public
 5 shall at all times exceed the aggregate of the number of mem-
 6 bers representative of labor and the number of members rep-
 7 resentative of business and industry. The number of offices
 8 on the Board for representatives of labor shall equal the num-
 9 ber of offices on the Board for representatives of business and
 10 industry. Among the members representative of labor, at
 11 least one shall be a person who is not a representative of any
 12 organization which is affiliated with either of the two major
 13 labor organizations.

14 “(2) The members representative of the general pub-
 15 lic shall be appointed by the President, by and with the ad-
 16 vice and consent of the Senate. The members representative
 17 of labor, and the members representative of business and
 3 industry, shall be appointed by the President. The President
 3 shall designate a Chairman and Vice Chairman of the Board
 0 from among the members representative of the general
 1 public.

12 “(3) The term of office of the members of the Board
 23 shall be one year, unless sooner terminated in accordance
 24 with section 717. Any member appointed to fill a vacancy

1 occurring prior to the expiration of the term for which his
2 predecessor was appointed shall be appointed for the re-
3 mainder of such term.

4 “(4) Each member representative of the general public
5 shall receive compensation at the rate of \$15,000 a year,
6 and while a member of the Board shall engage in no other
7 business, vocation, or employment. Each member repre-
8 sentative of labor, and each member representative of business
9 and industry, shall receive \$50 for each day he is actually
10 engaged in the performance of his duties as a member of
11 the Board, and in addition he shall be paid his actual and
12 necessary travel and subsistence expenses in accordance with
13 the Travel Expense Act of 1949 while so engaged away
14 from his home or regular place of business. The members
15 representative of labor, and the members representative of
16 business and industry, shall, in respect of their functions on
17 the Board, be exempt from the operation of sections 281, 283,
18 284, 434, and 1914 of title 18 of the United States Code
19 and section 190 of the Revised Statutes (5 U. S. C. 99).

20 “(5) The Board shall, under the supervision and direc-
21 tion of the Economic Stabilization Administrator—

22 “(A) formulate, and recommend to such Admin-
23 istrator for promulgation, general policies and general

1 *regulations relating to the stabilization of wages, salaries,*
2 *and other compensation; and*

3 *“(B) upon the request of (i) any person sub-*
4 *stantially affected thereby, or (ii) any Federal depart-*
5 *ment or agency whose functions, as provided by law,*
6 *may be affected thereby or may have an effect thereon,*
7 *advise as to the interpretation, or the application to*
8 *particular circumstances, of policies and regulations pro-*
9 *mulgated by such Administrator which relate to the*
10 *stabilization of wages, salaries, and other compensation.*

11 *For the purposes of this Act, stabilization of wages, salaries,*
12 *and other compensation means prescribing maximum limits*
13 *thereon. Except as provided in clause (B) of this para-*
14 *graph, the Board shall have no jurisdiction with respect to*
15 *any labor dispute or with respect to any issue involved*
16 *therein. Labor disputes, and labor matters in dispute, which*
17 *do not involve the interpretation or application of such regu-*
18 *lations or policies shall be dealt with, if at all, insofar as the*
19 *Federal Government is concerned, under the conciliation,*
20 *mediation, emergency, or other provisions of laws heretofore*
21 *or hereafter enacted by the Congress, and not otherwise.*

22 *“(6) Paragraph (5) of this subsection shall take effect*
23 *thirty days after the date on which this subsection is enacted.*

1 *The Wage Stabilization Board created by Executive Order*
2 *Numbered 10161, and reconstituted by Executive Order*
3 *Numbered 10233, is hereby abolished, effective at the close*
4 *of the twenty-ninth day following the date on which this*
5 *subsection is enacted.*”

6 *SEC. 116. (a) (1) The first sentence of subsection (a)*
7 *of section 407 of the Defense Production Act of 1950, as*
8 *amended, is amended by striking out “relating to price con-*
9 *trols under this title” and inserting in lieu thereof “relating*
10 *to price controls under this title or rent controls under the*
11 *Housing and Rent Act of 1947, as amended”; and by strik-*
12 *ing out “relating to price controls” after “any such regula-*
13 *tion or order”.*

14 *(2) Subsection (b) of section 407 of the Defense Pro-*
15 *duction Act of 1950, as amended, is amended by inserting*
16 *after “this title” the following: “and the Housing and Rent*
17 *Act of 1947, as amended,”; and by inserting after “section*
18 *705 of this Act” the following: “, or section 206 of the Hous-*
19 *ing and Rent Act of 1947, as amended, as the case may be”.*

20 *(b) Section 408 of the Defense Production Act of 1950*
21 *as amended is amended to read as follows:*

22 *“SEC. 408. (a) Any person who is aggrieved by the*
23 *denial or partial denial of his protest may, within thirty*
24 *days after such denial, file a complaint with the Emergency*
25 *Court of Appeals specifying his objections and praying that*

1 the regulation or order protested be enjoined or set aside
2 in whole or in part. A copy of such complaint shall forth-
3 with be served on the President, who shall certify and file
4 with such court a transcript of such portions of the pro-
5 ceedings in connection with the protest as are material under
6 the complaint. Such transcript shall include a statement
7 setting forth, so far as practicable, the economic data and
8 other facts of which the President has taken official notice.
9 Upon such filing, the court shall have exclusive jurisdiction
10 of the proceeding and of all questions determined therein,
11 and shall have power to grant such temporary relief or re-
12 straining order as it deems just and proper; to permanently
13 enjoin or set aside, in whole or in part, the regulation or
14 order or the amendment of or supplement to the regulation
15 or order protested; to make and enter upon the pleadings,
16 evidence, testimony, and proceedings set forth in such tran-
17 script a decree enforcing, modifying, and enforcing as so
18 modified, or setting aside in whole or in part the order of
19 the President; to dismiss the petition; or to remand the pro-
20 ceeding to the President for further action in accordance with
21 the court's decree: Provided, That the regulation or order
22 may be modified or rescinded by the President at any time
23 notwithstanding the pendency of such complaint. No objec-
24 tion to such regulation or order, and no evidence in support
25 of any objection thereto, shall be considered by the court,

1 unless such objection shall have been set forth by the com-
2 plainant in the protest or such evidence shall be contained
3 in the transcript. The findings of the President with respect
4 to questions of fact, if supported by a preponderance of the
5 evidence on the record, shall be conclusive. If application
6 is made to the court by either party for leave to introduce
7 additional evidence which was either offered to the President
8 and not admitted, or which could not reasonably have been
9 offered to the President or included by the President in such
10 proceedings, and the court determines that such evidence
11 should be admitted, the court shall order the evidence to be
12 presented to the President. The President shall promptly
13 receive the same, and such other evidence as he deems neces-
14 sary or proper, and thereupon he shall certify and file with
15 the court a transcript thereof and any modification made
16 in the regulation or order as a result thereof; except that
17 on request by the President, any such evidence shall be pre-
18 sented directly to the court.

19 “(b) The Emergency Court of Appeals is hereby con-
20 tinued for the purpose of the exercise of the jurisdiction
21 granted by this title, with the powers herein specified, to-
22 gether with the powers heretofore granted by law to such
23 court which are not inconsistent with the provisions of this
24 title. The court shall have the powers of a district court
25 with respect to the jurisdiction conferred on it by this title.

1 *So far as necessary to decision the court shall decide all*
2 *relevant questions of law, interpret constitutional and statu-*
3 *tory provisions, interpret the meaning or applicability of the*
4 *terms of any official action under this title or under this*
5 *Act as amended, of which this title is a part and with respect*
6 *to this title. The court shall exercise its powers and pre-*
7 *scribe rules governing its procedure in such manner as to*
8 *expedite the determination of cases of which it has jurisdic-*
9 *tion under this title.*

10 “(c) *Within thirty days after entry of a judgment or*
11 *order, interlocutory or final, by the Emergency Court of*
12 *Appeals, a petition for a writ of certiorari may be filed in the*
13 *Supreme Court of the United States, and thereupon the judg-*
14 *ment or order shall be subject to review by the Supreme*
15 *Court in the same manner as a judgment of a United States*
16 *court of appeals as provided in section 1254 of title 28,*
17 *United States Code. The Supreme Court shall advance on*
18 *the docket and expedite the disposition of all causes filed*
19 *therein pursuant to this subsection. The Emergency Court*
20 *of Appeals and the Supreme Court upon review of judg-*
21 *ments and orders of the Emergency Court of Appeals, shall*
22 *have exclusive jurisdiction to determine the validity of any*
23 *such regulation or order under this title. Except as provided*
24 *in this section, no court, Federal, State, or Territorial, shall*
25 *have jurisdiction or power to consider the validity of any such*

1 regulation or order, or to stay, restrain, enjoin, or set aside,
2 in whole or in part, any provision of this title authorizing
3 the issuance of such regulations or orders, or any provision
4 of any such regulation or order, or to restrain or enjoin the
5 enforcement of any such provision.

6 “(d) (1) Within thirty days after arraignment, or such
7 additional time as the court may allow for good cause shown,
8 in any criminal proceeding, and within five days after
9 judgment in any civil or criminal proceeding, brought pur-
10 suant to section 409 or 706 of this Act or section 371 of
11 title 18, United States Code, involving alleged violation of
12 any provision of any such regulation or order, the defend-
13 ant may apply to the court in which the proceeding is pend-
14 ing for leave to file in the Emergency Court of Appeals a
15 complaint against the President setting forth objections to
16 the validity of any provision which the defendant is alleged
17 to have violated or conspired to violate. The court in
18 which the proceeding is pending shall grant such leave with
19 respect to any objection which it finds is made in good faith
20 and with respect to which it finds there is reasonable and sub-
21 stantial excuse for the defendant’s failure to present such
22 objection in a protest filed in accordance with section 407
23 of this title. Upon the filing of a complaint pursuant to and
24 within thirty days from the granting of such leave, the Emer-
25 gency Court of Appeals shall have jurisdiction to enjoin or

1 *set aside in whole or in part the provision of the regulation*
2 *or order complained of or to dismiss the complaint. The*
3 *court may authorize the introduction of evidence, either to*
4 *the President or directly to the court, in accordance with*
5 *subsection (a) of this section. The provisions of subsections*
6 *(b) and (c) of this section shall be applicable with respect*
7 *to any proceeding instituted in accordance with this subsection.*

8 “(2) *In any proceeding brought pursuant to section 409*
9 *or 706 of this Act or section 371 of title 18, United States*
10 *Code, involving an alleged violation of any provision of any*
11 *such regulation or order, the court shall stay the proceeding—*

12 “(i) *during the period within which a complaint*
13 *may be filed in the Emergency Court of Appeals pur-*
14 *suant to leave granted under paragraph (1) of this*
15 *subsection with respect to such provision;*

16 “(ii) *during the pendency of any protest properly*
17 *filed by the defendant under section 407 of this title prior*
18 *to the institution of the proceeding under section 409 or*
19 *706 of this Act or section 371 of title 18, United States*
20 *Code, setting forth objections to the validity of such pro-*
21 *vision which the court finds to have been made in good*
22 *faith; and*

23 “(iii) *during the pendency of any judicial pro-*
24 *ceeding instituted by the defendant under this section*
25 *with respect to such protest or instituted by the defendant*

1 under paragraph (1) of this subsection with respect to
2 such provision, and until the expiration of the time
3 allowed in this section for the taking of further proceed-
4 ings with respect thereto.

5 Notwithstanding the provisions of this paragraph, stays shall
6 be granted thereunder in civil proceedings only after judgment
7 and upon application made within five days after judg-
8 ment. Notwithstanding the provisions of this paragraph, in
9 the case of a proceeding under section 409 (a) or 706 (a)
10 of this Act the court granting a stay under this paragraph
11 shall issue a temporary injunction or restraining order
12 enjoining or restraining, during the period of the stay, vio-
13 lations by the defendant of any provision of the regulation
14 or order involved in the proceeding. If any provision of a
15 regulation or order is determined to be invalid by judgment
16 of the Emergency Court of Appeals which has become effec-
17 tive in accordance with section 408 (b) of this title, any
18 proceeding pending in any court shall be dismissed, and any
19 judgment in such proceeding vacated, to the extent that such
20 proceeding or judgment is based upon violation of such pro-
21 vision. Except as provided in this subsection, the pendency
22 of any protest under section 407 of this title, or judicial pro-
23 ceeding under this section, shall not be grounds for staying
24 any proceeding brought pursuant to section 409 or 706 of this

1 *Act or section 371 of title 18, United States Code; nor,*
2 *except as provided in this subsection, shall any retroactive*
3 *effect be given to any judgment setting aside a provision of*
4 *a regulation or order issued under this title.”*

5 *SEC. 117. At the end of section 403, add the following*
6 *new paragraph:*

7 *“Notwithstanding the other provisions of this section,*
8 *administration of salary stabilization for executive, adminis-*
9 *trative, supervisory, and professional personnel shall be*
10 *under the jurisdiction of the Bureau of Internal Revenue,*
11 *under stabilization policies promulgated by the Economic*
12 *Stabilization Administrator. The term ‘supervisory person-*
13 *nel’ as used herein shall have the same meaning as the term*
14 *‘supervisor’ as defined by the ‘Labor-Management Relations*
15 *Act, 1947’, and the terms ‘executive’, ‘administrative’, and*
16 *‘professional’ shall have the same meaning as the correspond-*
17 *ing terms as defined in existing regulations of the Adminis-*
18 *trator of the Wage and Hour Division for the purposes of*
19 *the Fair Labor Standards Act.”*

20 *SEC. 118. Title IV of the Defense Production Act of*
21 *1950, as amended, is amended by adding at the end thereof*
22 *the following new section:*

23 *“SEC. 411. No person shall be required under this Act*
24 *to furnish any reports or other information with respect to*

1 sales of materials or services at prices which are below ceil-
2 ing, if such person certifies to the President that such sales
3 were made at such prices.”

4 SEC. 119. Section 503 of the Defense Production Act
5 of 1950, as amended, is hereby amended by adding at the
6 end thereof the following: “It is the sense of the Congress
7 that, by reason of the work stoppage now existing in the steel
8 industry, the national safety is imperiled, and the Congress
9 therefore requests the President to invoke immediately the
10 national emergency provisions (sections 206 to 210, in-
11 clusive) of the Labor Management Relations Act, 1947,
12 for the purpose of terminating such work stoppage.”

13 SEC. 120. (a) Title VI of the Defense Production Act
14 of 1950, as amended, is hereby repealed. The table of
15 contents in the first section of the Defense Production Act
16 of 1950, as amended, is amended by striking out “Title VI.
17 Control of consumer and real estate credit.” and inserting
18 in lieu thereof “Title VI. [Repealed]”.

19 (b) Subsection (c) of section 109 of the Defense Pro-
20 duction Act Amendments of 1951, which amends section
21 704 of the Defense Production Act of 1950, as amended, is
22 amended by adding at the end thereof the following: “and
23 provide for extending natural gas for house heating to
24 amputee veterans, other hardship cases, and totally disabled
25 individuals.”

1 (c) Section 708 of the *Defense Production Act of 1950*,
2 as amended, is amended by adding at the end thereof the
3 following new subsection:

4 “(f) After the date of enactment of the *Defense Pro-*
5 *duction Act Amendments of 1952*, no voluntary program
6 or agreement for the control of credit shall be approved or
7 carried out under this section.”

8 SEC. 121. Section 701 (c) of the *Defense Production*
9 *Act of 1950*, as amended, is hereby amended by striking out
10 the colon at the end of the first sentence thereof, and adding
11 the following: “during such period:”.

12 SEC. 122. Section 705 of the *Defense Production Act*
13 of 1950, as amended, is amended by adding thereto the
14 following new subsection:

15 “(f) Any person subpoenaed under this section shall have
16 the right to make a record of his testimony and to be repre-
17 sented by counsel.”

18 SEC. 123. The first sentence of section 707 of the *De-*
19 *fense Production Act of 1950*, as amended, is amended by
20 striking out the word “his”.

21 SEC. 124. Section 717 of the *Defense Production Act*
22 of 1950, as amended, is amended by adding at the end
23 thereof the following new subsection:

24 “(d) No action for the recovery of any cooperative pay-
25 ment made to a cooperative association by a Market Adminis-

1 trator under an invalid provision of a milk marketing order
2 issued by the Secretary of Agriculture pursuant to the Agri-
3 cultural Marketing Agreement Act of 1937 shall be main-
4 tained unless such action is brought by producers specifically
5 named as party plaintiffs to recover their respective share
6 of such payments within ninety days after the date of enact-
7 ment of the Defense Production Act Amendments of 1952
8 with respect to any cause of action heretofore accrued and
9 not otherwise barred, or within ninety days after accrual
10 with respect to future payments, and unless each claimant
11 shall allege and prove (1) that he objected at the hearing to
12 the provisions of the order under which such payments were
13 made and (2) that he either refused to accept payments com-
14 puted with such deduction or accepted them under protest
15 to either the Secretary or the Administrator. The district
16 courts of the United States shall have exclusive original juris-
17 diction of all such actions regardless of the amount involved.
18 This subsection shall not apply to funds held in escrow pur-
19 suant to court order. Notwithstanding any other provision
20 of this Act, no termination date shall be applicable to this
21 subsection."

22 SEC. 125. (a) Paragraph (4) of subsection (a) of
23 section 714 of the Defense Production Act of 1950, as
24 amended, is amended by striking out "1952" and inserting
25 in lieu thereof "1953".

1 (b) Subsection (a) of section 717 of the Defense Pro-
 2 duction Act of 1950, as amended, is amended by striking
 3 out "1952" and inserting in lieu thereof "1953".

4 SEC. 126. Subsection (b) of section 712 of the De-
 5 fense Production Act of 1950 is amended by striking out
 6 the first sentence thereof and inserting in lieu thereof the
 7 following: "It shall be the function of the Committee to make
 8 a continuous study of the programs and of the fairness to
 9 consumers of the prices authorized by this Act and to re-
 10 view the progress achieved in the execution and administra-
 11 tion thereof."

12 TITLE II—AMENDMENTS TO HOUSING AND
 13 RENT ACT OF 1947, AS AMENDED

14 SEC. 201. (a) Subsection (e) of section 4 of the
 15 Housing and Rent Act of 1947, as amended, is amended
 16 by striking out "June 30, 1952" and inserting in lieu
 17 thereof "June 30, 1953".

18 (b) Subsection (f) of section 204 of the Housing and
 19 Rent Act of 1947, as amended, is amended to read as
 20 follows:

21 “(f) (1) The provisions of this title shall cease to be
 22 in effect at the close of September 30, 1952, except that they
 23 shall cease to be in effect at the close of March 31, 1953—

24 “(A) in any area which prior to or subsequent to
 25 September 30, 1952, is certified under subsection (1)

1 *of section 204 of this Act as a critical defense housing*
2 *area;*

3 “(B) in any incorporated city, town, or village
4 *which, at a time when maximum rents under this title*
5 *are in effect therein, and prior to September 30, 1952,*
6 *declares (by resolution of its governing body adopted*
7 *for that purpose, or by popular referendum in ac-*
8 *cordance with local law) that a substantial shortage of*
9 *housing accommodations exists which requires the con-*
10 *tinuance of federal rent control in such city, town, or*
11 *village; and*

12 “(C) in any unincorporated locality in a defense-
13 *rental area in which one or more incorporated cities,*
14 *towns, or villages constituting the major portion of the*
15 *defense-rental area have made the declaration specified*
16 *in subparagraph (B) at a time when maximum rents*
17 *under this title were in effect in such unincorporated*
18 *locality.*

19 “(2) Any incorporated city, town, or village which makes
20 *the declarations specified in paragraph (1) (B) of this*
21 *subsection shall notify the President in writing of such action*
22 *promptly after it has been taken.*

23 “(3) Notwithstanding any provision of paragraph (1)
24 *of this subsection, the provisions of this title shall cease to*
25 *be in effect upon the date of a proclamation by the Presi-*

1 dent or upon the date specified in a concurrent resolution
2 by the two Houses of the Congress, declaring that the further
3 continuance of the authority granted by this title is not neces-
4 sary because of the existence of an emergency, whichever date
5 is the earlier.

6 “(4) Notwithstanding any provision of paragraph (1)
7 or (3) of this subsection, the provisions of this title and regu-
8 lations, orders, and requirements thereunder shall be treated
9 as still remaining in force for the purpose of sustaining
10 any proper suit or action with respect to any right or
11 liability incurred prior to the termination date specified in
12 such paragraph.”

13 SEC. 202. Section 204 of the Housing and Rent Act
14 of 1947, as amended, is amended by adding at the end
15 thereof the following new subsection:

16 “(p) Consistent with the other provisions of this Act,
17 all affected agencies, departments, and establishments of the
18 Federal Government shall, by July 15, 1952, establish and
19 administer rents and service charges for quarters supplied
20 to Federal employees and members of the Uniformed Services
21 furnished quarters on a rental basis in accordance with regu-
22 lations promulgated by the Bureau of the Budget: Provided
23 however, That the provisions of this subsection shall not apply
24 to housing units under the jurisdiction of the Atomic Energy
25 Commission where Federal Rent Control is now in effect.”

1 *SEC. 203. The Director of Defense Mobilization is here-*
2 *by authorized to appoint a Defense Areas Advisory Commit-*
3 *tee to advise him in connection with the exercise of any*
4 *function or authority vested in him by section 204 (l) of the*
5 *Housing and Rent Act of 1947, as amended, or section*
6 *101 of the Defense Housing and Community Facilities and*
7 *Services Act of 1951, as amended, or by delegation there-*
8 *under, with respect to determining any area to be a critical*
9 *defense housing area. Any committee so appointed shall con-*
10 *sist, in addition to a chairman, of representatives of the*
11 *Department of Defense, the Housing and Home Finance*
12 *Agency, and the Office of Rent Stabilization. Any Federal*
13 *Agency shall, to the fullest practicable extent, furnish such*
14 *information in its possession to the Defense Areas Advisory*
15 *Committee as such Committee may request from time to time*
16 *relevant to its operations.*

17 *SEC. 204. Subsection (1) of section 204 of the Housing*
18 *and Rent Act of 1947, as amended, is amended by striking*
19 *out paragraphs (1), (2), and (3), and inserting in lieu*
20 *thereof the following paragraphs:*

21 *“(1) a new defense plant or installation has been*
22 *provided, or an existing defense plant or installation has*
23 *been reactivated or its operation substantially expanded;*

24 *“(2) substantial in-migration of defense workers or*

1 *military personnel has occurred to carry out activities*
2 *at such plant or installation; and*

3 *“(3) a substantial shortage of housing required for*
4 *such defense workers or military personnel exists which*
5 *has resulted in excessive rent increases and which im-*
6 *peded activities of such defense plant or installation.”*

Passed the Senate June 12 (legislative day, June 10),
1952.

Attest:

LESLIE L. BIFFLE,

Secretary.

Passed the House of Representatives with an amend-
ment June 26, 1952.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1952

Ordered to be printed with the amendment of the
House of Representatives

"Section 1214 contains language validating obligations incurred by the various departments and agencies whose bills have not been finally approved by July 1, 1952. This will cover the period from July 1, 1952, to the date of enactment of the various Acts."

2. DEFENSE PRODUCTION. Passed, 211-185, with amendments S. 2594, to amend and extend the Defense Production Act (pp. 8320-56). Reps. Spence, Brown of Ga., Patman, Rains, Wolcott, Gamble, and Talle were appointed conferees (p. 8356). Both versions of the bill (as passed by the House and Senate) were printed in the Record (pp. 8351-6). Before passing the bill, the House agreed to the following amendments:
 - By Rep. Talle, to suspend price control when materials have been sold below below ceilings for 3 months or when such materials are in adequate supply and are not rationed; by a 210-182 vote (p. 8345).
 - By Rep. Cole, Kans., to guarantee percentage mark-ups of individual wholesalers and retailers; by a 231-164 vote (p. 8346).
 - By Rep. Lucas, to abolish the Wage Stabilization Board and create a new agency that could not deal with labor disputes; by a 256-138 vote (pp. 8346-7).
 - By Rep. Smith, Va., requesting the President to invoke the Taft-Hartley Act in connection with the steel dispute; by a 228-164 vote (p. 8348).

Rejected, 150-244, the Barden amendment to end price and wage controls on July 31, 1952 (pp. 8348-9).
 3. IMMIGRATION. By a 278-113 vote, overrode the President's veto of H. R. 5678, to revise the immigration and naturalization laws (pp. 8357-67).
 4. INDEPENDENT OFFICES APPROPRIATION BILL, 1953. Agreed, 195-181, to a Phillips motion to recommit to conference this bill, H. R. 7072, with instructions that the House conferees insist on disagreement to various Senate amendments. One of these was the Senate amendment to strike out the Jensen amendment, which would limit the filling of personnel vacancies. The conferees had agreed to eliminate the Jensen amendment and also the Ferguson amendment providing a 10% cut in personnel, but they had agreed to various individual cuts in lieu of these general provisions. Rep. Phillips, however, stated his position that the Jensen amendment is more desirable than these direct cuts in appropriations. (pp. 8367-78.)
 5. FARM LABOR. Rep. Rogers, Tex., spoke in favor of H. R. 1271, to exempt certain farm laborers from the child-labor provisions of the Fair Labor Standards Act, and stated that a recent interpretation of the Act by the Labor Department will hamper farm operations (pp. 8380-3).
 6. BANKING AND CURRENCY. Received from the President the annual reports of the National Advisory Council on International Monetary and Financial Problems (H. Doc. 523) and the International Monetary Fund and the International Bank for Reconstruction and Development (H. Doc. 522); to Foreign Affairs Committee (p. 8378).
- SENATE
7. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 7313, the legislative appropriation bill for 1953 (S. Rept. 1828)(p. 8235). This bill was made the unfinished business (p. 8314).
 - Agreed to the conference report on H. R. 6854, the Treasury-Post Office appropriation bill for 1953 (p. 8269). This bill will now be sent to the President.

Passed with amendments H. R. 7289, State, Justice, Commerce appropriation bill for 1953. Sens. McCarran, McKellar, Ellender, Green, Bridges, Saltonstall and Ferguson were appointed as conferees. Adopted a Case amendment reducing by \$4,455,399 State Department funds for salaries and expenses, and a Smith (N.J.) amendment increasing by \$1,981,516 State Department funds for international information and educational activities. Rejected Magnuson and Humphrey amendment to increase by \$2,500,000 funds for salaries and expenses of the Immigration and Naturalization Service, and a Douglas amendment barring disbursements to any State submitting a program for Federal aid to highways in excess of 91% of the amount apportioned therefor. (pp. 8239-68.)

The Appropriations Committee ordered reported (but did not actually report) H. R. 7391, Defense Department appropriation bill for 1953 (p. D647).

8. STORAGE INVESTIGATION. Adopted S. Res. 338, authorizing a 2 months' extension of storage and processing activities of the CCC (p. 8237).
9. SOCIAL SECURITY. Passed with amendments H. R. 7800, to amend the Social Security Act, increasing old-age and survivors insurance benefits (pp. 8272-4, 8276-8300).
10. TUNA-FISH IMPORTS. Sen. Morse entered motion to reconsider the vote of June 24 rejecting H. R. 5693, relating to imposition of import duties on tuna fish (p. 8268).

The Finance Committee approved a committee resolution directing the Tariff Commission to make an investigation of the domestic tuna fish industry, including the effects of imports of tuna, and make a report of its findings on or before March 1, 1953 (p. 8269).

11. DEFENSE PRODUCTION. Sens., Maybank, Fulbright, Robertson, Sparkman, Frear, Capehart, Bricker, and Ives were appointed conferees on S. 2594, to amend and extend the Defense Production Act (pp. 8300-1).

12. IMMIGRATION. Agreed to consider today a motion to override the President's veto of H. R. 5678, to revise the immigration and naturalization laws (pp. 8286-7).

13. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 7305, to authorize the sale of land in Utah to the Bench Lake Irrigation Company (S. Rept. 1840) (p. 8236).

14. RECLAMATION; WATER UTILIZATION. The Interior and Insular Affairs Committee reported with amendments H. R. 2470, granting consent of Congress for Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming to enter into a compact for disposition and allocation of Columbia River waters (S. Rept. 1841)(p. 8236).

15. MINERALS. The Interior and Insular Affairs Committee reported with amendment S. 2236, to extend certain 10-year oil and gas leases (S. Rept. 1843) (p. 8236).

16. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 7806, to authorize the participation by Federal employees, without loss of pay or leave, in funerals of deceased members of the Armed Forces returned to this country for burial (S. Rept. 1849) (p. 8236).

The Post Office and Civil Service Committee reported without amendment H.R. 7641, providing benefits for Federal employees of Japanese ancestry who lost rights with respect to grade, time in grade, and rate of compensation because of any policy or program of this Government during World War II (S. Rept. 1851) (p. 8236).

Received proposed legislation from the Treasury Department which would provide an income credit in case of civil service annuities received by nonresident alien individuals not engaged in trade or business within the United States to Finance Committee (p. 8234).

7. SOIL CONSERVATION; FORESTRY. Senator Wiley inserted Conservation Congress resolutions requesting this Department to eliminate drainage subsidies now in effect and inaugurate a system of subsidies which would encourage restoration and maintenance of pot-holes and marshes in this country, etc., and favoring H. R. 565, providing for the development and maintenance of recreational facilities in the national forests, etc. (pp. 8234-5).
8. RESEARCH. Sen. Ferguson introduced S. Res. 340, authorizing an investigation to determine the extent to which research activities of the various agencies and private organizations overlap and are duplicated; referred to the Appropriations Committee (pp. 8238-9).
9. LEGISLATIVE PROGRAM. The majority leader said that "we expect to" adjourn a week from Saturday (p. 8314).

BILLS INTRODUCED

10. PERSONNEL RETIREMENT. H. R. 8373, by Rep. Lesinski, to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended; to Post Office and Civil Service Committee (p. 8384).
11. DEFENSE PRODUCTION. H. J. Res. 488, by Rep. Spence, to continue for a temporary period the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended; to Banking and Currency Committee (p. 8384).

ITEMS IN APPENDIX

22. DEFENSE PRODUCTION. Extension of remarks by Rep. Klein claiming that the House has made the defense production bill into "special interest" legislation (pp. A4224-5).
Speech by Rep. Fogarty against the amendment by Rep. Rogers to permit children working as farm labor not to be legally required to attend school (pp. A4225-6).
Rep. Addonizio inserted a constituent's letter defending OPS and the need for extending price controls (p. A4226).
Extension of remarks by Rep. Saylor inserting a CIO member's telegram, criticizing House action on price controls, as an example of many telegrams he receives expressing the view not of the originator, but of the CIO itself (p. A4250).
23. ELECTRIFICATION. Rep. Jackson inserted a New Republic article celebrating the 50th anniversary of the Bureau of Reclamation and of public power (p. A4222).
Rep. Miller inserted an American Agriculturist article stating that the dispute over development of electric power at Niagara Falls is "a test between free enterprise and socialism"; a resolution in favor of the Miller-Capehart bill for developing Niagara Falls electric power by private enterprise; and a newspaper editorial defending private power companies against the President's statement that they are following "Soviet and Fascist lines" (pp. A4237, A4243-4, A4247).
24. TAXATION. Rep. Zablocki inserted a Milwaukee Journal editorial stating that the possibility of lowering taxes under present world conditions is very slight despite what political candidates claim (p. A4225).
25. TEXTILES. Rep. Lane inserted an article claiming that the textile problem is not confined to New England but is world wide due to the fact that the world can now produce more textiles than people can buy (p. A4226).

BILLS APPROVED BY THE PRESIDENT

26. TRANSPORTATION. S. 2748, to authorize Canadian vessels to transport iron ore between U. S. ports on the Great Lakes during 1952. Approved June 24, 1952 (Public Law 409, 82nd Cong.)
27. IRRIGATION. H. R. 5633, to approve a contract with the irrigation districts on the Owyhee Federal Project, and to authorize its execution. Approved June 23, 1952 (Public Law 402, 82nd Cong.)
28. RUBBER. H. R. 6787, to extend the Rubber Act of 1948 until March 31, 1954. Approved June 23, 1952 (Public Law 404, 82nd Cong.)
29. BANKING AND CURRENCY. H. R. 6909, to amend the Federal Reserve Act so as to give the Federal Reserve System authority to purchase direct obligations of the U.S. either in open market or from the Treasury Department to a total of not over \$5 billion. Approved June 23, 1952 (Public Law 405, 82nd Cong.)
30. ROAD AUTHORIZATIONS. H. R. 7340, to authorize road appropriations for the fiscal years 1954 and 1955, including forest highways and forest roads and trails. Approved June 25, 1952 (Public Law 413, 82nd Cong.)

COMMITTEE HEARINGS RELEASED BY GPO

31. FOREIGN AID. Mutual Security Appropriations for 1953. H. Appropriations Committee.
32. SUPPLEMENTAL APPROPRIATION BILL for 1953, Parts 1, 2, and 3. (Activities of various departments and agencies under the Defense Production Act). H. Appropriation Committee.

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COMMITTEE HEARING ANNOUNCEMENTS for June 27: Burley tobacco allotments, H. Agriculture. Agricultural and urgent deficiency appropriation bills, conference (ex). To amend Federal Property and Administrative Services Act of 1949, S. Government Operations. Restrict the application of the agricultural and fish exemption for motor carriers, H. Rules. Emergency flood control work made necessary by recent floods, H. Rules.

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For supplemental information and copies of legislative material referred to, call Ext. 4654, or send to Room 105A.

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direction: Actually, much more is needed to make the old-age and survivors' insurance program the real bulwark of economic security this Nation has a right to expect it to be. I hope we will not wait long to take much greater strides toward this better program.

Mr. President, the 2 years that have elapsed since passage of the 1950 amendments to the Social Security Act have brought renewed support across the Nation and in this Congress for the contributory principles of social security. I have heard no serious complaints about the coverage extension and other improvements voted by us at that time. On the contrary, everywhere I go doctors, lawyers, dentists, farmers, and others ask me why they have been left out of this system.

It is heartening to find labor, business and the public in all walks of life supporting the principles of contributory social security. We have here a method—an American method—that fosters individual initiative and that helps people to help themselves. This method deserves our support and our closer attention. It is a bulwark to our way of life.

The people of this country want the right to earn their social security. They want the independence in old age that comes from having helped to pay for their benefits, the dignity that comes from an earned right. Old-age and survivors insurance is a means of preventing dependency integral to our system of wages and self-employment earnings. As each man works he earns not only wages. He also earns rights to social security. Because the benefits are variable and wage related, security becomes a reward for work. This is a conservative, constructive approach to the problems of dependent old age. It avoids the stigmas and the economic and political dangers of a system of hand-outs or of indiscriminate pensions.

The first social security bill I introduced with Senator Wagner and Representative DINGELL was in 1943. We reintroduced our proposals in 1945, 1947, and 1948.

When we first introduced our bill the opposition called it the American Beveridge plan. This was the first step in an attempt to defeat the proposal. It was given a foreign name so as to make it seem that we were just copying a foreign proposal. But since our plan was an American plan, this attempt to stop interest in our proposal was not successful.

When we introduced our original bill, and on each successive occasion when we introduced a new bill in a new Congress, we expressed the hope that the bill would provide a basis for constructive thinking and legislation in a field where it was sorely needed. During 1943 and 1944 our proposals were the target of a most widespread campaign of opposition, almost unprecedented in volume and in character. I have often witnessed the use of false and misleading propaganda for political purposes and the use of extravagant charges in order to defeat legislation, but I never knew

an opposition quite so unprincipled as the campaign which was conducted against the legislation which we introduced.

We recognized, however, that every important proposal to advance the public welfare has always met opposition at first from groups who care only about their own selfish interests. Usually they are satisfied with the status quo, and are opposed to any change whatsoever. Free public education, child-labor legislation, bank-deposit insurance, universal suffrage, the Federal income tax, and other measures to safeguard the general welfare of the public were all bitterly opposed when they were first suggested. The opposition which we faced when we first introduced our social-security bill never shook our faith in the need for social security or in the fundamental soundness of our proposals. I believe that we have been vindicated. The 1950 social-security bill contained many things which we advocated several years ago.

Practically all Members of the Senate in 1950 supported the provisions for improvement of the Federal old-age and survivors insurance program, for the extension of its coverage and liberalization of its benefits. I am delighted that the minority members of the Senate Finance Committee supported the 1950 bill. But I should like to recall to the attention of the Senate that in 1935, when the question of old-age insurance first came before the Senate, a Republican-sponsored amendment offered by Senator Hastings, of Delaware, sought to eliminate the old-age insurance program from the bill. His amendment was defeated, 15 to 63.

When the social-security bill was reported out of the Ways and Means Committee of the House of Representatives in 1935, seven of the Republican members of the committee signed a minority report in which they opposed the establishment of the old-age insurance system. Speaking of the insurance program they said as follows:

These titles impose a crushing burden upon industry and upon labor.

They establish a bureaucracy in the field of insurance in competition with private business.

They destroy old-age retirement systems set up by private industries, which in most instances provide more liberal benefits than are contemplated under title II. (Conference committee report on H. R. 7260, 74th Cong., 1st sess., Rept. No. 615, pp. 43-44.)

Not a single one of these fears expressed by the Republican opposition has come to pass. The philosophy of fear is frequently used to try to defeat progressive legislation, but after the legislation has been put into effect and has been made workable by a Democratic administration the Republicans come around and support it as if they were the original friends of the program who had gotten it enacted into law.

I do not want my remarks to indicate criticism of anyone. I am just trying to bring out the facts. Every time we on the Democratic side have advanced progressive social legislation it has been repeatedly criticized, in the beginning by

conservative groups and representatives of the Republican Party, but later on the Republicans see the light and begin to defend what we have done and to take credit for trying to do the job bigger and better than we have.

Of course, I recognize that this is an inevitable human tendency. I believe those of us who are in favor of social legislation must recognize the fact that we are going to get a lot of criticism when we first advance proposals, but that as time goes on we shall get more and more support, and, finally, after our proposals are enacted, those who first opposed them will begin to see their merit.

One of the very fine provisions in the 1950 amendments was the one which for the first time includes small-business men under the insurance program. In 1943 I was chairman of a special committee to study problems of American small business. In conjunction with former Senator Capper, our committee published a study called *Small Business Wants Old-Age Security*.

That was the first time there had been any real study of the problem of covering small-business men under the Federal OASI program. I am very proud of that study. I am proud of the fact that the committee of which I was chairman recognized the problem and indicated, 7 years in advance, how social-security protection could be extended to persons in business for themselves.

One reason why I have long been in favor of national social legislation such as old-age and survivors insurance is that it helps small business. Contrary to the false statements, that are sometimes made, that national social legislation hurts small business, I am convinced that workmen's compensation, accident and health insurance, old-age insurance, and unemployment insurance help small business to retain its employees against the competition from big business, and also help small business by maintaining purchasing power for families, so that they can buy merchandise at their local grocery, drug store, and hardware store, can pay for tickets to their local movie, and can pay their doctor and hospital bills.

In the bill which former Senator Wagner and I introduced on June 30, 1943, we included a provision for the coverage of all self-employed businessmen, and that provision was repeated in every insurance bill that we introduced thereafter. We did not get very much support in 1943, 1945, or 1947 from any of the Republican Members of the Congress for our proposal, but I am deeply gratified that now the Members of the minority have come around to seeing that we had a sound idea.

In the bill we introduced in 1943, we included a provision for giving wage credits to individuals while they were in military service. We repeated this provision in our succeeding bills. Although the Congress did not see fit, for 7 years, to go along with this provision until 1950, when it included wage credits for persons who served in the military service during World War II we are all

agreed today to an extension of it to present-day servicemen.

I have consistently supported social security and full-employment legislation, because I believe that such legislation will help us to preserve our free enterprise system. I believe that if we are to have a dynamic economy people must have an opportunity to work at rates of pay that will sustain a rising standard of living, and that there must be common protection against the causes of insecurity which face people who work for a living.

The program of full employment and social security under a free enterprise system, which I have advocated during these past years is not going to come in the United States of its own accord. If we want that kind of program and want to put it in operation we must plan for it, we must work for it, and we must fight for it, against the opposition of those who are constantly trying to defeat our proposals.

I believe that we are going to go forward to improve our wages, increase our employment, and raise our standard of living. As we do this, we can provide social security for our people without impairing incentives or placing too great a burden upon the productive members of our society. If we are to act as a humanitarian, intelligent, democratic Nation, we must make adequate provision for those in our country who become sick, disabled, aged, or unemployed, or who die prematurely. We must continue to improve our social security program.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to increase the amount of earnings permitted without loss of benefits, and for other purposes."

SENATOR McMAHON, OF CONNECTICUT

Mr. BENTON. Mr. President, I have received numerous inquiries from Senators regarding the health of my colleague, the senior Senator from Connecticut [Mr. McMAHON] about which there is much concern. I am glad to advise the Senate that I have encouraging reports from the doctors and from Mrs. McMAHON. The doctors say that the Senator should be out of the hospital within a week or so. I trust he will be back on his feet within 2 weeks or less, or at least that he will be out of his sickbed.

I ask unanimous consent to have printed in the RECORD the leading editorial, entitled "McMAHON'S CANDIDACY," published in the Bridgeport Sunday Post on June 22, 1952.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

McMAHON'S CANDIDACY

Senator BRIEN McMAHON, candidate for the Democratic nomination for the Presidency, is having a hard time of it these days, campaigning from a sickbed in his Washington home.

The senior Connecticut Senator has been ill a month with a sacroiliac condition, a most unpleasant ailment which has kept him from his duties in the Senate as well as his important post as chairman of the Joint Committee on Atomic Energy. For a man of Mr. McMAHON'S energy and numerous activities, to be confined to his home with illness, is aggravating, to say the least.

The Senator was unable to attend the recent Democratic convention in Hartford, when the State's 16 delegates were pledged to him. Mr. McMAHON read a stirring address to the convention from his bed, in which he offered a five-point program for peace.

This included appointment of a commission to "rethink the twin problems of world disarmament and world development." He would, if President, deliver a formal note to Stalin, demanding appointment in Russia of a similar commission to study and prepare a campaign against weapons and war.

The Senator would wage peace by bringing together heads of states within the U. N. Security Council to consider development of the world while at the same time disarming it.

But he would also order the production of hydrogen bombs in four figures, to prevent war and win us time to wage peace. Finally, he would substitute cheap atomic and hydrogen fire power for expensive, conventional fire power to reduce taxes and balance the budget while we wage peace. In his address he pointed out that we cannot go on indefinitely spending fifty and sixty and seventy billions of dollars a year on defense without threatening the backbone of our economy.

We hope Senator McMAHON will be fully recovered in time to head his delegation in Chicago on July 21, and repeat to the huge assembly of delegates as well as to millions by radio and television his powerful and progressive plan for dealing with the Communist empire and his tactical proposals to win back the peace.

Republicans as well as Democrats who have a high regard for the distinguished Connecticut Senator wish him well at this time, hoping he will be fully recovered, long before convention time, so as to be on hand when the presidential nominations are being offered.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. MAYBANK. Mr. President, as I understand, the Senate may now take action on the request of the House for a conference with the Senate on the amendment of the House to the Defense Production Act.

The PRESIDING OFFICER. That is correct.

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Is there objection?

Mr. MAYBANK. Mr. President, I have no objection, with the understanding that a quorum call will be continued after the distinguished Senator from Oregon [Mr. MORSE] has spoken.

Mr. McFARLAND. We cannot make any such stipulation.

Mr. MAYBANK. Then I object to discontinuing the quorum call.

The PRESIDING OFFICER. Objection is heard.

Mr. MAYBANK. I want to have the situation distinctly understood. I want the American people to know, in no uncertain terms, about the bill which was passed by the House today. I want to be instructed, as a humble Member of this body, as to what I shall do tomorrow in the conference. I expect to be instructed.

The PRESIDING OFFICER. The Chair is informed that probably a quorum can be announced, because a sufficient number of Senators are present.

Mr. MAYBANK. If a quorum is present, then let us go ahead.

The PRESIDING OFFICER. The clerk will continue with the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Moody
Bennett	Hennings	Morse
Benton	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Hoey	Neely
Butler, Md.	Holland	Nixon
Butler, Nebr.	Humphrey	O'Connor
Byrd	Hunt	O'Mahoney
Cain	Ives	Pastore
Capehart	Jenner	Robertson
Case	Johnson, Colo.	Saltonstall
Clements	Johnson, Tex.	Schoeppel
Connally	Johnston, S. C.	Seaton
Cordon	Kem	Smathers
Dirksen	Kilgore	Smith, N. J.
Douglas	Knowland	Smith, N. C.
Duff	Lehman	Sparkman
Dworshak	Long	Stennis
Eastland	Magnuson	Taft
Eaton	Malone	Thye
Ellender	Martin	Tobey
Ferguson	Maybank	Underwood
Flanders	McCarran	Watkins
Frear	McCarthy	Welker
Fulbright	McClellan	Wiley
George	McFarland	Williams
Gillette	McKellar	Young
Green	Millikin	
Hayden	Monroney	

The PRESIDING OFFICER. A quorum is present.

Mr. McFARLAND. Mr. President, will the Senator from Oregon yield for an announcement?

Mr. MORSE. Provided I do not lose my rights to the floor.

Mr. McFARLAND. The Senator from South Carolina [Mr. MAYBANK] wishes a ye-and-nay vote on the question of the amendment of the House of Representatives to the defense production bill, and the request of the House for a conference. So I hope Senators will remain in the Chamber. The Senator from Oregon, of course, has the right to proceed with his remarks.

Mr. MORSE. I hope the majority leader and the Senator from South Carolina understand that a vote can now be taken.

I understand that it is a privileged matter, and I shall certainly cooperate by yielding the floor for the purpose of considering the privileged matter.

Mr. McFARLAND. Mr. President, I wish to thank the distinguished Senator for his attitude and his graciousness.

Mr. MORSE. I have repeatedly said that I would not interfere with the consideration by the Senate of any privileged matter. I repeat that statement.

Mr. MAYBANK. Mr. President, I appreciate the statement of my good friend from Oregon. We have spent many a long night together on the floor of the Senate. I appreciate his willingness to go along. When he has concluded his address, I shall speak on the amendments when they come from the House.

Mr. MORSE. Mr. President, I remind the Presiding Officer that we have an agreement my remarks will be printed in continuity in the RECORD.

The PRESIDING OFFICER. The Chair so understands.

Mr. MAYBANK. Mr. President, I ask the Chair to lay before the Senate the message from the House on the Defense Production bill.

The VICE PRESIDENT laid before the Senate the message from the House of Representatives insisting upon its amendment to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAYBANK. The message has been laid before the Senate. I move that Senate disagree to the amendment of the House, agree to the request of the House for a conference, and that the Chair appoint conferees on the part of the Senate.

Mr. KNOWLAND. Mr. President, before the motion is acted upon, may we have an explanation as to what action the House took on this bill?

Mr. MAYBANK. Unfortunately, I may say to my good friend from California, it may be a long time before the House amendment is printed, and Senators would not have access to it. So I have moved that the Senate disagree to the House amendment, agree to the request of the House for a conference, and that conferees on the part of the Senate be appointed by the Chair.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina that the Senate disagree to the amendment of the House, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

Mr. DWORSHAK. Mr. President, do we know what action we are taking here? What are we doing?

The VICE PRESIDENT. The Senate is about to send the bill to conference.

Mr. DWORSHAK. Did the motion include disagreement to all the House amendments?

The VICE PRESIDENT. That is correct.

Mr. DWORSHAK. What are those amendments?

The VICE PRESIDENT. There is but one amendment.

Mr. DWORSHAK. How do we know what it is? Is the Senate not entitled to some information?

Mr. McFARLAND. Mr. President, if the Senator will yield, we know that the Senate did, and we know we want the bill the Senate passed.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Illinois.

Mr. DIRKSEN. I suppose there is some concern, Mr. President, about what sending the bill to conference and disagreeing to the amendment of the House may involve, so far as future action of the Senate is concerned.

Mr. MAYBANK. The Senator is correct.

Mr. DIRKSEN. I am quite agreeable that the bill go to conference, notwithstanding the fact that the action taken by the House on many individual items is quite consonant with proposals I offered in the form of amendments on the Senate floor. My desire was not consummated here. I, of course, expect the House conferees to give a good account of themselves, and that the Senate conferees, who share the views that we expressed when the bill was here, will do likewise.

That matter, of course, must necessarily be adjusted in conference. If I were to express a personal viewpoint, I would hope that the Senate conferees would concur in all or most of the action that has been taken by the House. But, notwithstanding that, we will still have an opportunity to vote on the conference report when it comes from conference, and it will be subject to rejection or acceptance, as each individual Senator may see fit.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

Mr. MAYBANK. I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina.

The motion was agreed to.

The VICE PRESIDENT. The Chair will appoint the following conferees—

Mr. MAYBANK. I regret that I am going to have to ask for the yeas and nays. I ask that my friends in the Senate give me a vote of confidence.

The VICE PRESIDENT. It is too late for that. The Chair has already announced the decision.

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Dirksen
Bennett	Cain	Douglas
Benton	Capehart	Duff
Bricker	Case	Dworshak
Bridges	Clements	Eastland
Butler, Md.	Connally	Eaton
Butler, Nebr.	Cordon	Ellender

Ferguson	Kilgore	O'Mahoney
Flanders	Knowland	Pastore
Frear	Lehman	Robertson
Fulbright	Long	Saltonstall
George	Magnuson	Schoeppel
Gillette	Malone	Seaton
Green	Martin	Smathers
Hayden	Maybank	Smith, N. J.
Hendrickson	McCarran	Smith, N. C.
Hennings	McCarthy	Sparkman
Hickenlooper	McClellan	Stennis
Hill	McFarland	Taft
Hoey	McKellar	Thye
Holland	Millikin	Tobey
Humphrey	Monroney	Underwood
Hunt	Moody	Watkins
Ives	Morse	Welker
Jenner	Mundt	Wiley
Johnson, Colo.	Murray	Williams
Johnson, Tex.	Neely	Young
Johnston, S. C.	Nixon	
Kem	O'Connor	

The VICE PRESIDENT. A quorum is present.

The action on this matter has been completed except that the Chair has not yet appointed the conferees on the part of the Senate.

The Chair appoints the following Senators conferees on the part of the Senate: Mr. MAYBANK, Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. FREAR, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES.

Mr. McFARLAND. Mr. President, in order that the Senate may know what business will be considered tomorrow—

Mr. MAYBANK. Mr. President, we have not yet had a yeas-and-nays vote.

The VICE PRESIDENT. There is no way to get a yeas-and-nays vote now.

Mr. MAYBANK. Mr. President, I ask unanimous consent—

The VICE PRESIDENT. Let the Chair state the situation. The Senator moved to disagree to the amendment of the House, and that the Chair appoint conferees. The Senator asked for the yeas and nays, and then withdrew his request. The vote was taken, and there is no way, now, by which a yeas-and-nays vote may be had.

Mr. FREAR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FREAR. Would a motion to reconsider be in order?

Mr. MAYBANK. I intend to have a yeas-and-nays vote.

The VICE PRESIDENT. The only way to get one is to move to reconsider.

Mr. McFARLAND. Mr. President, if the Senator from South Carolina insists upon a yeas-and-nays vote, I ask unanimous consent that the action just taken by the Senate be reconsidered.

Mr. DIRKSEN. I move that it be laid on the table.

The VICE PRESIDENT. There is nothing to lay on the table. The Senator from Arizona asked unanimous consent that the vote just taken be reconsidered.

Mr. DIRKSEN. I object.

The VICE PRESIDENT. That is the end of it.

THE PASSPORT DIVISION OF THE STATE DEPARTMENT

Mr. MORSE. Mr. President, I wish to direct my attention to another subject.
The PRESIDING OFFICER. The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, on June 6, I made a speech on the floor of the Senate in which I criticized the State Department for the procedures it is following in the Passport Division, to wit, that in the main those procedures do not permit a Member of Congress, an elected representative of the people, to find out the reasons and the evidence, if any, in support of those reasons, for denying to an American citizen a passport.

In my speech on June 6, I deplored that procedure in the State Department, making the point that although obtaining a passport is not a matter of absolute right, it is a very precious right which no American should be denied unless good cause can be shown and that substantial evidence exist justifying a denial of the passport.

I said in my speech on June 6, and again on June 13, and I repeat today, that I do not want any person to receive a passport if the evidence discloses that that person is a bad security risk.

I tried to make clear—although I am inclined to believe Mr. President, that we are living in the day in which so much emotion prevails in the thinking of so many people that it is impossible to make such a point as this clear, especially to those who want to believe what they want to believe—that there is no one in the Senate who is more opposed to subversive activities and more opposed to communism, or who hates communism more than the junior Senator from Oregon.

The procedural check on discretion for which I am standing in the Senate on this issue in my judgment is so important to the preservation of some of the basic concepts of American justice, that I intend to continue to raise my voice in protest of what I consider to be the truly un-American practices of the State Department in regard to the Passport Division procedures, I shall do this irrespective of any criticism that may be heaped upon me and irrespective of any attempt that may be made, as is being made by some persons, to smear me because I dare to defend and advocate what I think is a very precious American safeguard against the exercise of arbitrary power by mere men—men who apparently think it is all right to change our Government from a government by law into a government by men exercising arbitrary power.

I charged on June 6 and again on June 13, and I charge again today, that in my judgment Dean Acheson, the Secretary of State, is so guilty of improper conduct as an administrator, by sustaining and supporting the perpetuation of the Passport Division's procedures regarding the issuance of passports, that I consider him unfit to continue as Secretary of State. It is my opinion that one who will tolerate and defend a procedure which does not permit of a review of the exercise of discretion by an administrator in the State Department, one who has not set up an independent group to pass judgment in review on the question of whether substantial evidence exists for the denial of a passport, is a Secretary of State who has so lost his

perspective of basic American rights that he should be removed from office.

Mr. President, I know how harsh that statement is, but let me say that if the time ever comes in our country when we, as Senators, remain silent when a high official of our Government seeks to defend—as did Dean Acheson the other day in his press conference in regard to this matter—a procedure which does not permit of a review, by an independent tribunal, of the exercise of discretion which results in denial to American citizens of basic rights without a clear showing of the evidence which exists in support of the decision, then I believe we shall be encouraging the spreading of what I regard a very dangerous trend in the administration of our Government, namely, Government by unchecked, arbitrary discretion of mere men.

Mr. President, I wish to say that I incorporate here today, by reference, every statement I made in my speeches of June 6 and June 13, as my answer to Dean Acheson as to whether I have changed my opinion regarding any statement he has made since those speeches were made by me. The answer to him is "no."

In my speech of June 6, I referred to "Professor X." I did not know the person concerned, and I do not know him now, except through correspondence which I shall place in the RECORD this afternoon. At his request, as the Senate will see from a letter which I received from him under date of June 20, it is his desire that his name be publicly known. Hence I shall report his name, and I shall proceed to discuss the communications I have before me in regard to his problem with the Passport Division of the State Department and with the Secretary of State, Mr. Acheson.

His name is Prof. Linus Pauling, of the California Institute of Technology, Pasadena, Calif. Under date of June 23, 1952, I wrote Professor Pauling the following letter:

JUNE 23, 1952.

Prof. LINUS PAULING,
California Institute of Technology,
Pasadena, Calif.

DEAR PROFESSOR PAULING: Thanks very much for your letter of June 20.

I don't know what more, if anything, I can do in regard to your passport problem, but I shall be glad to make specific reference to your case by name in the Senate. Although I do not know you personally, I am satisfied from the letters of endorsement of you which I have received from very responsible people in Oregon, some of whom I know very well, that your case is deserving of the personal attention of the Secretary of State, in the absence of any independent review board to pass judgment upon denial of your passport.

I am glad to have your affidavit, which I shall place in the CONGRESSIONAL RECORD.
Sincerely,

WAYNE MORSE.

Mr. President, let me make clear that I do not know Professor Pauling. I have never seen him. I would not know him if he were to walk into this Chamber at this moment. I know very little of the background of Professor Pauling. I have

not the slightest idea of the organizations to which he may belong.

It may very well be—in fact, I believe I would have to say that I would be surprised if it were not so, although I do not know it to be a fact—that probably one basis for the denial of his passport is that he may belong or may at one time have belonged to an organization which is on the Attorney General's list of subversive organizations. There may be no basis in fact for my expression of the view that that might possibly be the case, for I do not know whether it is the case. But I have tried to figure out, by reading between the lines of the communications I have received from the State Department in regard to this case, what may be the basis for the refusal to issue a passport.

Of course, Mr. President, not one of those communications gives me any statement of fact as to why the passport has been denied, other than the usual, general statement that for reasons satisfactory to the State Department, it thinks this passport should be denied. I say I do not know what may be the facts behind the denial, but I have tried to put two and two together. I am inclined to guess that apparently in this case we are dealing with a university professor who at some time might have belonged, or so far as I know may still belong, to an organization generally known as a front organization.

If he does belong to such an organization, I certainly do not condone it, Mr. President. So I wish to make clear that so far as Professor Pauling is concerned, I hold no brief for him, insofar as what his record may show the facts to be.

All I say is that Professor Pauling is entitled, as is any other American citizen, to have his passport case reviewed by an independent board, to have it pass judgment on whether evidence exists justifying denial of a passport by the Passport Division of the State Department.

As I have said before, Mr. President, the denial of a passport does great damage to an American citizen. The denial of a passport in effect ruins the reputation of an American citizen in a great many circles. In fact, Mr. President, it is difficult for me to imagine how anyone could say that the denial of a passport is not necessarily a reflection on the character or reputation or standing of an American citizen. I believe that the denial of a passport, if there is not good cause for that denial, does irreparable damage to the reputation and character standing and rights of an American citizen.

That is why I am so insistent that a check be established in the case of the exercise of discretion by the State Department in refusing to issue a passport. I place primary responsibility for the failure of the State Department to provide for a checking procedure in this matter on the desk of Dean Acheson, the Secretary of State, who in my judgment has the authority, within the administrative power already granted to him under the law, to provide voluntarily

"special process room." Distillers at the present time are permitted to use untax-paid spirits of their own production in manufacturing gin and vodka. This bill would provide equal treatment for rectifiers, and also, due to the loss of spirits which normally occurs in the manufacturing of gin and vodka, would relieve rectifiers from having to pay taxes on spirits which are lost.

The Treasury Department advised the Committee on Ways and Means that it had no objection to the enactment of this bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subchapter A of chapter 26 of the Internal Revenue Code is amended by changing the designation of part IV to part V, and by inserting a new part IV as follows:

"PART IV—IN-BOND DEPARTMENT OF RECTIFYING PLANTS

"SEC. 2896. Withdrawal of spirits, alcohol, and wines in bond.

"(a) General: The Secretary may in his discretion, upon a showing of necessity, and upon the execution and filing of notices and bonds, authorize any qualified rectifier as defined in section 3254 (g) to withdraw and transfer in bond distilled spirits from any registered distillery, including fruit distillery (such registered distillery and registered fruit distillery being hereinafter referred to as "distillery") or internal revenue bonded warehouse, alcohol from any industrial alcohol plant or bonded warehouse, and wines from any bonded winery or bonded wine storeroom, to a separate portion of his rectifying plant (hereinafter referred to as the in-bond department) which shall be set apart and, except as provided in section 2897, used exclusively for the receipt and storage of such distilled spirits, alcohol, and wines pending tax payment and removal for rectification and bottling and packaging subsequent to rectification or for bottling and packaging without rectification.

"(b) Security of premises: The in-bond department shall be securely constructed and shall be separated from other portions of the rectifying plant or contiguous premises as regulations shall prescribe. Permanent storage tanks not located within a room or building, such as are authorized at bonded warehouses, may in the discretion of the Secretary be approved as a part of the in-bond department.

"(c) Control: The in-bond department of a rectifying plant shall be under the control of the District Supervisor of the Alcohol and Tobacco Tax Division district in which the rectifying plant is located, and shall be in the joint custody of the storekeeper-gauger and the proprietor thereof, and shall be kept securely locked and shall at no time be unlocked or open or remain open except in the presence of such storekeeper-gauger or other person who may be designated to act for him. The keys to all Government locks shall remain at all times in the custody of such storekeeper-gauger or in the custody of the district supervisor or such other person as may be designated by the district supervisor.

"(d) Transfers to in-bond department: Distilled spirits may be transferred from any distillery or internal revenue bonded warehouse, alcohol may be transferred from any industrial alcohol plant or bonded warehouse, and wines may be transferred from any bonded winery or bonded wine storeroom to the in-bond department of a rectifying plant in approved containers and pipelines, as reg-

ulations may provide. The quantity of distilled spirits, alcohol, and wines transferred to the in-bond department of a rectifying plant when added to the quantity of distilled spirits, alcohol, and wines on deposit in such in-bond department shall not be in excess of that required to meet the needs, for not more than 1 year, of such plant or of one or more additional plants operated by a subsidiary or affiliate on contiguous premises.

"(e) Payment of taxes:

"(1) Basic taxes: The taxes imposed by sections 2800 (a) (1) and 3030 (a) shall, except as otherwise provided in paragraph (2), be paid by the rectifier at the time of withdrawal of the distilled spirits, alcohol, or wines from the "in-bond department" of the rectifying plant in which they were deposited.

"(2) Time limitation: The tax imposed on distilled spirits, alcohol, and wines deposited in the in-bond department of a rectifying plant shall be due and payable 1 year from the date of deposit therein unless earlier withdrawn: *Provided*, That in no event shall the total period of storage of distilled spirits in a bonded warehouse and in the in-bond department of a rectifying plant be in excess of the 8-year period prescribed by section 2879 (b).

"(f) Bond: Every rectifier intending to provide an in-bond department for the receipt and storage of untax-paid distilled spirits, alcohol, or wines for the purposes authorized by this section, or for the receipt, storage, and use of untax-paid alcohol for the purposes authorized by section 2897, shall, upon filing with the Commissioner his notice of such intention, and before withdrawing any untax-paid distilled spirits, alcohol, or wines from any place of manufacture or storage, execute a bond in the form prescribed by regulations, conditioned that he shall faithfully comply with all provisions of law relating to the duties and business of a rectifier, and shall pay all taxes and penalties for which he may become liable. The said bond shall be in a penal sum not less than the sum of: (1) the amount of the tax on distilled spirits (including gin and vodka), alcohol, and wines on deposit or on hand in the in-bond department of the rectifying plant and in transit thereto at any one time, plus (2) the amount of the tax on rectified products that the rectifier will be liable to pay in a period of 30 days: *Provided*, That the penal sum of such bond shall not exceed the sum of \$200,000. The provisions of section 2815 (c), (d), and (e) shall so far as applicable apply to bonds required under this subsection.

"(g) Transfer of unused spirits, alcohol, and wines: Untax-paid distilled spirits (except gin and vodka subject to the tax imposed by section 2800 (a) (5)), alcohol, or wines on deposit in the in-bond department of a rectifying plant for which the rectifier has no use, upon discontinuance of the plant or other reason, may be transferred to an internal revenue bonded warehouse, an industrial alcohol bonded warehouse, or a bonded winery or bonded wine storeroom, respectively, as regulations may provide.

"SEC. 2897. Production in bond and tax payment of gin and vodka.

"(a) Authorization: Any duly qualified rectifier who has provided on his rectifying plant premises an in-bond department in accordance with section 2896 may, under regulations, use neutral spirits or alcohol produced at a proof of 190° or more in the production of gin or vodka in a separate portion of such department (hereinafter referred to as the special process room) which shall be set aside and used exclusively for the purpose. The special process room shall be separated from other portions of the in-bond department or other contiguous prem-

ises and shall be constructed and secured as regulations shall provide.

"(b) Manufacturing process: The manufacturing process employed in the production of gin or vodka in the special process room shall be such as that authorized at registered distilleries and by which the spirits or alcohol shall pass through continuous, closed stills, tanks, pipes, and vessels until the finished gin or vodka is deposited in locked receiving tanks located in such room.

"(c) Payment of taxes: The taxes by section 2800 (a) (1) and by section 2800 (a) (5), if any, shall be paid by the rectifier at the time of withdrawal of the gin or vodka from the receiving tank in the Special Process Room and such gin and vodka shall, upon taxpayment, be immediately removed from the in-bond department.

"SEC. 2898. Loss allowances.

"The provisions of sections 2901, 3113, and 3039 shall, insofar as applicable, apply in respect of losses of untaxpaid distilled spirits (including gin and vodka), alcohol, and wines, respectively, occurring in the in-bond department of a rectifying plant or in transit thereto or therefrom.

"SEC. 2899. Regulations.

"The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out the provisions of this part."

EXTENSION OF OTHER PROVISIONS

SEC. 2. (a) Section 2913 of the Internal Revenue Code is amended by inserting "or in-bond department of a rectifying plant" following the word "warehouse" wherever it appears in such section.

(b) Section 2914 of the Internal Revenue Code is amended by inserting "or in-bond department of a rectifying plant" before the comma following the word "warehouse."

(c) Section 3107 of the Internal Revenue Code is amended by inserting before the period a comma and the following: "or to the in-bond department of a rectifying plant for beverage purposes only."

EFFECT OF OTHER LAWS

SEC. 3. Nothing contained in this act shall be construed as restricting or limiting other provisions of the internal revenue laws.

EFFECTIVE DATE

SEC. 4. The amendments made by this act shall become effective on the first day of the first month which begins 6 months or more after the date of enactment of this act.

With the following committee amendments:

Page 8, after line 7, insert the following: "(d) Section 2878 (a) of the Internal Revenue Code is amended by striking out 'Except as provided in section 2883' at the beginning of the section and inserting in lieu thereof 'Except as otherwise provided by law.'"

Page 8, line 11, insert the following new sentence: "The provisions of Reorganization Plan No. 26 of 1950 shall be applicable to all functions vested by this act in any officer, employee, or agency of the Department of the Treasury."

The committee amendments were agreed to.

Mr. BYRNES. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNES. Has unanimous consent been granted for the consideration of this bill?

The SPEAKER. Yes.

Mr. BYRNES. I know there is considerable opposition to certain elements in it.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. PRICE asked and was given permission to address the House on tomorrow for 20 minutes, following any special orders heretofore entered.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 111]

Aandahl	Evins	Prouty
Abernethy	Fenton	Reece, Tenn.
Addonizio	Fisher	Richards
Albert	Frazier	Sabath
Allen, La.	Gore	Sasscer
Anderson, Calif.	Havener	Steed
Aspinall	Herlong	Stigler
Bates, Ky.	Kennedy	Stockman
Beckworth	Lyle	Sutton
Burdick	Mansfield	Tackett
Carlyle	Morris	Thompson, Tex.
Carnahan	Nelson	Vinson
Davis, Tenn.	O'Brien, N. Y.	Welch
Dawson	Pickett	Wickersham
Dempsey	Powell	

The SPEAKER. On this roll call 354 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUPPLEMENTAL APPROPRIATION BILL, 1953

Mr. CANNON, from the Committee on Appropriations, reported the bill (H. R. 8370, Rept. No. 2316) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

COMMITTEE ON EDUCATION AND LABOR

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to sit during general debate during the sessions of the House for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further con-

sideration of the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 8210, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday it was agreed that sections 111 through 114, ending at line 10 on page 11 of the bill, be considered as read and open to amendment at any point.

Are there further amendments to be offered at this time?

Mr. McKINNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday the committee adopted, tentatively at least, the Cole amendment which provided for individual ceilings on price control. This amendment has a lot of things in it that I am sure the Members are not familiar with or I am sure they would not have adopted the amendment. In view of that, the chairman of the committee requested Governor Arnall, for whom I am sure the House has a high regard, to comment on what that would mean in regard to enforcement of price ceilings, and I should like to read what Governor Arnall has to say about it. He said this:

It is my considered judgment that an amendment of this kind—

Mr. WOLCOTT. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I have not gone into this too thoroughly, but I make the point of order, Mr. Chairman, that it is against the rules of the House, which control the rules of the committee, to read letters from other than Members of Congress. We have been propagandized enough on this bill already.

The CHAIRMAN. If the gentleman from Michigan objects to the reading of the letter, the question will then be put to the members of the Committee of the Whole for a decision. Does the gentleman object to the further reading of the letter?

Mr. WOLCOTT. Yes; at this time I do object, Mr. Chairman.

The CHAIRMAN. The question is, Shall the gentleman from California be permitted to proceed with the reading of the letter?

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 103, noes 102.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WOLCOTT and Mr. BOLLING.

The Committee again divided; and the tellers reported there were—ayes 141, noes 113.

So Mr. McKINNON was permitted to proceed with the reading of the letter.

The CHAIRMAN. The gentleman from California is recognized.

Mr. McKINNON. Mr. Chairman, I want to thank the membership. I am

sure there are many Members who are very desirous of getting all the information they can.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. McKINNON. I yield to the gentleman from Kentucky.

Mr. SPENCE. I suggest the gentleman read the entire letter.

Mr. McKINNON. The letter reads as follows:

It is my considered judgment that an amendment of this kind, if adopted, would throw a costly monkey-wrench into the food price-control machinery. It would come close to making it completely unworkable. Its effects can be simply stated:

For the consumer it would mean higher food prices. For small food retailers it would mean real hardship. And enforcement of food price ceilings would become impossible.

More about each of these points in a moment. But first let me emphasize my belief that it is absolutely essential for the House to follow the lead of your committee and reject any attempt to put the Herlong amendment on an individual mark-up basis.

Individual mark-ups would raise food prices. That is why some food organizations and particularly big chain grocers want to use them. They don't like uniform mark-ups for groceries, and they don't like dollars-and-cents ceilings on beef. They want individual mark-ups because that way they will get higher prices.

I don't need to tell you that food prices are too high right now. They are over 13 percent higher than they were before Korea and in the areas where we don't have controls they are going still higher, heading toward an all-time high. I just cannot believe that Congress will take any action which would raise food prices even more.

I want to give you just one illustration of what individual mark-ups might mean. Safeway Stores, Inc., is one of the food organizations principally interested in this amendment. This company has filed a protest claiming that our dollars-and-cents ceilings for beef are too low. They have asked for higher beef prices, saying that their mark-ups before Korea were higher than present ceilings allow.

We have looked at the proposed prices in the Safeway protest, and this is what we find would happen to retail beef prices if we gave Safeway the individual mark-ups it claims it is entitled to:

(a) Round steak would go up 10 cents a pound in Portland, and 12 cents a pound in Dallas.

(b) Ground beef would go up 3 cents a pound in Portland and in Dallas.

(c) Chuck roast would go up 10 cents a pound in Portland and 4 cents a pound in Dallas.

I have given figures for the cities for which Safeway has given us the information. You can bet your bottom dollar that you would have similar results in Chicago, Birmingham, Miami, Boston, and Detroit.

It may be argued that Safeway's mark-ups are lower than they claim. That may well be, but how are we going to check it? I don't believe Congress is going to give us an appropriation to quintuple our enforcement staff so we can find out whether the individual mark-ups, which hundreds of thousands of sellers are using are the ones they are entitled to.

What kind of control will we have over beef prices if every seller has his own ceiling, and if the consumer has no way of knowing what that ceiling ought to be? The enforcement problem alone is enough to show that food ceilings dependent on individual markups are completely undesirable.

Who is pushing for individual markups? The big grocery chains. We haven't heard any such demand from the small retailer.

On the contrary, this amendment will hurt the small retailer.

Right now a small retailer finds his ceiling for a beef cut by looking at the dollars-and-cents table in our regulation. He finds his ceiling for a can of peas by adding to his invoice cost a fixed markup set out in our regulation. In order to get his ceiling he doesn't have to have any records except his current purchase invoices; he doesn't have to dig out old records and labor through a series of mathematical computations; and he doesn't have to file anything with OPS.

If this proposal goes through, he will have to go back to his old records—if he has them—and determine his individual mark-ups on between 1,000 and 3,000 items and file pricing charts with OPS.

Most small retailers, according to the testimony of their own representatives, just do not have such records. The few small retailers who do have the records will be justifiably angry at the work, the nuisance, and the red tape which this proposal means.

Individual mark-ups are all right for some distributive trades where prices are stable and where records are available. But even in such businesses, mark-ups must be based on some date near the time when the regulation is issued. You simply cannot get records on individual mark-ups for the period before Korea, as this proposal requires.

We recently had an experience showing how small-business men feel about ceilings based on individual mark-ups. A retail liquor regulation provided that liquor retailers should establish their ceilings by adding individual mark-ups as shown by their records. We got so many complaints from liquor retailers about the amount of work that this required that we had to revise the regulation to put retail liquor dealers on a uniform mark-up basis.

In the retail grocery field, it is virtually out of the question to maintain effective price control on an individual mark-up basis. Prices fluctuate from day to day, and selling price records are not generally available.

On previous occasions, we have shown that present ceiling-price regulations are designed to give grocers their traditional mark-ups. The margins now permitted them were fixed on the basis of the best information available as to pre-Korea practices. And we are about to complete a survey to determine whether adjustments—either upward or downward—are in order.

Approval of the individual mark-up provision is, therefore, neither necessary nor desirable. It would only lead to high prices for chain groceries and needless red tape for small retailers.

On top of the unnecessary labor with which businessmen would be saddled, there would be confusion twice confounded. OPS does not have the staff to check the individual filings required by this proposal. Nor could it possibly have enough enforcement people to check on compliance.

I am confident that if Congress is informed of the consequences of this high-food price, red-tape amendment, it will be overwhelmingly defeated. This is no time to raise the prices of food to housewives or to make the small-business man go through mountains of red tape just to satisfy a few food organizations.

I hope that you will call these considerations to the attention of the House if the individual mark-up amendment is offered on the floor.

Sincerely yours,

ELLIS ARNALL.

The CHAIRMAN. The gentleman has consumed 5 minutes.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. EBERHARTER. Mr. Chairman, a parliamentary inquiry.

Mr. WOLCOTT. Mr. Chairman, I do not yield for that purpose.

Mr. EBERHARTER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. Mr. Chairman, the House decided by a teller vote to permit the reading of this letter. I submit that the letter should be read in its entirety; that is the point of order I make.

The CHAIRMAN. That is not the decision made by the Committee. The Committee made the decision that the gentleman could read the letter within the time allotted to the gentleman of 5 minutes.

Mr. EBERHARTER. I did not hear it so stated when the motion was put, Mr. Chairman.

The CHAIRMAN. The question put to the Committee had nothing whatsoever to do with the time to be consumed by the gentleman from California. The Chair recognized the gentleman from California for 5 minutes; the question arose as to whether or not he could within that 5 minutes time read extraneous papers.

The point of order is overruled.

Mr. WOLCOTT. Mr. Chairman, when I objected to the reading of the letter I did not know what it contained. I had no idea what was in the letter; I merely thought that this Committee of the Whole should protest as strongly against lobbying on bills by administrative agencies as by any other segment of our economy.

It would be lamentable—now that Safeway is mentioned I shall mention Safeway—it would be lamentable if Safeway Stores were to be given 5 minutes on this floor to tell you why there should be these individual mark-ups; that is what we have legislative committees for.

Mr. Arnall appeared before the Committee on Banking and Currency, and if he proved anything to the committee it was that Mr. Arnall in his position as Administrator of OPS is merely a public relations man and is not administering OPS.

I wish that the watchdog committee which we set up under this bill 2 years ago would ask Mr. Arnall how many hours he has spent at his desk in the last 2 months.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. No; I cannot.

Mr. O'TOOLE. How many has he spent?

Mr. WOLCOTT. Ask the press.

Mr. O'TOOLE. I am asking you.

Mr. WOLCOTT. They will tell you; they told me. The watchdog committee is set up for that purpose.

Mr. Chairman, this is an all-time job, this stabilizing of the economy of the United States, if it is to be done through

direct controls. Mr. Arnall, as well as Mr. Putnam, showed a lamentable lack of information in respect to fundamental economics; not as much as you would expect the corner grocerman to have in respect to his business.

I attended a forum down at the Statler Hotel in which Mr. Arnall and Mr. Putnam spoke. Mr. Arnall convinced all of us that he was so lost in a labyrinth of red tape in his own office he did not know what he was doing. There were five-hundred-and-some-odd divisions, the heads of which he did not know, he could not recall their names and did not know them when they walked into his office. But you cannot get acquainted with the heads of all these divisions by making speeches all over the United States, and this letter that was read today is evidence of the fact he is in there not doing his job necessarily as Administrator but is more interested in lobbying for continuance of controls than he is in the application of these controls under the direction of the Congress. That is why I object to that letter. Under the circumstances, with the man's lack of knowledge of the fundamentals of economics, in view of the fact he is at his desk so seldom, I did not think he should have the right to assume this Congress would give too much credence to his views on pending questions.

Mr. SPENCE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have been a Member of this House for quite a long time and this is the first time I have ever seen a point of order made objecting to the reading of a letter that was pertinent to the consideration of a bill. I never expected it and least of all from the very able senior minority member of the Committee on Banking and Currency, but with all his faults I have a deep affection for him.

The gentleman did not attack the letter; he attacked the Administrator, Governor Arnall. Well, I consider that just a Republican statement about a Democratic official. Mr. Arnall gave some very good reasons why you should not adopt the Cole amendment. The gentleman who just made the statement in reference to that did not say a word about the letter, but made an attack upon the Administrator.

Mr. Chairman, I want to say a few words as to what is going to happen if the House adopts the Barden amendment. The greatest purchaser in the United States or in the world of goods and services is the Government of the United States. In 8 months after Korea you appropriated \$35,000,000,000 for defense, but because of inflation that shrunk in purchasing power to \$28,000,000,000. We are appropriating \$3,500,000,000 a month for defense. Before long it will go to \$4,500,000,000, I am informed, and next year there will be appropriated \$60,000,000,000. What will be the result of taking the price ceilings off of the strategic and critical materials that this Government has to purchase?

There will be a spiraling rise and there will be supplemental appropriation after supplemental appropriation to make up the difference. The Government will lose billions of dollars if price ceilings are taken off, and the Government has no way to protect itself any more than the individual consumer. Because of that rise and because of the lack of purchasing power of our money there will be an increase in taxation for we have to get the materials.

When you vote on the Barden amendment I want you to think of that. Do you want to cripple the defense effort? Many people think we ought not to be making any defense effort; that we ought not to look to the future; that we ought to stick our heads in the sand as the ostrich does; see nothing, hear nothing, and know nothing.

I believe it would be a tragic mistake to take these ceilings off at this time and subject the Government to the will of the producers in the things it needs. There is no law on the statute books that will protect the Government; it has no means of protecting itself except by the action of this Congress. I want you to consider that when you come to vote on the Barden amendment, which I hope will be shortly.

Mr. COLE of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems that we cannot finally adopt an amendment in this Committee without having the Members once again attempt to bring it back upon the floor and discuss it.

Mr. Chairman, I want to call your attention to this letter written on June 18 by Mr. Arnall to the chairman of our committee. The letter was written long before the House started consideration of the amendment which I offered. That is No. 1.

No. 2. The letter, in my judgment, is a flamboyant effort to deceive, to prejudice, to mislead, not only the membership of this body, but the people of the Nation. I want to show why and talk about the letter itself. Mr. Arnall says, "It is my understanding that some large food organizations are urging that the Herlong amendment be changed."

No. 3. Mr. Arnall knows and every person in the OPS knows as well as every person on the Committee on Banking and Currency knows that it is not just the large food organizations which are insisting upon this change. It is every retailer in this country. Every retailer, large and small, retailers who are in chain organizations, retailers who are independent, every single one of them have asked that this amendment be adopted by the House. And, why?

Mr. CRAWFORD. In the grocery business.

Mr. COLE of Kansas. In the grocery business as well as other retailers. Why? Because every other retailer and wholesaler in the country has the relief which the grocers have asked for in the Herlong amendment and in the Cole amendment. The other businesses believe in fairness and justice. Mr. Arnall says that for small retailers it would mean a real hardship. The small retailers have asked for the Cole amendment and are continuing to ask for it. Why? Because

the other retailers of the country have the right to have a historical, individual mark-up. All should be in the same class.

Mr. Arnall further says:

Who is pushing for individual mark-ups? The big grocery chains. We haven't heard any such demand from the small retailer.

Mr. Chairman, I want to say this as strongly as I can: That is an untruth and Governor Arnall knows it is an untruth.

The Governor further said:

If this proposal goes through, he will have to go back to his old records.

Right now a small retailer finds his ceiling for a beef cut by looking at the dollars-and-cents table in our regulation.

Who fixes the price of groceries today? It is the supermarkets, the large grocery stores, of course, and the chains. Those prices are fixed by competition. Hundreds of items are selling under ceiling prices today. They are fixed by the large grocers, of course. Why? Because they have the opportunity to buy in greater amounts. The small grocery must meet those prices in order to stay in business. All the small grocer asks for is that he be permitted to have his individual historical mark-up in order that he may have the same type of profit that he had prior to Korea. Is not that fair? Is there anything unjust about it? He merely wants to be treated the same as other retailers.

I ask this question: If individual mark-ups are fair and proper for all other wholesalers and retailers, why are they not fair for this one group? This question has not, and will not be answered by Mr. Arnall or anyone opposing my amendment.

Mr. DEANE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, and Members of the House, never before in the history of the world has one nation carried the same measure of responsibility for the whole future of mankind that the United States carries today.

At a time when the threat to civilization comes from a highly organized and powerful ideological force, whose world plan is to divide man from man, class from class, nation from nation, the existing situation in the steel industry is a serious reflection of the weakness of this country in face of such strategy.

It has not been easy for me to reach the conclusion that I will support the amendment to the Defense Production Act of 1950 to request the President to use the provisions of the Labor Management Relations Act of 1947. I do so however because of a fundamental belief in the democratic procedure of legislation. The law of the land, passed by Congress by a majority vote, must be given every opportunity to function. To suggest that the law should not be invoked because it may not be obeyed is to undermine the confidence of the Nation in the effectiveness and the whole process of the legislature.

This decision is made on a basis of what I believe to be right and not on a basis of expediency. It is made too in the interest of upholding the decision of Congress and with no thought for the possible loss of the votes of labor sup-

porters who like myself have come honestly to feel that certain provisions of the Taft-Hartley Act have become divisive and will continue to drive a wedge between labor and management.

Mr. Chairman, a standard has been set for our action in this House by our late respective colleague, James N. Wadsworth, at whose funeral it was said that he was a man "shorn of cheap expediency."

I am reminded of his prophetic words in 1943 when he addressed a Philadelphia audience after a showing of the *Forgotten Factor*. These are his words:

The crisis, so far as our institutions in this country are concerned, will not end with victory on the field of battle. New difficulties will confront us—complications extraordinary; and if we do not work together with each other, but work apart, distrusting each other, we may tear down everything that we hold sacred in this country after we have defeated our country's enemies.

The crisis is not tapering off. The going will be tougher before it is easier. It is going to strain all our strength and demand all our spirit. We shall do the task so infinitely better if we do it together, hand in hand, trusting one another, having faith in one another.

At times it seems to me if our Nation is to endure, we must be resolute in sacrificing our selfishness for our country. Otherwise, we will sacrifice our country for our selfishness.

The issues at stake today go far beyond the immediate one, whether Congress should suggest to the President alternative methods of approach to the deadlock in the steel industry, with its causing suffering to all those involved and serious curtailment to the defense program.

The main issue is the challenge to us—the elected representatives of the people—to create the atmosphere in which men of divergent points of view can find unity in the highest interests of the Nation. That is the answer to the deadlock in steel. That is the answer for this Nation in a time of crisis.

The provisions of the Taft-Hartley Act may be invoked; the economic and social systems of the country may be changed; the terms of contracts, wage agreements, and methods of collective bargaining can be altered; but without a new spirit no contribution will have been made toward bridging the chasms of bitterness and mistrust which divide and weaken this Nation. In a recent airline strike here in America, one of the contestants stated, "Bitterness gets so high no reasonable problem can be discussed."

If America is to fulfill its destiny as the defender of freedom and democracy, industry—labor and management together—must assume a new commitment to lay the foundations of unity in the Nation. This can only be born out of a fundamental change of heart on both sides.

Right across the world today thousands of ordinary men, leaders of labor and management alike, are finding a new factor which can be applied immediately, however difficult economic or national conditions may be, which creates unity of hearts and minds. This is no theory. From personal experience I know of the

mass of evidence demonstrating the efficacy of this simple yet forgotten factor.

Negotiations opened by honest apology from both sides and continued with an adherence to the principles of absolute honesty, absolute unselfishness, and the simple idea of what is right instead of who is right, by men who have decided to seek the guidance of God in their lives, are producing a new industrial relationship and the answer to division.

Recently in this country there have been many remarkable instances. A labor leader, with statesmanlike qualities, solved the difficulties in his own company. Then with a new-found sense of responsibility and a conception of the true function of industry, was instrumental in bringing an answer to another industry. When asked to address a group of leading American industrialists, he said:

It is the function of labor to anticipate the needs of management in the best interests of the Nation, and so it is for management to meet the needs of labor. I still fight for the interests of labor, but decisions reached on the basis of what is right mean a fuller and more satisfying life for labor and management. An industrialist recently talked "of the steely selfishness of management which produced the bitterness of labor," and went on to say: "All my experience convinces me that without widespread trust and confidence we face industrial chaos. We cannot trust unless we become trustworthy, and that demands change and acceptance of moral standards."

I am reminded of a great American, a world statesman, who has said:

Human nature can be changed, that is the root of the answer. National economies can be changed, that is the fruit of the answer. World history can be changed, that is the destiny of our age.

Mr. Chairman and Members of the House, if the President sees fit to invoke the provisions of the Taft-Hartley Act in this emergency, we shall have a so-called cooling-off period of 80 days. These days are a time of grace giving both sides an opportunity to apply the new factors here discussed. In my judgment only on the assumption that these factors will be given trial can our request of the President be justified.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel that Governor Arnall is one of the best administrators in Government today. He is one of the few administrations I have found who is aware of the fact that many of the bureaucrats in the various departments are very contemptuous of the people and the rights of the people, and especially so of their elected representatives to whom the people come when they have problems with those departments. I think I would be remiss if I did not say that Governor Arnall, when I have called on him with a problem from a constituent, has been very alert to solve that problem and find an answer for it. I have never called down there when I have not found him at his desk. But I would like to say this: Any administrator must do some public-relations work by the very nature of the job he has. I might say to my good friend the

gentleman from Michigan that I visited the office of another administrator last November in Paris—an administrator by the name of Eisenhower. I found that his office was crowded with employees and policy makers whose names he did not know, and I found that he was frequently away from his desk on public-relations missions, not only in the immediate vicinity of his office but all over the world. Of course, then, he was busy, too, on another mission plotting in a not so public way with certain sections of the Republican Party. I might say to my good friend the gentleman from Michigan he was busily engaged most of the time with the eastern internationalist wing of that party to steal the nomination from the very Republicans who have carried the banner of the Republican Party through 20 lean years. I might say further that, in my opinion, the mumbo-jumbo artists who are managing Mr. Eisenhower's campaign care nothing for him or his principles. They merely want to use his name, if possible, as a springboard to power. Does anyone think that the Eisenhower bureaucrats are superior to bureaucrats in general?

Specifically, on this amendment—the Cole amendment—I am interested in the small retailer. I am interested in decontrol as soon as it is practicable and possible to decontrol. But I have served on the Committee on Banking and Currency, and I have not had one letter from one small retailer—not the first letter—in support of the Cole amendment because, as was pointed out here, there is no small retailer who has the records and the bookkeeping facilities to find out what his markup would be if the Cole amendment is adopted.

Any small retailer who has any knowledge of price-control law will tell you how it is far more simple and more expedient and that he would rather have a dollar-and-cents mark-up so that he would know exactly where he stands.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from California.

Mr. McKINNON. Is it not true that in the rather lengthy hearings which our committee held, no representative of a small-business group appeared before our committee and asked for the Cole amendment? We had in our committee two statements; one from a Mr. Bauer, head of the Retail Meat Dealers' Association, and a Mr. Draft, of the National Association of Retail Grocers, who both made statements to the committee, but neither asked for the Cole amendment nor desired the Cole amendment.

Mr. HAYS of Ohio. I think that is essentially the fact. I think that this is essentially a chain store amendment. They are the people who will profit by this amendment.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The committee heard from the retailers in the distribution of milk, did they not?

Mr. HAYS of Ohio. That is true.

Mr. NICHOLSON. And Mr. Arnall heard from them, too, did he not, and he will not give them their mark-up.

Mr. HAYS of Ohio. I agree with the gentleman in that feature, but that has nothing to do with this retail food business.

Mr. NICHOLSON. It is a part of the mark-up in the price of the commodity, whatever business the man may be in.

Mr. HAYS of Ohio. I think there is a big problem in the mark-up on milk, but I do not think the gentleman from Massachusetts [Mr. NICHOLSON] believes for a minute that the Cole amendment will give any relief in that situation. I think there is a real problem there which the small milk dealer has against the big chain dealers, but this amendment will not give any relief to him.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. COLE of Kansas. In reply to the gentleman from California [Mr. McKINNON] I would say that both of those organizations represent small retailers and both of them in their statements support the theory on which the Cole amendment was adopted. That is the individual, historical mark-up.

Mr. HAYS of Ohio. I will say to the gentleman I have talked to some small retailers about this, and they tell me they do not have the facilities to determine the mark-up under the Cole amendment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the House should be aware of this particular fact in reference to the letter that the gentleman from California [Mr. McKINNON] read to us a few minutes ago. The gentleman read it to the House, and as I understood it, and probably as many of you understood it, as an expression of the Director of OPS as if the letter were written to the chairman of the committee yesterday on some action which the House had taken on the bill before us yesterday. That is not true.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. In just a moment. After I have made my statement I will yield.

The fact of the matter is that the letter was written on June 18 by the Director of OPS to the chairman of the Committee on Banking and Currency in anticipation of some action that the committee or the House might take on this bill, that would give the right to individual retailers for their historic mark-ups. In reading the letter I find that Mr. Arnall is trying to give retailers some relief from the red tape that is required by his office by saying that the individual mark-up would burden the retailer with a lot of bookkeeping and a lot of detail that he would not have to go through if the individual mark-up was not guaranteed.

Now, that is very considerate of Mr. Arnall, but it does not give the retailer the right to add to his cost of his prod-

ucts a fair addition that he should in order to establish the price. Regardless of that, let me say that if the Cole amendment were adopted and if the Herlong amendment were adopted, and even if this bill is made more stringent than it is now, regardless of all this action, the public is going to determine the price of food by supply and demand, whether price control is in effect or not.

It is that way now; you can buy almost any commodity if you search the market enough at below the ceiling set by OPS. So you have the over-all imposition of responsibility on the retailer and wholesaler to keep a lot of books and go through a lot of red tape to keep a Federal bureau operating with some 16,000 employees at a cost to the taxpayers of something like \$100,000,000.

In relation to the individual mark-up, I received from my district in southern California a complaint of the last increase in ceilings that was approved by OPS on certain food products. They said it was strictly propaganda for the reason that every item on which ceilings were increased were selling from 2 to 5 cents below OPS ceilings at the time; there was no reason to increase the ceiling; they did not want it; they could not raise their prices to the ceilings, for the public would not pay them. The public would not pay them because the goods were in ample supply. So I think the House should realize that this letter is not one that was written last night because of some action we took in the House yesterday.

The Cole amendment is not going to change the fundamental law of supply and demand, and the public is going to determine how much the retailer can add to the cost of his product. He has got to put a price on it at which it will sell. So we should cease laboring under the impression that OPS is doing a favor to retailers and wholesalers by saying that they do not have to do all this bookkeeping.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. CRAWFORD. It is a fact, is it not, that basic commodity prices all over the world have broken substantially in the last few weeks?

Mr. McDONOUGH. That is right.

Mr. CRAWFORD. It is a fact that people have been trying to unload their inventories all over this country, this stuff that is in these retail stores, and we find that there is a breaking market. Everyone knows what happens when there is this inventory unloading; you cannot keep the price up by regulation.

Mr. McDONOUGH. The demand will determine the price insofar as the public is concerned.

Mr. CRAWFORD. Certainly.

Mr. SPENCE. Mr. Chairman, may I ask how many amendments are at the desk?

The CHAIRMAN. The Chair is advised there are seven amendments at the Clerk's desk at this time.

Mr. SPENCE. I ask that the amendments be considered; I ask that the Clerk read the first amendment.

The CHAIRMAN. The mere fact that an amendment is at the Clerk's desk does not mean that it is pending; somebody has to offer an amendment before it can be considered.

Mr. SPENCE. Mr. Chairman, I move that all debate on this title of the bill and all amendments thereto do now close.

The motion was agreed to.

Mr. PRESTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PRESTON. Mr. Chairman, are there amendments pending to the section upon which debate has just been closed?

The CHAIRMAN. The Chair is advised that there are three amendments pending that have not been offered by Members.

Mr. JAVITS. Mr. Chairman, I offer an amendment to this title and I ask unanimous consent for 1 minute to speak on it.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. McDONOUGH. Mr. Chairman, reserving the right to object, as I understand it, the action the Committee just took closed debate on this section?

The CHAIRMAN. That is correct, but the gentleman asks unanimous consent to proceed for 1 minute.

Mr. McDONOUGH. Mr. Chairman, I have an amendment to the next section and I desire recognition.

Mr. RANKIN. Mr. Chairman, we are not going to debate these amendments. I object.

Mr. JAVITS. Mr. Chairman, this is an amendment agreed to by the committee. May it be read?

The CHAIRMAN. Does the gentleman from New York offer an amendment?

Mr. JAVITS. I do, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 11, after line 10, insert the following new section:

"Subsection (B) of section 712 of the Defense Production Act of 1950 is amended by striking out the first sentence thereof and inserting in lieu thereof the following:

"It shall be the function of the committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this act and to review the progress achieved in the execution and administration thereof."

Mr. JAVITS. Mr. Chairman, may I propound a unanimous consent request?

The CHAIRMAN. The gentleman may.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for 1 minute to discuss this amendment.

Mr. RANKIN. Mr. Chairman, I object.

Mr. JAVITS. Mr. Chairman, this amendment proposes only to add to the duties of the Joint Committee on Defense Production under section 712 of the existing law, also known as the watchdog committee, the additional

duty of study "of the fairness to consumers of the prices authorized by this act." This duty being in addition to the duty of the committee as presently authorized to study and review the program under the act. The bill is essentially one to protect consumers against inflation.

Everyone is a consumer but in addition there are millions of pure consumers in our country among the adult population. For example, there are 4,500,000 social security annuitants, 6,000,000 Government workers and approximately 2,500,000 receiving veterans compensations and pensions in the shape of disability and death benefits. In addition, there are millions of widows, orphans and retired persons living on fixed incomes. To this number may be added the almost 25,000,000 who are known as white collar workers and whose salaries traditionally lag behind living costs. Under my amendment the watchdog committee would study the impact upon them of the prices allowed under the Defense Production Act.

I believe that this amendment is especially necessary in view of evident temper of the House and Senate for widespread decontrol of prices while leaving the machinery for price and wage stabilization. This has not been accomplished in the bill now before the House but probably will be before it becomes law in view of the general temper of both Houses. My amendment takes on an added significance and importance under these circumstances.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 61, noes 49.

So the amendment was agreed to.

Mr. SHELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHELLEY: On page 9, line 24, insert the following new section:

"SEC. 112. Section 704 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new sentences: 'No rule, regulation, order, or policy issued under this act shall direct that preference be given to the placement of procurement in geographic areas designated as areas of current or imminent labor surplus, unless such rule, regulation, order, or policy specifies that in each individual procurement to be so placed a study shall be made of the skilled labor supply and the production facilities available in the industry involved and in the geographic area which would be deprived of the procurement contract through such preference, and that if such study shows that skilled labor and adequate production facilities are available in that geographic area for the production of the item or items to be acquired by the Federal Government through the subject procurement preference shall not be given any other area. Any such rule, regulation, order, or policy heretofore issued is hereby rescinded.'"

And renumber the following sections accordingly.

Mr. CELLER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. Mr. Chairman, I make the point of order against the amendment offered by the gentleman from California [Mr. SHELLEY]. It is not germane. The amendment seeks to amend the general statute. It does not amend a particular item of the bill. It is not germane to the sections either preceding or succeeding or that portion of the bill against which it is aimed. It does not come within the four squares of the purpose of this legislation. It is a matter that is peculiarly within the jurisdiction of the Committee on Education and Labor. It is a new section to the bill. Even if it bore a direct relation to the bill—and made the question somewhat difficult of determination—certainly there is no question but that the amendment is offered in a wrong place. It should have been offered earlier. It comes too late. It cannot now be considered.

Mr. SHELLEY. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman on the point of order.

Mr. SHELLEY. Mr. Chairman, on the point of order, the amendment is germane to the bill because section 704 of the Defense Production Act allows the President to make such rules and regulations and orders as he deems necessary or appropriate to carry out the provisions of the act. The amendment refers to that section of the bill referring to orders and regulations. It simply straightens out a situation that has existed which needs correction and which is causing great hardship in some areas of the country. A result has been obtained by the issuance of an Executive order, and it is my sense and my belief that the Congress has the right, and the proper right, when it is legislating, to legislate to make corrections of improprieties or of injustices which have occurred through the issuance of Executive orders which are issued in implementing the legislation originally enacted by the Congress. Mr. Chairman, I feel that the point of order does not apply and that the amendment should be considered on its merits.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from California [Mr. SHELLEY] offers an amendment on page 9, line 24 of the bill. The gentleman from New York [Mr. CELLER] makes the point of order against the amendment on the ground that the amendment is not germane.

The Chair has had an opportunity to read the amendment proposed by the gentleman from California [Mr. SHELLEY] and the Chair has also had an opportunity to re-read section 704 of the Defense Production Act of 1950, as amended, to which the gentleman proposes his amendment.

The Chair is of the opinion that the amendment offered by the gentleman from California is not germane at this point in the bill. Section 704 authorizes

the President to make such rules and regulations and orders as he deems necessary or appropriate to carry out the provisions of this act. As the Chair understands the amendment offered by the gentleman from California, the gentleman is proposing a substantive change in the law, and the proposal would not be germane at this point in the bill.

Therefore the Chair sustains the point of order made by the gentleman from New York [Mr. CELLER].

Mr. SHELLEY. Mr. Chairman, I regret that my amendment modifying defense manpower policy No. 4 will not be brought before the House for a vote because of the Chair's ruling. When this issue was before us last Friday in voting on the amendments offered by the distinguished gentlemen from Pennsylvania and Georgia [Mr. POTTER and Mr. LANHAM] many of the Members of the House, including myself and others from the California delegation, were under a misapprehension as to the possible future effects of the policy on our own districts and on our States. If my amendment had come to a vote those Members would, I am sure, have appreciated the opportunity to pass on the matter again in the light of later evidence which has reached us.

Just before the House went into session last Friday, and knowing that manpower policy No. 4 would be an issue before the Committee that day, a group of California Members met with representatives of Government agencies administering the policy in my office. In the discussion that morning strenuous attempts were made to convince those Members present that manpower policy No. 4 would, both in the long run and in the immediate future, have a beneficial effect on industry in California and in our own districts. We were told that within a very short time the major industrial areas in California would move into group 4 classifications as areas of labor surplus, and that when that happened we would be eligible for preference under policy No. 4 in placing Government contracts. We were also told that the New York area, the major surplus labor area now competitive with California industries which have suffered from the policy, particularly the shipbuilding and electronics industries, would soon be out of the group 4 classification and would no longer be able to take contracts from us.

On the basis of that supposedly authentic information we went to the floor and vote on whether policy No. 4 should be retained or eliminated. A check since made with the Bureau of Employment Security field offices in California discloses that there is small possibility that California industrial areas will move into a group 4 classification at any time in the near future. This report is completely at variance with the information we were given here by Bureau representatives. While I do not wish to make charges on the floor naming names, I do want to go on record as personally deeply resentful of what I consider to be a deliberate attempt on the part of certain

of the agency representatives at last Friday's meeting to mislead the California representatives as to the true situation. No matter whether the attempt was made from misguided zeal to preserve the policy, or from ignorance, there can be no defense for that type of misrepresentation. I want here and now to condemn the action in the strongest terms.

Defense manpower policy No. 4 as it is now administered is a bungling effort. Its aim is to preserve labor skills and industrial facilities in areas suffering from lack of work due to dislocations produced by the defense emergency. What it now does is to shift contracts away from skilled labor and essential facilities into areas where there is an excess labor supply which may be composed of bartenders, beauticians, elevator operators and doormen. It creates distressed labor conditions within essential industries in new areas, while for the most part the only relief it brings is to areas where the unemployed labor is largely unskilled. Unless the formula I have proposed in the amendment just ruled out of order is put into effect, the policy will never help the defense effort. It is certainly hurting it now. It causes confusion, uncertainty, and resentment among essential producers in areas not certified under the policy to have an excess of labor. It causes disaster in one-industry towns when a big contract is taken from them and shifted elsewhere. It takes sorely needed contracts from distressed industries struggling to keep their skilled labor working, as is the case with the shipbuilding industry on the west coast. The policy is, in short, a blundering attempt to cure a slight headache, which, in the process of cure brings acute and disabling attacks to the other vital parts of our industrial body.

Although the House has been deprived of the chance to direct a change in the policy, I call upon the Office of Defense Mobilization and the administration to bring about its elimination or drastic revision. The harmful effects of policy No. 4 are rapidly snowballing—in spite of our 98° weather. The number and value of contracts shifted as a result of preference under the policy is mounting daily. California has already lost millions of dollars in vital contracts and stands to lose millions more. The evidence that the policy has misfired cannot now be overlooked. It is high time for an overhaul—and the officials charged with the responsibility should see to it without delay.

Mr. WEICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEICHEL: On page 9, after line 16, add the following:

"SEC. 111 (b) Subsection (c) of section 109 of the Defense Production Act Amendments of 1951 which amends section 704 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'and provides for extending natural gas for house heating to amputee veterans, other hardship cases, and totally disabled individuals.'"

Mr. SPENCE. Mr. Chairman, I cannot speak for the committee, but personally I have no objection to the amendment, and I do not think the committee has.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. MULTER. Mr. Chairman, some people refuse to learn from experience. We all know what happened to prices when OPA came to an end.

Advocates of the suspension of price controls persist in the erroneous claim that you need no price controls when items are selling under ceiling and that the suspension of such price controls on such items will not affect the prices thereof.

The proof is directly to the contrary. On June 5, 1952, because of the terrific pressures and demands on OPS the price of potatoes was decontrolled. The prices immediately went up to well over the ceiling price. We were told that was only temporary and as soon as the black marketeers got rid of their potatoes the prices would drop. They were right.

The prices did drop for a day or two and then they climbed right on up again. Today, exactly 3 weeks after potato prices were decontrolled, potatoes are selling at \$2 to \$4 per cwt., more than they were selling for on June 5, 1952, the difference in prices varying in accordance with the kind of potatoes and the market in which they are being sold.

What happened to potatoes will happen to every commodity when you remove price control before the end of the emergency.

The attacks we heard today on Governor Arnall were entirely unwarranted. They remind me of the young lawyer who was warned by the experienced trial practitioner, that if he tried a case that was weak on the facts, to argue the law and if it was weak on the law, to argue the facts, and if it was weak on both the facts and the law, to attack his adversary. Having no better argument to offer in support of their position, the advocates of price decontrol now attack the administrator.

[Mr. KERSTEN of Wisconsin addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. FLOOD. Mr. Chairman, the question we are deciding here today is of the greatest importance to the people of the United States. It involves our economic well-being and our security.

If all danger of inflation had disappeared—if there were no possibility that the prices all of us must pay for our daily necessities would shoot up, I would be for removing all unnecessary burdens from our business community. But is the danger over? We have heard a great deal about commodities which are selling below their legal ceiling prices. But it is a fact that this past spring 50 percent of all the things that make up the Consumer Price Index—our best measurement of the cost of living—were still at their peak or very near it. Twenty-one percent of these commodities

were only 2 percent below their all-time high levels. Less than 10 percent of these items were as much as 10 percent below their peaks. These are the results of a study made early this spring by the Bureau of Labor Statistics. Since then, the cost-of-living index has advanced another 0.6 percent. It stands today only a fraction of a percent below its all-time high. Are these facts indications that there are no pressures pushing prices up?

Freight rates recently went up again. These rates have increased 16 percent since January 1951. This has forced OPS, in many cases, to grant price increases to compensate for greater transportation costs.

Since enactment of the Defense Production Act of 1951, thousands of industries have applied to OPS for higher ceilings based on the Capehart amendment formula. Do these industries want higher ceilings when they foresee the clear possibility of producing and selling at lower prices?

There is another aspect of this question which worries me even more than the possibility of increases in the cost of living.

It seems hardly necessary to recall that what we are considering today is part of the Defense Production Act. Price and wage controls have a very definite bearing on our ability to carry out our present defense production program. And we must be able to carry out this program. On that point there is no argument. No one would disagree to the proposition that we must be strong enough to resist aggression—that we must be able to negotiate only from a position of overwhelming strength.

The inflationary period we endured during the months immediately following the outbreak in Korea took two billion out of every ten billion the Congress appropriated for defense. Should another inflationary spiral of the same intensity develop this fall it would add more than nine billions to the cost of our security, at the present rate of spending. By October, the additional cost might be \$12,000,000,000.

Another bout with inflation would seriously hinder our ability to finish up the job of building up our defenses.

To tinker with the machinery set up to prevent the reoccurrence of other inflationary period seems to be foolhardy under present world conditions. The situation in Korea has not improved despite our infinite patience at the conference table. While we have been trying to bring about an armistice there, Communist forces have built up tremendously. Only yesterday our Secretary of Defense warned that Communist China's air fleet has more than 2,000 planes. Our top military and diplomatic leaders have warned us of the "evil pattern visible today both in the Far East and in the West."

Is it good statesmanship, is it wise to do anything that might weaken our economic health under these circumstances?

One of the main arguments advanced for removal of all price and wage control machinery at this time is that these

temporary controls impose heavy burdens on our industrial and business communities. So they do. But this is a period of national emergency. In such periods, all of us must accept extra burdens.

Our present price stabilization machinery is geared to suspend ceilings on commodities that are selling below legal ceilings and which do not threaten to climb to those ceilings in the foreseeable future.

Such a system of selective relaxation of controls would remove all unnecessary burdens from our business and industrial communities whenever and wherever it is safe to do so. Is not this wiser than to destroy the entire machinery, built at the cost of many millions of dollars? Let us keep in mind that if we destroy this machinery, we may not have the opportunity to rebuild it in time, should inflation again threaten our defense program and our standards of living.

I do not doubt for a minute the sincerity and good intentions of those who sincerely believe controls are no longer needed. Neither do I doubt the patriotism and sincerity of those who think inflation is still the main threat to our economic strength. Being as impartial as one can be, it must be recognized that there is at least a serious difference of opinion on this point. While such difference lasts, is it wise to knock down the fences we have been building against this danger? Does a prudent businessman cancel his fire insurance just when some well-qualified people tell him that there is a fire smoldering in his plant?

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS,
Washington, June 25, 1952.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN FLOOD: Thank you for calling to my attention today that some Member of the Congress has expressed the view that I have said that the emergency is no longer with us, and that price and wage controls are no longer needed. I am sure that any Member of the Congress who said this was honest in his impression of my views, but he was erroneously informed as to my views. I have never made any such statement, at any time, in any place. On the contrary, I believe that the emergency is still with us, and that price and wage controls are still needed.

This is a high matter of legislative policy, now being considered by the Congress, and each Member must exercise his own honest judgment. I am not writing you this letter to attempt to influence anybody. But since you inform me that my views have been referred to in the course of debate, I want to set the record straight on what they are.

In the January 1952 Annual Economic Review published by the Council of Economic Advisers and transmitted to the Congress, of which I was one of the signatories as chairman of the council, a strong argument for the continuation of price and wage controls is contained on pages 144-148. The argument for their continuance now is at least as strong as in January, because business conditions now are stronger than in January and the cost of living is now higher than in January.

In my printed testimony on January 23, 1952, before the Joint Committee on the Economic Report, I strongly urged the continuation of price and wage controls.

Testifying in March 1952 before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, I stated on page 285 of the published hearings that we should "hold on to and keep in good working order the variety of anti-inflationary tools which are now in active use" and that "I think it would be most imprudent now to get rid of these tools."

In the course of the same hearings (p. 204) I placed price and wage stabilization importantly on the list of necessary anti-inflationary measures in these times.

The economic situation now is stronger than it was in March, defense outlays are higher and rising, unemployment is lower, and the Government deficit is rising. For all of these reasons, anyone who favored price and wage controls in March should certainly favor them now, and I do.

A couple of weeks ago, I submitted an article for publication in the New York Times, which has not yet been published, in which I indicate the necessity for maintaining the kind of economic controls that we now have.

In the current draft of the Midyear Review by the Council of Economic Advisers, which is being prepared for issuance in mid-July, the retention of price and wage controls is urged.

I have consistently advised the President, and the stabilization officials, as well as any Member of the Congress who may have asked for my advice, that it is much too early to get rid of price and wage controls.

In an oral presentation, which I made to the President's National Advisory Board on Mobilization Policy on June 16, I expressed my view to the assembled group of leaders of industry, agriculture, and labor that it is much too early to get rid of price and wage controls.

Consequently, it is clear that this is the position which I have constantly taken; and nobody can produce any statement that I have made anywhere taking a contrary position.

More generally, and in response to what you said to me on the telephone today, I certainly do not believe that the emergency is over. On the contrary, I have been saying all over the country that the emergency is still with us, and that no danger could be so great as the danger of our relaxing prematurely. In fact, that is the main theme of the New York Times article which I submitted a couple of weeks ago and which will appear shortly.

Let me repeat that I do not want to engage in dispute with any Member of the Congress or to intrude upon the legislative function. But in response to your specific inquiry of me today, I have felt bound to transmit to you my actual views with respect to price and wage controls at this time.

Very sincerely yours,

LEON H. KEYSERLING,
Chairman.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS,
Washington, June 26, 1952.

HON. DANIEL J. FLOOD,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN FLOOD: Since writing to you yesterday, I have had opportunity to read page 8205 of the CONGRESSIONAL RECORD of June 25. On this page, there is quoted an excerpt from a news report in the New York Journal of Commerce of June 20, 1952, reporting upon an extemporaneous talk which I made on June 19 to a national group of business editors.

The excerpt quoted from the New York Journal of Commerce news account does not say that I am against the continuation of

price and wage controls. It merely says that the expansion of production has been even more important than the controls in maintaining the economy on an even keel; this is true and I have always said it. My statement that there is no serious danger of inflationary pressures of a serious and over-all character over the next year, and that we can maintain price stability, is predicated upon maintaining the controls which have been in effect since early 1951 and which have helped to maintain price stability since that time.

As a matter of fact, the news story in the Journal of Commerce on June 20 contained two paragraphs immediately following the limited portion of the news story quoted in the CONGRESSIONAL RECORD on page 8205. In other words, the quotation in the CONGRESSIONAL RECORD did not go far enough to show my views correctly. These two additional paragraphs in the Journal of Commerce news story read as follows:

"In declaring that there is no danger of booming inflation during the next months, the council chairman injected the customary warning that his prediction could be upset by a marked worsening in international conditions or a sudden shift in consumer psychology.

"At the same time, he said that because of these dangers he would not torpedo the tattered remnants of the controls program."

The foregoing quotation makes it absolutely clear that even the Journal of Commerce news story left no doubt that I am in favor of the retention of the remnants of the controls program which was still in effect on June 19, despite previous weakening, and that I am not in favor of the torpedoing of price and wage controls.

Let me emphasize again, as I did in my letter to you yesterday, that I am simply responding to your request for information about my views, and do not desire to engage in any debate with any Member of Congress or to intrude in any way upon legislative functions. If any Member of Congress has conveyed an erroneous impression of my views, I am sure that this was done unintentionally.

Very sincerely yours,

LEON H. KEYSERLING,
Chairman.

When naked Communist aggression forced America into the Korean conflict, this Congress took prompt and effective action to ward off a disastrous inflation and preserve a sound economy by sponsoring a price stabilization program which was enacted and has been maintained throughout the period of the Korean struggle. As a result, the soundness of our American dollar has been maintained, the disruption of our civilian economy minimized, and America's internal stability and strength preserved. And all this was achieved while our defense production program was notably advanced.

America's internal stability is a vital front in its defense against Communist aggression; and only selfish, irresponsible leadership would jeopardize America's future by premature relaxation of measures designed to prevent the undermining and crippling of that stability. American defenses for peace can only be as effective as its economy is strong. The military front is only an extension of the home front.

We must make ourselves militarily secure, safeguard our economy from the dangers of runaway inflation with all its consequent social chaos and human ruin.

Only a strong America can be a free America, and provide the world leadership needed to combat the growing menace of international communism.

Do not scrap controls—if you do you will present Stalin with a priceless boon in the Kremlin's drive for world conquest.

[From the Washington Star of June 25, 1952]

UNITED STATES LEADERS DOUBT LESSENING OF RISK OF WAR WITH RUSSIA

The possibility of war with Russia has not lessened in the past year, the Nation's top military and diplomatic leaders believe.

Their views on the subject were given to the House Appropriations Committee during hearings on a bill financing the foreign-aid program. The committee, which took the testimony in closed session, made parts of it public yesterday.

While none of the witnesses was overly pessimistic, most of them cautioned against a slowing down of the aid program at a time when the defenses of the free world are being built up with American help.

Here is what they said when asked about "the possibility of war:"

LOVETT SEES EVIL PATTERN

Defense Secretary Lovett: "It seems to me that there is an evil pattern visible today both in the Far East and in the west * * * and that pattern is the violence and the reckless character of the propaganda war which is conducted by the Soviets and their satellites. I believe it is recognized that an essential part of the military strategy of the Communists is the initial build-up of a strategic propaganda barrage the degree of tension developed is greater than it was 1 year ago."

Averell Harriman, Mutual Security Director: "I think if the Congress appropriates adequate sums of money for carrying forward the program, it (the possibility of war) is substantially less."

HAVE CHANCE TO ACT

Secretary of State Acheson: "We now have a very good chance to make certain that no such tragedy (as control of most of the world by an aggressive tyranny) will ever occur * * * throughout most of the world, our hands are not tied. We have a chance to act, while action still counts. We have an opportunity to create an edifice of strength which will shelter our own security and foster the continued growth of the ideals and institutions which we cherish."

W. J. Kenny, Deputy Mutual Security Director: "I would say the stresses are as great today as they have ever been."

COMMENT ON THE TALLE AMENDMENT

This amendment would terminate all price control on June 30, 1952, except for materials that are allocated or rationed.

In effect, this amendment would end all the protection against inflation which the Government now provides for the consumer. It would terminate most price control.

The exception provided for materials under allocation or rationing would not preserve price control where it is most needed. Allocation and rationing means that the businessman is told to whom he may sell his goods, how much of them and, perhaps, for what purpose. So ruthless an interference with the free market is justifiable only where a material is needed for the defense program and its supply is so short that defense needs could not be met without allocation.

But the general inflationary trend resulting from the defense program causes price pressure for many commodities whose allocation would not be justified.

Bread and meat prices may rise 5 or 10 or 20 percent, causing hardship to many consumers, but, under this amendment, their prices could not be controlled unless they were also rationed.

Fencing wire or cotton-ginning machinery may be raised in price unreasonably—and nothing could be done about it under this amendment unless farmers and ginners were also made to submit to the needless red tape of allocation.

In fact, this amendment would remove all protection of price control from consumers, farmers, and most businessmen.

Every Member who wants to be on record against price control should vote for this amendment. Every Member who wants to protect the country against inflation should vote against it. This amendment should be defeated.

The Talle amendment is shortsighted.

It is based on the theory that prices will go up only when there is a shortage of supply.

I hope that the memory of this House is not short enough to fall for a theory which has so recently been proven completely wrong before our own eyes.

There was no shortage of anything after Korea. You could buy all you wanted. But prices went up, and fast.

There was no shortage of rubber; you could buy all you wanted, but it went up 187 percent.

There was no shortage of wool; you could buy all you wanted, but it went up 118 percent.

There was no shortage of cotton print cloth; you could buy all you wanted, but it went up 53 percent.

There was no shortage of beef cattle; you could buy all you wanted, but it went up 30 percent.

There was no shortage of lard; you could buy all you wanted, but it went up 84 percent.

It is true that there was acute international tension and fear of war at that time. But, is there no tension today? Can we be sure that there will be no fear of war next week or next month, or next September or October?

Prices could skyrocket again in September or October. The American people would not want that to happen. But the Government could not do anything about it if the Talle amendment were enacted.

The Talle amendment must be voted down.

PRICES WILL GO HIGHER WITHOUT CONTROLS

First. Businessmen are asking OPS for higher ceiling prices.

Food retailers want higher prices.

Milk men want higher prices.

Packers want higher prices.

Machine manufacturers want higher prices.

Gasoline refiners want higher prices.
Cement manufacturers want higher prices.

Second. National security expenditures will increase \$15,000,000,000 to \$20,000,000,000 during the next year.

Before Korea they were \$17,000,000,000 per year—6 percent of our national output.

In the first quarter of 1952 they were \$47,000,000,000—14 percent of our national output.

Next year they will be \$65,000,000,000—18 percent of our national output.

Add to this a vast expansion of private facilities.

You cannot dump that much added spending on an economy which is already operating practically at capacity and expect prices to control themselves.

Third. Lifting price controls will raise prices by causing scare buying.

Right after Korea:

There were no shortages:

The budget was balanced.

Defense spending had not really started.

Yet, people were scared of higher prices.

They rushed out and bought goods they didn't need.

They bid up prices.

Prices rose 8 percent in 7 months.

Today people are confident and savings are at record levels.

If price controls are lifted, they will be scared again.

They will spend instead of saving. They will bid up prices.

WITHOUT CONTROLS PRICES WILL GO UP EVEN IF THERE ARE NO SHORTAGES

First. Right after Korea, prices went up when there were no shortages.

After Korea the budget was balanced; defense spending had not really started; there were no shortages.

Yet prices went up 8 percent in 7 months.

Second. Prices are pressing ceilings and businessmen are asking OPS for higher prices in areas where supplies are plentiful.

There is no milk shortage, yet milkmen want higher prices.

There is no oil shortage, yet oilmen want higher prices.

There is no cigarette shortage, yet cigarette men want higher prices.

Third. Prices will go higher because demand will be high even if materials are plentiful.

(a) Defense spending will increase fifteen to twenty billion dollars to a total of \$65,000,000,000 within a year. This will mean more dollars to bid up prices.

(b) If controls are removed people will start scare buying just like they did after Korea. This will increase demand and push up prices.

The issue is prices—not supplies, and prices will go up if controls are removed.

The CHAIRMAN. Are there further amendments to title I of the bill? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

SEC. 201. (a) Subsection (e) of section 4 of the Housing and Rent Act of 1947, as amended, is amended by striking out "June 30, 1952" and inserting in lieu thereof "June 30, 1953."

(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended by striking out "June 30, 1952" and inserting in lieu thereof "June 30, 1953."

Mr. CAMP. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have heard certain criticisms, and what has been said regarding Hon. Ellis G. Arnall, Director of the Office of Price Stabilization. I feel it is my duty, and it certainly is a privilege to rise at this point to his defense and to refute what has been said regarding his work here. Mr. Arnall is a distinguished Georgian, a former Governor of our great State, I have known him all of his life; he was born and reared and still resides in my home town. He is a man of honor, integrity, and courage, and possesses the highest educational qualifications, and can hold his place anywhere with any man in this country.

I happen to know what time he is devoting to the duties of his office. I have made many appointments with him for people who sought his advice and his instruction regarding price matters. I know of many conferences he has had with them after supper, at late hours in the evening, when he could not get to them in the daytime. If anyone says he is running around the country only acting as a public-relations officer, that person simply does not know what he is talking about. No man in this country is better versed in price-control matters. The distinguished gentleman from Georgia, Mr. BROWN, vice chairman of the House Banking and Currency Committee has told me that no witness who testified before that committee had a better knowledge or keener appreciation of his work nor was more sincere in his efforts.

Mr. COX. Mr. Chairman, will my friend yield for an observation?

Mr. CAMP. Gladly.

Mr. COX. I simply want to say that I never voted for Governor Arnall in my life. Politically speaking, we have been as far apart, almost, as the poles. I expect that I have criticized him as much as any person living. But I do feel it is fair to say that as Office of Price Stabilization Administrator he has been the most courteous man I have known in the carrying along of his work in Washington. I have confidence in his integrity. I have the faith to believe that he is doing his utmost to do a good job, and therefore I regret the criticism, indirect though it may be, but criticism nevertheless which has been aimed at him.

Mr. CAMP. I thank the gentleman. Mr. Chairman, in closing I would like to say that any job which Ellis Arnall undertakes to do, he will try to do it to the best of his ability, and his ability is great.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. CELLER. I have known Ellis Arnall for a great many years. I know of no man who has been more painstaking and more efficient in carrying out his duties, not only as Governor of his State, because he was a great credit to his State when he was Governor, but in carrying out his duties as head of the OPS. It is a very difficult and arduous task, but he has carried on forth-

rightly and honestly and with the greatest integrity.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. SPENCE. I have not been acquainted with Governor Arnall for a long period, but it has impressed me that everything you say about him is true. He is a high-class gentleman who has a public spirit, and he is trying to carry out the duties of his office to the very best of his ability. He is subjected to that criticism which falls on every man who offers himself for public service, and it falls upon the best just as it falls upon the worst.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield.

Mr. LANHAM. I have known ex-Governor Arnall, the present price administrator, for a number of years. As a matter of fact, since he was a young man. I want to join with the gentleman from Georgia [Mr. CAMP] in what he has said in praise of Ellis Arnall as well as with the gentleman from Georgia [Mr. Cox] and other Members who have spoken. I have the utmost confidence in his integrity. I know he is an able and capable man trying to do a good job.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. CAMP] has expired.

Mr. MULTER. Mr. Chairman, I ask unanimous consent to extend my remarks immediately prior to the closing of debate on title I.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: Page 11, line 20, insert the following new sections: "Sec. 202. Section 204 (j) of the Housing and Rent Act of 1947, as amended, is hereby amended by adding at the end thereof the following:

"(4) No action taken under this section 204 (j) shall be valid unless the President certifies that the vacancy ratio in low and middle income housing accommodations in the area to be affected by such action is 10 percent or more of the available habitable housing accommodations in that area."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. MULTER) there were—ayes 18, noes 53.

So the amendment was rejected.

Mr. WHEELER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHEELER: On page 11 strike out lines 17 to 20, inclusive, and insert in lieu thereof the following:

"(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(f) (1). The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of March 31, 1953—

"(A) in any area which prior to or subsequent to September 30, 1952, is certified

under subsection (1) of section 204 of this act as a critical defense housing area;

"(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of Federal rent control in such city, town, or village; and

"(C) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

Mr. WHEELER. Mr. Chairman, it will not require 5 minutes to explain this amendment. The amendment simply provides that on the 30th of September next rent control will cease to be in existence in all areas except in critical defense areas or in those areas where the local governing authorities ask that Federal rent control be extended.

In order to get rid of rent control under the present law, where Federal rent control is in effect, the local governing authorities are required to formally ask that it be discontinued. This amendment simply reverses that procedure and allows control to expire on September 30, 1952, unless the local governing authorities take positive action requesting the President to impose control. It does not affect, until after the 31st of March, 1953, the rent control status of the critical defense areas that have been so designated. It is simply a question of whether you want rent control to continue to be imposed on those communities unless they take positive action and ask for it. It does not in any way affect rent control in the critical defense areas.

The question is that simple.

Mr. McKINNON. Mr. Chairman, will the gentleman yield?

Mr. WHEELER. I yield to the gentleman from California.

Mr. McKINNON. Do I understand your amendment would provide that in areas now under rent control, that are considered critical impact areas, this

status would not be changed until possibly March, 1953?

Mr. WHEELER. March 31, 1953.

Mr. McKINNON. But in case of another area that becomes impacted by a military operation, if the Federal Government wanted to put Federal rent control into effect in that impacted area, it could not do so without the consent of the local governing body? Do I understand the gentleman correctly?

Mr. WHEELER. That is right.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. WHEELER. I yield to the gentleman from California.

Mr. McDONOUGH. Your amendment says in critical areas now existing. Your amendment has no effect on them.

Mr. WHEELER. That is right.

Mr. McDONOUGH. If under the terms of the Rent Control Act an area surveyed to be made critical, do you provide that the local governing body must determine whether the Federal authorities are ready to make it a critical area?

Mr. WHEELER. I am sorry. I gave the gentleman from California the wrong information. Where it has been declared a critical defense area, rent control automatically goes on until March 31, 1953, without any determination by the local authorities. Where it has been declared to be a critical defense area the Federal rent-control law applies automatically until March 31, 1953.

Mr. McKINNON. But any new area would not be able to be controlled unless the local government took positive action.

Mr. WHEELER. Yes; it would come under control immediately upon the determination that it was a critical defense area.

Mr. McKINNON. What happens after March 1953 on a present impact area that now has rent control?

Mr. WHEELER. That remains for the next Congress to determine.

Mr. McKINNON. There is no provision in the gentleman's amendment for such contingency?

Mr. WHEELER. Not beyond March 1953. It merely says that in these non-critical areas the rent control law shall cease as of September 30 this year unless the local governing authorities request the President to extend it. It does not go off in critical areas until March 1953.

Mr. McKINNON. The gentleman knows that many places throughout the country will become critical defense areas soon because of our new defense effort.

Mr. WHEELER. They will be controlled.

Mr. McKINNON. In other words, in a newly created impact area because of national defense there can be no rent control until the local governing authorities take affirmative action.

Mr. WHEELER. Once it has been determined to be a critical defense area they need take no action whatsoever.

Mr. McKINNON. Between now and March.

Mr. WHEELER. March 1953.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WHEELER. I yield.

Mr. YATES. Does the gentleman know that not one of the principal cities of this country has been defined to be a critical defense area? If the gentleman's amendment were adopted, rent control in cities like Chicago, Boston, Philadelphia, and other places that do not have State rent control laws would automatically be decontrolled.

Mr. WHEELER. If the local governing authorities wanted it, they could simply ask for it.

Mr. YATES. The gentleman knows that if they do not want it they can bring themselves out from under rent control right now; they have done it in many places throughout the country. The present law permits decontrol by action of the local authorities.

Mr. WHEELER. My amendment merely requires affirmative action instead of negative action.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the original act was passed on the theory that the people wanted local self-government; that particularly appealed to the people of the South. We gave them local self-government with reference to rent control; they can impose it or they can take it off as they please.

This amendment, as I understand, would take away that right, and on September 30 of this year all of the areas that are not critical defense areas would be decontrolled without local action. We have reversed the attitude we took, and we have taken away from the people the authority they asked us for.

I hope the amendment will be defeated.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Mississippi as a substitute for the amendment offered by Mr. WHEELER: On page 11, strike out lines 17 to 20 inclusive and insert the following:

"(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, is amended to read as follows:

"(f) (1) The provisions of this title shall cease to be in effect at the close of June 30, 1952, except that they shall cease to be in effect on March 31, 1953, in any area which prior to or subsequent to June 30, 1952, is certified under subsection (1) of section 204 of this act as a critical defense housing area.

"(2) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(3) Notwithstanding any provision of paragraph (1) or (2) of this subsection, the provisions of this title and regulations, orders and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

(Mr. WILLIAMS of Mississippi asked and was given permission to revise and extend his remarks.)

Mr. WILLIAMS of Mississippi. Mr. Chairman, I am in complete sympathy with what the gentleman from Georgia seeks to do by his amendment. Nevertheless, in my opinion, the time has come for us to meet the issue of Federal rent control head-on.

In 1949 Congress provided for "local option" rent control, giving the right to the local communities and the States to decontrol their areas if they saw fit. That was the first step toward placing rent control in the hands of the local and State governments.

The amendment offered by the gentleman from Georgia [Mr. WHEELER] retains Federal rent control, but regardless of what might be said, it does not give the local communities full and complete responsibility in the matter of these controls.

In my opinion, the time has come from the Federal Government to relinquish this responsibility. We should turn it over completely to the States.

Because of the local option provision in the rent-control bill, there are only scattered sections throughout the country that still retain Federal rent control outside critical defense areas. In those areas designated as critical defense areas, it should be provided by the Federal Government. In other words, it is the Federal Government's responsibility to control rents where the critical situation is caused by action of the Federal Government. Therefore, in the amendment I have offered as a substitute for the amendment offered by the gentleman from Georgia, [Mr. WHEELER] we would leave rent control in the critical areas to be administered by the Federal Government but return to the States the responsibilities that are rightfully theirs by decontrolling once and for all the rest of the country that does not need Federal rent control.

It will be agreed that my proposal would leave certain parts of the country without rent control, particularly the large cities. Well, several of the States have already decontrolled themselves; several States, so I understand, have stand-by legislation that goes into effect the minute the Federal Government abandons rent control.

There is no reason why the State, county, and local governing bodies cannot meet and provide controls for themselves if such necessity presents itself.

If rent control is to be a permanent function of the Federal Government, then vote my amendment down; if you believe that it is a Federal responsibility to continue to control rents, regardless of the fact that the need is not nation, then vote my amendment down.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield to the gentleman from Illinois.

Mr. JONAS. In the gentleman's substitute does he have a provision when the present law is to expire or does it expire on June 30?

Mr. WILLIAMS of Mississippi. On June 30.

Mr. JONAS. The gentleman does not have a provision in there that it expires on September 30?

Mr. WILLIAMS of Mississippi. No.

Mr. JONAS. That raises the point in metropolitan areas, like the city of Chicago, and I use the city of Chicago simply as an example. If we follow the amendment submitted by the gentleman from Georgia [Mr. WHEELER] we are apt to walk into the same trap we did in 1948. The 60-day notices will be served on the tenants just about 2 days before election day, and I do not want to get into that situation. As I understand it, the gentleman's amendment, this expires on June 30?

Mr. WILLIAMS of Mississippi. I presume that in the city of Chicago you have a city governing body?

Mr. JONAS. Yes; but under existing law the city council has no jurisdiction over passing on any question dealing with rent control. Under the prevailing law, as we have it now, they do not have that jurisdiction.

Mr. WILLIAMS of Mississippi. The gentleman has a very distinguished Governor who is trying to slip into the back door of the White House. I have heard a lot down South about his belief in States' rights. I am sure that the gentleman's "States' rights" Governor will be pleased to see to it that the Illinois Legislature takes care of your situation in the next few weeks. If my amendment is accepted, it will remove some, if not all, of the present Federal interference into private business and local affairs.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. McKINNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the distinguished gentleman from Mississippi about his amendment. As I understand his amendment, the difference between that and the amendment submitted by the gentleman from Georgia, as far as impacted areas are concerned, is that the Federal Government may only step in and control rents in areas that had not been declared critical prior to June 30 of this year.

Mr. WILLIAMS of Mississippi. If the gentleman will read the amendment, the amendment reads as follows: With reference to critical areas it says that—

The provisions of this title shall cease to be in effect at the close of June 30, 1952, except that they shall cease to be in effect on March 31, 1953, in any area which prior to or subsequent to June 30, 1952, is certified under subsection (1) of section 204 of this act as a critical defense housing area.

Mr. McKINNON. In other words, the gentleman's amendment permits rent control set up to be initiated by the Federal Government on impacted areas throughout the United States now or at a later time up to March 1953?

Mr. WILLIAMS of Mississippi. That is right.

Mr. McKINNON. In other words, the Federal Government can control rents in impacted areas without the consent of the local governing bodies.

Mr. WILLIAMS of Mississippi. That is correct, but it has to be certified as a critical defense area.

Mr. YATES. Mr. Chairman, I rise in opposition to the Wheeler amendment and to the Williams amendment.

Mr. Chairman, a few months ago I had the privilege of addressing the legislative section of the National Association of Rural Electrification Cooperatives. To that legislative panel came representatives from rural sections all over the United States, many of them unaware of the peculiar and critical problems facing those of us who live in metropolitan areas. I asked them to turn north as they walked out of the hotel so that they would see the district within the city of Chicago which I represent, a district which contains approximately 335,000 people within an area of three square miles. That is a lot of people. They live in huge multistoried apartment buildings, small and medium apartment buildings, and in private homes. They are crowded together. They are congested. They have made use of almost every housing accommodation in the city, including those which a few years ago, relatively, were classified as uninhabitable. They depend upon rent control to tide them over this temporary period of housing shortage, for if rent controls are removed, there are no apartments or houses into which they can move at rentals they can afford to pay. I feel sure that the people to whom I spoke that day gained a fine appreciation of our housing problems, an appreciation they did not have before.

Much has been said during this debate on items in abundant supply. The gentleman from South Carolina spoke of warehouses filled with refrigerators and other consumer items. Other gentlemen have spoken of potatoes and fresh fruits and vegetables. In this bill we must make the determination as to whether the items that are sought to be brought under control are in sufficient supply. If they are, controls will be no longer needed. Yet I would like to point out one significant difference between shortages in housing and food. If controls are removed and food and food commodities, and prices go up, consumers can still shop around for cheaper foods. They can find substitutes for foods which become too expensive or for clothing which becomes too expensive, if need be. But housing is in a different category. If there are no housing accommodations on the market, you cannot shop for them or buy them or even try to find a substitute, because no substitutes exist.

Let me read to you from the report of the Metropolitan Housing and Planning Council of the city of Chicago, a very recent report issued on February 29, 1952. The Metropolitan Housing and Planning Council is a private agency, not a Government agency, and is established for the purpose of promoting better housing throughout the city of Chicago. It numbers among its members some of the largest real estate dealers in the city of Chicago. The report which is entitled "Chicago and Its Housing Supply" makes

clear exactly what the housing shortage is. Let me read to you the following:

In 1940, 3.8 percent of the total dwelling units in the city of Chicago were vacant, for sale or for rent, while in the metropolitan area outside of the city of Chicago, there were 2.2 percent of the total dwelling units which were vacant and for sale or rent. In 1950, this vacancy rate of inhabited or inhabitable units had fallen to 0.8 percent in the city of Chicago, and to 0.7 percent in the metropolitan area outside the city.

With this vacancy factor, do you believe that people who have their rents raised beyond their means can find other quarters at prices they can afford to pay? Of course they cannot. I read further:

The vacancy rate which will insure that persons seeking housing will have a minimum amount of freedom of choice in the housing market ranges from a minimum of 2½ percent to a maximum of 6 percent. This percent of the dwelling units in a city the size of Chicago must at all times be vacant and on the market for sale or rent, to provide the frictional buffer to care for the constant movement of persons into and out of housing, and into and out of the city itself.

Mr. Chairman, the amendments offered by both the gentleman from Georgia and the gentleman from Mississippi limiting rent controls to critical areas completely overlook the needs of the people in the tremendous crowded urban communities today because not one of such communities has been classified as a critical defense area. If either of these amendments prevails, if rent control is removed, there will be chaos in large communities such as the city of Chicago. There will of necessity have to be demands for wage increases, giving another push to the inflationary spiral, for the tenants will have to have some means of obtaining increased rents to pay for shelter they must have. The number of our families is growing; the population is growing out of all proportion to the number of housing accommodations presently in existence and being built. This is a problem that can be licked only by building more and more housing—to unfreeze and liberalize the limited housing market.

Mr. SITTLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. SITTLER. The gentleman has just made some statements about the city of Chicago that are quite revealing to me. I wonder if it is not true that under the amendment offered by the gentleman from Georgia the people of Chicago, who know about that very well, and the governing officials could thereupon invoke rent control in the city just as well. I wonder if the amendment offered by the gentleman from Georgia does not meet very completely the situation the gentleman is speaking about.

Mr. YATES. A few years ago the gentleman from Mississippi [Mr. WILLIAMS] offered an amendment which he said would provide for local control. It would give the right to local communities to take themselves out from rent control in the event they thought it was necessary. That part of the law is still in effect. If a local community does not want rent control, they can take them-

selves out from under rent control under the local-option provision, as many have done already in the past few years.

Mr. MULTER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, my city and State have local rent controls, so these amendments cannot affect my city or State. I think you can then consider what I have to say on the subject as being entirely objective.

Both these amendments will not only decontrol large cities but will also decontrol many small cities. I have in my hand a list of cities which either one of these two amendments, if adopted, would immediately decontrol.

In the State of Georgia, which is represented in part by the gentleman who offered the first amendment, we find that there will be immediate decontrol under either amendment of the following cities: Atlanta, Macon, Albany, Rome, Athens, and Americus.

There are 36 States and Puerto Rico in which hundreds of cities would be immediately decontrolled.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Kentucky.

Mr. MORTON. The State of Mississippi passed a law that you cannot have rent control. If the Office of Rent Control here does not know it, it had better find out about it.

Mr. MULTER. In the State of Mississippi only those cities are under rent control which are in critical defense areas.

Mr. MORTON. These are defense impact cities.

Mr. MULTER. Right.

Mr. MORTON. The gentleman's amendment permits them to continue controls.

Mr. SITTLER. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Pennsylvania.

Mr. SITTLER. I, too, am objective about the situation in the State of Mississippi and in these small communities because I do not live in them.

But I wonder if the gentleman does not accord to the governing bodies of these small communities the native intelligence to handle their own problems and invoke rent control if it is necessary. Whom does the gentleman fear?

Mr. MULTER. I do not fear anybody, but we know the pressures upon the local city councils and the local governing bodies are such that they will not take the action that is required.

Mr. SITTLER. By whom is the pressure exerted?

Mr. MULTER. The same persons who pressure us year after year to discontinue rent control throughout the country.

Mr. SITTLER. Who exerts these terrible pressures, if the gentleman will tell us?

Mr. MULTER. You know these local councils have not been taking any such action with the exception of Los Angeles, I think, which is the only local council in the country that has taken such action. The State of Mississippi, as a State,

has done so. What other local governing body in the country has taken such action?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. YATES. In answer to the gentleman from Pennsylvania, let me say that the city council of the city of Chicago in 1947, at the time when it appeared that rent control was going off the books, passed an ordinance providing for the continuation of rent control. That ordinance was held unconstitutional by the Supreme Court of the State of Illinois on the theory that the legislature had not given the city council that legislative authority to pass the ordinance. In the State of Illinois, we have a fight, or rather we have a misunderstanding with some of the down-State communities as to what our problems in the city of Chicago are. We would have a terrible time trying to get rent control legislation through the legislature of the State of Illinois, because there is no appreciation of our peculiar problems within the city of Chicago. Therefore, the only protection we have to obtain rent control, and to keep rent control, is to have the act continued.

Mr. SITTLE. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. SITTLE. Then what the gentleman from Chicago would do would be to remove by one further step from the city of Chicago the responsibility for the management of that city. He cannot handle it in his own State legislature, therefore, he wants to push it all the way to the National Capitol in Washington.

Mr. YATES. On the contrary, if Chicago wants local control, we cannot have local control because of the legislative situation. We want rent control, but cannot get it as a result of the lack of legislative power, which the State legislature will not give the city.

Mr. MULTER. The advocates of local option overlook the fact that these amendments would automatically decontrol these small cities, as well as many large ones. The right given by the amendments to recontrol could never be invoked by them because their States have never given them that legislative authority.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire to make a few brief observations. Under the present law, outside of defense critical areas, as I understand it, and if I am mistaken I would like to be corrected, a community or city can only be taken out of rent control by action on the part of the city or community through negative action. Of course, the legislature has power to do it so far as the application of rent control to the entire State is concerned. So when I use the word "community" I am referring to it in its broad as well as limited sense.

The amendment offered by the gentleman from Georgia [Mr. WHEELER], as I understand it, does not disturb the basic situation in relation to rent control outside of critical defense areas except that

instead of negative action on the part of the State, county, city, or town, or any other political subdivision of a State, it requires that they take affirmative action in order to have rent control continued, and by rent control I mean outside of a critical defense area. The amendment offered by the gentleman from Mississippi completely terminates rent control, as I understand it outside of critical defense areas. It seems to me, in the light of the present emergency, there is a necessity for the continuance of rent control. I hope the Williams amendment will be defeated.

Now coming to the Wheeler amendment, and expressing my own views, there is a question involved there as between the present law and whether it should be negative or affirmative action to have rent control. I recognize that men may honestly differ on that. I had not intended to speak on the Wheeler amendment, if it was confined to the Wheeler amendment, so my main purpose in taking the floor in this discussion is, with all due respect to the gentleman from Mississippi, to express the hope that his substitute amendment will be defeated. While personally I might feel that the present law would bring about the greatest results, and I shall vote against the Wheeler amendment, the principle or the policy or the idea involved in the amendment offered by the gentleman from Georgia [Mr. WHEELER] in relation to the affirmative action on the part of the community in order to have rent control is one on which persons may, as I say, honestly differ. My main purpose is to express the hope that the Williams substitute will be defeated.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. McDONOUGH. There is a point that I think is a very fine point, as to whether the governing body should have any say so or not. For the information of the gentleman from Massachusetts and the rest of the Members, I asked Mr. Tighe Woods during the hearing that very question. I asked him:

What do you think of an amendment providing that after the survey is made in an area to determine whether it is a critical area or not, is presented to the local governing body for review?

Mr. Woods said:

Actually we have been doing that informally, and such an amendment would not bother me at all.

Now, there is the Administrator saying that cooperation with the local governing body is a good thing, and I think for that reason this amendment should be approved.

Mr. McCORMACK. As I said, with all due respect to my friend from Mississippi [Mr. WILLIAMS], my main purpose is to call attention to the complete termination of rent control, if a situation existed where it was reasonably necessary. The difference in the Wheeler amendment—and it is an important difference—is whether a community should be permitted to say they did not want it,

or they should be compelled to say, "We want it."

May I ask a question of the gentleman? In the event your amendment is adopted and it should become incorporated into law, in a case like Chicago or Boston—I do not mean to confine my inquiry to large metropolitan cities alone, but there are hundreds of thousands of population in other cities, the local, duly elected city authorities, the city council or selectmen, or whatever they may be called, duly elected in accordance with its municipal charter, would they be the agency or authority to affirmatively request rent control?

Mr. WHEELER. Absolutely.

Mr. McCORMACK. In other words, it would not have to be submitted to the people for a vote?

Mr. WHEELER. That is right.

Mr. McCORMACK. It could be done through their duly elected officials?

Mr. WHEELER. Through their duly elected officials.

Mr. YATES. They have that right at the present time.

Mr. McCORMACK. The one thing that I have taken the floor particularly for its to call attention to the fact that the Williams amendment means the death of anything being done in relation to rent control outside of critical defense areas. While I do not favor the Wheeler amendment, I hope that the Williams amendment will be defeated.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the gentleman from Georgia [Mr. WHEELER] a question about his amendment, as I agree with him it is time for the local communities to take the responsibility and say affirmatively whether there is a local emergency condition that requires rent control. In large cities there are various parts of a city that do not currently need rent control. Under the gentleman's amendment, I wonder if there is a possibility for the particular municipality, by its own vote, by a designation of wards or sections, having rent control in one portion and releasing it in another portion where rent control is not needed.

Mr. WHEELER. The amendment anticipates the local governing authorities knowing more about their needs, insofar as rent control is concerned, than does any agency of the Federal Government. I could very well envision under this amendment the local governing authority of any city doing pretty much as they please about the imposition of rent control.

Mr. FULTON. That means that within a town or city, under this amendment, they could have a part or all of the city under rent control if they so wanted it. For instance, sections or wards that do not need rent control, under certain standards of living, and having adequate supply of a particular level of housing, might be decontrolled, and other parts of the municipality that do need it will have rent control according to the local agency's authorization.

The local community can and should decide its own problems on rent control.

Mr. WHEELER. I believe this amendment is broad enough to take care of that situation.

Mr. FULTON. That is what I wanted to make sure. Blanket action on a national level is causing inequities and injustices in the administration of rent control at present. I believe the local real-estate dealers and owners at present have legitimate complaint on the administration of rent control from Washington.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. McDONOUGH. The gentleman is familiar with the Housing and Rent Act which states that if an area is decontrolled, the director is then directed to decontrol the surrounding area to a certain extent; it is a matter of reasonableness in order to prevent discrimination, because if you decontrolled a certain area of the city but left the remainder of the city controlled you might have discrimination that would not be equitable.

Mr. FULTON. I think the position of the gentleman from Georgia [Mr. WHEELER] and mine is that there should be the right within the particular municipality or local subdivision to decide what portion of that subdivision shall be under rent control or shall be released, not that the local municipality must act as an open or shut matter so that the whole municipality is under rent control or the whole municipality released from rent control.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WHEELER. I think this amendment would place in the hands of the local authorities that determination.

Mr. FULTON. I thank the gentleman very much.

I come from a large industrial, residential and farm area, parts of which want rent control and need it, and the other parts and subdivisions and municipalities do not want it and do not need it. Some of the communities in my district have been released from rent control.

I shall be glad to support the Wheeler amendment because it will give to the local communities this right to determine whether they locally have an emergency, and the decision should be in local hands. If the communities do not have an emergency, then through their elected officials they can say there is no such emergency and they do not want rent control. As a matter of fact we in Congress on all these emergency regulation and control acts should be looking toward the time when the controls come off, and work toward that end. A free economy works best. Because we have been operating and governed on emergency after emergency and control after control, some New Deal people in the Government use this as a method to stay in power and keep controls on indefinitely. We in Congress must work toward a free economy and the relaxing of controls as soon as the emergency condi-

tions lessen. Otherwise the American people face a permanent controlled economy. Rather than have rent control entirely under the Federal Government, I think it is one step toward decentralization in requiring affirmative action by the local community to decide whether under the Federal act they have such an emergency that their individual community requires rent control. In that part of the community where rent control is needed, it will be continued and where it is not needed it will be released by the local community officials.

Mrs. KELLY of New York. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mrs. KELLY of New York. My question is: Have these local bodies the authority in all cases to act affirmatively?

Mr. FULTON. I believe that the action will be by resolution or by ordinance of the local authority. That then will be the method by which it is determined whether the conditions of this national act have been complied with in each case.

It is not a case, I believe, as the gentleman from Illinois has been trying to argue, that the local authorities take an action under the State law or constitution. That does not have any bearing whatever, as the local community by its action is simply meeting the conditions or requirements of the Federal statute.

Mr. YATES. I did not say that.

Mr. Chairman, will the gentleman yield for a correction?

Mr. FULTON. I yield.

Mr. YATES. I did not say that the local authorities should take any unconstitutional action. I stated that the Supreme Court of Illinois had declared unconstitutional the effort of the city of Chicago to provide rent control, because the city had not been delegated such authority by the State Legislature. Under this amendment, there might be the question again whether the city can vote controls without specific legislative grant of authority.

Mr. FULTON. Under the Federal statute the local municipal authority is given the right to say whether or not they want rent control. Once the municipality complies with that statute or the regulations under it, the action becomes effective regardless of State law. That is the deciding factor.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

Mr. McDONOUGH. Mr. Chairman, reserving the right to object, does this have any effect on section 202?

The CHAIRMAN. It does not; the request applies only to the pending amendment and amendments thereto.

Mr. McDONOUGH. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES. Mr. Chairman, there has been some effort to confuse what the basic issues are here, particularly as between the Wheeler amendment and the Williams amendment. The fundamental issue raised by the Williams amendment is the question, Who is going to assume the responsibility for control in an area where control may be found to be needed? The Williams amendment simply says that if controls are needed in areas other than defense-impacted areas, then it is the local responsibility, they should set up their own rent-control offices and their own rent-control plan, that the Federal Government should not be forced into the responsibility of furnishing that service. If they need it, fine. We do not say they cannot have it. All we say is, you do it yourself in your own way and in your own manner. It seems to me that is the American way of doing it. In my judgment, the Williams amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, as I understand the two pending amendments or at least one of them practically leaves the question of rent control in the hands of the local people. I cannot see any objection to that.

It is my purpose in taking this time to say to the gentleman from Illinois [Mr. YATES] who pointed out the critical rent situation in the city of Chicago that the city of Chicago has had rent control for 10 years. Does he propose to continue that same policy in the hope that he will obtain a solution of that problem in that city by continuing rent control as it is now?

Mr. YATES. In answer to the gentleman's question, I would say I do not like controls any more than the gentleman does, but where you have a monopolistic housing market as you do in many large cities today, where there is a housing shortage which does not permit freedom or opportunity to find a place to live at a reasonable rental, if rents are increased beyond the ability of consumers to pay, then I certainly believe rent controls should be retained.

Mr. DONDERO. There will be no houses built for rent by private owners or private investment as long as rent control hangs over the heads of the investors. That has caused the shortage of houses in this country. It is also true in other countries.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SITTLER].

Mr. SITTLER. Mr. Chairman, may I say that the gentleman from Wisconsin [Mr. BYRNES] has expressed my own thoughts very clearly on this matter. In addition, as I understand it, the estimate is that the amendment of the gentleman from Georgia [Mr. WHEELER] or the gentleman from Mississippi [Mr. WILLIAMS] would save about \$10,000,000 of administrative cost in the Division of Rent Control of OPA.

Mr. Chairman, if there is anything that should be subject to local option

It is the matter of rent. On the basis of personal experience, as a former municipal official, I can testify that I was much better qualified to pass upon the need of my community of Uniontown for rent control, housing, or most anything else than was the then Member of this House who had the responsibility of representing our whole district, which contains several cities comparable to Uniontown and which are far removed from Washington.

To the gentleman from Illinois [Mr. YATES] may I say that the Legislature of the State of Illinois should provide relief for the city of Chicago by passing legislation to meet its needs. If relief for the city of Chicago is not to be found in the State capital of Illinois then State lines should not, in effect, be abolished by having every city go to the Federal Government for relief.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SITTLER. I yield to the gentleman from Illinois.

Mr. YATES. May I say to the gentleman that he has argued favorably, and I agree with him, in favor of local option. You have that option under the present law because a municipality can take itself out from under rent control if it so desires.

Mr. SITTLER. I thank the gentleman for his agreement. I support the amendment of the gentleman from Georgia [Mr. WHEELER] because I would put the force of inertia on the side of decontrol rather than on the side of controls. I have faith in the good judgment of the average city council and in its responsiveness to the local electorate. If the people of any city outside a critical defense area want rent controls they can get them through the action of their local officials.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I rise at this time in opposition to both amendments, because I represent, perhaps, the biggest bloc of low-income working people in the State of Minnesota. I have five wards that come in the category of low-income groups. Now I have watched this rent-control situation very carefully for a number of years, both as a member of our State legislature and serving on one of our municipal boards. Somebody asked a question a minute ago as to who puts the pressure on to kill rent controls. I do not think that question need be asked. We know it here in Washington. One of the strongest lobbies in Washington and one of the strongest in my State is the real estate board. I witnessed a mass meeting in the city of Minneapolis that was called for the purpose of determining rent-control policy. Our State has a stand-by rent-control act. The result was that the city council of the city of Minneapolis listened and took the recommendation of about 40 members of the real estate board, but when the opponents were heard there were over a thousand of them there protesting against the proposed decontrol legislation. This is a typical example of the power of organized power.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I think it is a good idea to let local people handle things as much as it is possible for them to do so. However, if Members on the left side of the aisle want fairly to get rid of rent control, I suggest they can do it in one very effective way; do not be so pinch-penny in the amount of money you allow every year for public housing for low-income families. Like housing our defense contracts are awarded on a Federal, not on a regional basis; when you make everything equal, either local or regional, and not just rent, you can handle rent-lifting more equitably than the amendments allow. We could use many times more housing units in our area, before rents can be fairly decontrolled. We are not declared a war-impact area; we do not get war contracts; we are between New York and Pennsylvania; we are out in the cold. If you want to get rid of rent control fairly on a Federal basis, one way is to step up your allocation of low-income dwelling units. Both amendments should be defeated. The supply of low-income dwelling units does not equal by any means our needs.

(Mr. IRVING asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. IRVING addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BROOKS. Mr. Chairman, I favor the Wheeler amendment. It carries out the principle of States' rights for which I have always fought and worked. It gives the decision to local authorities in reference to the continuation of rent controls. In the final analysis I believe local government in a general sense is the best government and this amendment certainly does decentralize the operations of rent control.

I think this amendment is a good amendment and should receive an overwhelming vote from the House of Representatives.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, the Committee on Banking and Currency considered at length and heard from various witnesses on the necessity for the extension of rent control. We reported a bill that extends it for 1 year. It would certainly be inadvisable to extend it for just a few days when the people who are renters would have no opportunity to get sufficient notice of the conclusion of rent control. The great argument that was made for the present Rent Control Act was that it gave the local people the authority to manage their own affairs, based on the principle of local self-government. They can now do away with rent control at any time they desire. It seems to me that that system is far preferable than for the United States Government to tell each section of the country whether they want control or not, that on September 30 of this year it will be ended.

Mr. Chairman, I ask that the amendment and the amendment thereto be defeated.

Mr. BARRETT. Mr. Chairman, the amendment to the Defense Production Act which would decontrol all localities except those which have been designated as critical defense housing areas should be defeated.

On the face of it—but only on the surface—this amendment sounds reasonable and logical. Any closer examination of the facts will reveal it for the trick and the sham that it is. This amendment purports to remove rent controls except from those areas which have been designated as critical. Any one of us might logically ask why rent controls should exist in any area unless the housing shortage is critical. To this there is only one answer. Rent controls should not exist unless there is a critical housing shortage in the area under control. However, the proponents of this amendment are fully aware that the critical is the technical and limited sense that is defined in Public Law 96.

Let us examine the facts as to what constitutes a critical area under Public Law 96.

The law specifically restricts certification as critical defense housing areas to those localities which meet all three of the following criteria: first, a new defense plant or installation has been or is to be provided, or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded; second, substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation; and third, a substantial shortage of housing required for such defense workers or military personnel exists or impends which has resulted or threatens to result in excessive rent increases and which impedes or threatens to impede the activities of such defense plant or installation.

The proponents of this amendment know that under these complex restrictions that only 109 areas, containing some 550,000 rental housing units and a total population of around 8,000,000 persons, have been designated as critical.

They also realize that the majority of our industrial cities such as Chicago, Philadelphia, Cleveland, Boston, Pittsburgh, St. Louis, and San Francisco would be decontrolled because of this amendment—simply because they could not meet one of the technical definitions of the word "critical" as it appears in Public Law 96. These cities are all highly important defense production centers, they simply cannot meet one condition proposed for critical designations, they have not had a substantial in-migration of labor. They have a critical housing shortage—they have new and expanded defense plants—but they also have a nearly adequate local labor market.

The fact that these cities do not need any great in-migration of labor has nothing to do with whether the rents will skyrocket if controls are lifted in these great industrial cities. The plain fact is that these cities are of vital importance to the defense effort and the suspension of rent controls on these cities

could only result in hampering defense production and adding another push to inflation and defense costs.

Nearly half of cities in the United States having more than 100,000 population now have rent stabilization of the "noncritical" type. More than 53,000,000 people live in communities which could be decontrolled by this proposal. For renters in these communities we would be tampering with the second most important component in their cost of living—their rent.

Even more important to me and to all believers in local self-determination, for the past several years the local people in all of these cities under noncritical rent stabilization have had the legal right to end rent stabilization for themselves through their local governing bodies. Are we to sit here in this Chamber and say that we in our wisdom know better than the local governing bodies of each of these communities that rent control is no longer needed in their city?

If the Federal rent control is onerous or unnecessary in these cities, the local governing body can abolish it through the simple process of passing a resolution to that effect after holding a hearing.

When a person examines the facts on the proposed amendment—he can only conclude that not only is it unwise but, also, it is an aid to inflation and a detriment to defense production. To an even greater extent it is an unnecessary amendment which attempts to make the judgment of the Congress superior to the judgment of local people who know the local situation.

I am attaching a list of cities in the United States now under rent control which would automatically be decontrolled if this amendment were adopted:

Cities with 1950 population in excess of 10,000, which are subject to rent control but are not located in critical defense housing areas as of May 29, 1952

(City and 1950 population)

ARKANSAS	
El Dorado	23,047
CALIFORNIA	
San Francisco	775,357
Richmond	99,545
Vallejo	26,038
Merced	15,278
San Pablo	14,476
San Lorenzo	14,000
Chico	12,272
COLORADO	
Denver	415,786
Pueblo	63,685
Boulder	19,916
Lakewood	15,000
Wheat Ridge	10,000
CONNECTICUT	
New Haven	164,443
Bridgeport	158,709
Waterbury	104,477
Stamford	74,293
New Britain	73,726
Norwalk	49,458
Bristol	35,873
West Haven	31,876
New London	30,367
Lovington	27,770
Norwich	23,382
Greenwich	23,000
Danbury	22,424
Hamden	21,623

Ansonia	18,711
Naugatuck	17,463
Willimantic	13,565
Shelton	12,384
Thompsonville	11,000
Derby	10,264

DELAWARE	
Wilmington	110,356

FLORIDA	
Panama City	26,248

GEORGIA	
Atlanta	331,314
Macon	70,252
Albany	30,967
Rome	29,617
Athens	28,102
Americus	11,367

ILLINOIS	
Chicago	3,620,962
Peoria	111,856
Springfield	81,628
Evanston	73,641
Cicero	67,544
Oak Park Village	63,529
Aurora	50,576
Quincy	41,402
Waukegan	39,099
Danville	37,892
Bloomington	34,048
Belleville	32,701
Alton	32,176
Galesburg	31,357
Granite City	29,139
Maywood	27,409
Freeport	22,425
Pekin	21,912
Elmwood Park	18,771
Ottawa	16,951
Highland Park	16,767
Streator	16,442
Brookfield	15,484
Forest Park	14,946
Skokie	14,821
Lincoln	14,344
Melrose Park	13,709
LaSalle	12,023
Collinsville	11,907
Downers Grove	11,868
De Kalb	11,567
Dixon	11,532
Carbondale	10,911
Macomb	10,586
Evergreen Park	10,515
Wood River	10,217
Marion	10,130

INDIANA	
Gary	133,911
Evansville	128,636
South Bend	115,911
Terre Haute	64,214
Elkhart	35,556
Mishawaka	32,878
Michigan City	28,379
Logansport	20,933
La Porte	17,280
Goshen	12,977
Valparaiso	11,966

IOWA	
Des Moines	177,865
Sioux City	83,991
Cedar Rapids	72,296
Dubuque	49,528
Burlington	30,639
Iowa City	27,018
Port Dodge	25,025
Keokuk	16,076

KANSAS	
Garden City	10,893

KENTUCKY	
Louisville	369,129
Lexington	55,534
Owensboro	33,983
Hopkinsville	12,531
Frankfort	11,949
St. Matthews	10,000

LOUISIANA	
New Orleans	570,445
Shreveport	127,206
Lake Charles	41,202
Bossier City	15,368
Gretna	13,848

MAINE	
Portland	77,634
Lewiston	41,142
Bangor	31,473
South Portland	21,732
Auburn	23,078
Westbrook	12,280

MARYLAND	
Baltimore	949,708
Silver Spring	44,294
Cumberland	37,652
Hagerstown	36,232
Bethesda	29,756
Frederick	18,092
Middle River	17,442
Catonsville	16,018
Dundalk (district 12)	15,436
Annapolis	15,016
Towson	14,778
District 13	13,366
Takoma Park	13,301
Hyattsville	12,288
College Park	11,137
Mount Rainier	10,978
Cambridge	10,366

MASSACHUSETTS	
Boston	801,444
Worcester	203,486
Springfield	162,399
Cambridge	120,740
Fall River	111,963
New Bedford	109,189
Somerville	102,351
Lynn	99,738
Lowell	97,249
Quincy	83,835
Newton	81,994
Lawrence	80,526
Medford	66,113
Brockton	62,860
Malden	59,804
Holyoke	54,661
Pittsfield	53,348
Chicopee	48,939
Haverhill	47,213
Waltham	47,198
Everett	45,789
Arlington	43,984
Fitchburg	42,671
Salem	41,842
Taunton	40,056
Chelsea	39,038
Watertown	37,339
Revere	36,663
Weymouth	32,695
Northampton	28,998
Beverly	28,855
Framingham	27,845
Belmont	27,379
Melrose	26,919
Gloucester	25,048
Metheun	24,411
Leominster	24,084
Attleboro	23,665
Braintree	23,130
Peabody	22,647
Milton	22,395
North Adams	21,475
Westfield	20,961
Wellesley	20,847
West Springfield	20,398
Woburn	20,269
Natick	19,663
Wakefield	19,600
Gardner	19,617
Winthrop	19,494
Dedham	18,499
Southbridge	17,511
Greenfield	17,237
Saugus	17,146
Lexington	17,098

Norwood	16,693
Needham	16,262
Marlboro	15,741
Danvers	15,702
Winchester	15,567
Milford	15,405
Newburyport	14,073
Reading	13,879
Marblehead	13,711
Plymouth	13,652
Webster	13,215
Stoneham	13,208
Fairhaven	12,811
Clinton	12,295
Andover	12,261
North Attleboro	12,119
Adams	12,027
Athol	11,540
Swampscott	11,535
Stoughton	11,139
Dartmouth	11,120
Amherst	10,850
Amesbury	10,810
Easthampton	10,694
Hingham	10,674
Barnstable	10,397
Northbridge	10,328
Middleboro	10,139
South Hadley	10,122
Randolph	10,007

MICHIGAN

Detroit	1,849,568
Dearborn	94,994
Kalamazoo	57,704
Bay City	52,523
Highland Park	46,155
Hamtramck	43,245
Wyandotte	36,666
Monroe	21,275
River Rouge	20,366
St. Clair Shores	19,785
Benton Harbor	18,612
Ecorse	17,457
Livonia	17,413
Van Dyke	17,000
Midland	14,202
Niles	13,117
Albion	10,395
St. Joseph	10,123

MINNESOTA

Minneapolis	521,718
St. Paul	311,349
Duluth	104,511
Rochester	29,634
St. Cloud	28,375
Austin	23,035
St. Louis Park	22,495
Mankato	18,785
Richfield	17,415
Hibbing	16,212
Faribault	16,012
South St. Paul	15,996
Moorhead	14,798
Albert Lea	13,488
Brainerd	12,558
Virginia	12,332
Robbinsdale	11,239
Owatonna	10,149

MISSOURI

St. Louis	856,796
Kansas City	456,622
St. Joseph	78,588
Springfield	66,731
University City	39,595
Independence	36,832
Jefferson City	24,990
Cape Girardeau	21,539
Webster Groves	23,289
Kirkwood	18,587
Clayton	15,925
Jennings	15,236
Fairmount	15,000
Richmond Heights	14,827
St. Charles	14,307
Maplewood	13,238
Gravois	12,000
Ferguson	11,527
Overland	11,463
Luxemburg	10,686

MONTANA

Missoula	22,320
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NEW HAMPSHIRE

Manchester	82,732
Nashua	34,666
Berlin	16,545

NEW JERSEY

Newark	438,776
Jersey City	299,017
Paterson	139,336
Trenton	128,009
Camden	124,555
Elizabeth	112,817
East Orange	79,340
Bayonne	77,203
Clifton	64,511
Atlantic City	61,657
Irvington	59,201
Passaic	57,702
Union City	55,537
Hoboken	50,676
Bloomfield	49,313
Montclair	43,775
Plainfield	42,212
Perth Amboy	41,291
Kearny	39,828
New Brunswick	38,768
Orange	38,413
West New York	37,754
Belleville	32,059
Linden	30,434
Hackensack	29,207
West Orange	28,624
Garfield	27,605
Nutley	26,746
Fair Lawn	23,865
Englewood	23,092
Long Branch	23,049
Westfield	21,335
Rahway	21,287
Phillipsburg	18,909
Summit	17,890
Roselle	17,646
Bergenfield	17,611
Rutherford	17,394
Cliffside Park	17,123
Morristown	17,078
Asbury Park	17,035
Millville	16,116
N. Arlington	15,977
East Paterson	15,391
Lodi	15,384
Collingswood	15,255
South Orange	15,175
Hawthorne	14,828
Gloucester	13,692
Harrison	13,535
Dumont	13,030
Carteret	13,003
North Plainfield	12,760
Red Bank	12,710
Princeton	12,160
Pleasantville	12,032
Ridgefield Park	12,001
Fort Lee	11,611
Somerville	11,566
Roselle Park	11,521
South River	11,323

NEW MEXICO

Albuquerque	96,815
Roswell	25,572
Santa Fe	25,547
Clovis	17,168

NORTH CAROLINA

Durham	71,311
Raleigh	65,679
Rocky Mount	27,644
Wilson	22,964
Salisbury	19,999
Lexington	13,562
Elizabeth City	12,682
Thomasville	11,126

NORTH DAKOTA

Fargo	37,981
Grand Forks	26,617
Minot	21,924
Bismarck	18,544
Jamestown	10,601

OHIO

Cleveland	914,808
Cincinnati	503,998
Columbus	375,901
Toledo	303,616
Akron	274,605
Dayton	243,872
Youngstown	168,330
Canton	116,912
Springfield	78,508
Cleveland Heights	59,141
Hamilton	57,951
Lorain	51,202
Lima	50,246
Warren	49,674
Mansfield	43,363
Euclid	41,447
Zanesville	40,484
East Cleveland	39,875
Portsmouth	36,663
Norwood	34,626
Newark	34,178
Marion	33,786
Middletown	33,634
Elyria	30,197
Sandusky	29,060
Parma	28,852
Barberton	27,893
Alliance	26,112
Garfield Heights	21,606
Chillicothe	20,121
Niles	16,733
Maple Heights	15,556
South Euclid	15,416
New Philadelphia	12,966
Xenia	12,871
Campbell	12,830
Bexley	12,235
Bowling Green	11,972
Struthers	11,905
Delaware	11,783
Sidney	11,413
Rocky River	11,086
Washington Court House	10,457
Conneaut	10,073
Girard	10,068

OKLAHOMA

Ardmore	17,831
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PENNSYLVANIA

Philadelphia	2,071,605
Pittsburgh	676,806
Erie	130,803
Scranton	125,536
Reading	109,320
Allentown	106,756
Harrisburg	89,544
Altoona	77,177
Wilkes-Barre	76,826
Bethlehem	66,340
Chester	66,039
Lancaster	63,774
Johnstown	63,232
York	59,953
McKeesport	51,502
New Castle	48,563
Williamsport	44,964
Norristown	38,193
Hazleton	35,486
Easton	34,410
Sharon	26,305
Aliquippa	26,067
Washington	25,898
New Kensington	25,226
Pottsville	23,642
Butler	23,511
Pottstown	22,616
Kingston	21,061
Uniontown	20,432
Dunmore	20,302
Nanticoke	20,140
Clairton	19,418
Meadville	18,906
Monessen	17,929
West Mifflin	17,929
Duquesne	17,612
Greensburg	17,237
Chambersburg	17,205
State College	17,142
Shamokin	16,884

Braddock	16,518
Swissvale	16,467
Munhall	16,422
Ambridge	16,415
McKees Rock	16,278
Carbondale	16,235
Carlisle	16,232
Jeannette	16,179
Shenandoah	15,792
Sunbury	15,600
West Chester	15,109
Pittston	14,992
Warren	14,747
North Braddock	14,724
Hanover	16,439
Coatesville	13,839
Farrell	13,877
Connellsville	13,302
Darby	13,188
Plymouth	13,026
Phoenixville	12,913
Ellwood City	12,898
Darmon	12,731
Steelton	12,564
Turtle Creek	12,347
Brentwood	12,312
Carnegie	12,154
Lansdowne	12,140
Columbia	11,962
Latrobe	11,952
Donora	11,831
South Hills	11,750
Bellevue	11,573
Tamaqua	11,491
Lock Haven	11,325
Yeadon	11,322
Mahanoy City	10,930
Conshohocken	10,909
Springfield	10,500
Coraopolis	10,491
Waynesboro	10,321
Arnold	10,271
Homestead	10,031

RHODE ISLAND

Providence	248,674
Pawtucket	81,436
Cranston	55,060
Woonsocket	50,211
Warwick	43,027
East Providence	35,791
Central Falls	23,610
North Providence	13,798
Cumberland	12,825
Johnston	12,735
Westerly	12,354
Bristol	12,311
Lincoln	11,020

SOUTH CAROLINA

North Charleston	20,000
St. Andrews	15,000

SOUTH DAKOTA

Sioux Falls	52,696
Aberdeen	20,976
Huron	12,713

TENNESSEE

Memphis	396,000
Nashville	174,307
Oak Ridge	30,236
Columbia	10,921

VERMONT

Burlington	33,039
Rutland	17,647
Barre	10,866

WASHINGTON

Seattle	467,591
Everett	33,807
Walla Walla	24,071
Lake City	23,000
Riverton Heights	20,000
Renton	16,039

WEST VIRGINIA

Huntington	86,353
Charleston	73,501
Wheeling	58,891
Clarksburg	31,817
Parkersburg	29,510
Fairmont	29,273
Morgantown	25,446

Weirton	24,143
Bluefield	21,341
South Charleston	16,627
Moundsville	14,759

WYOMING

Cheyenne	31,807
Casper	23,557
Laramie	15,497

PUERTO RICO

San Juan	169,247
Ponce	65,182
Mayaguez	50,376
Caguas	24,377
Arecibo	22,134
Rio Piedras	19,935
Guayania	16,913
Bayamon	14,596
Aguadilla	13,468

Mr. EBERHARTER. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. EBERHARTER moves that the Committee do now rise and report the bill (H. R. 8210) back to the House with the recommendation that the enacting clause be stricken out.

Mr. EBERHARTER. Mr. Chairman, I present this motion in all seriousness.

Mr. Chairman, the Committee on Banking and Currency, after extensive hearings and extensive consideration reported out a bill which purported and did to some extent control prices, wages, and rents. This House in Committee of the Whole saw fit to tear that bill, as reported out, to pieces, so that now we have before us and will have before us nothing but a skeleton without any meat on whatsoever; just a naked title to the bill.

When this committee adopted the so-called Talle amendment, it wiped out absolutely all controls as far as the housewife is concerned and also absolutely so far as all consumers are concerned. This was fortified by the amendment presented by the gentleman from Virginia, Mr. Harrison, which decontrols vegetables and fruits, including fresh vegetables and all canned fruits and vegetables, such as tomatoes and corn, and peas, and peaches, pears, in fact, practically all food it is possible to put in a can. Where does that leave the housewife, the consumer? There will be no controls whatsoever on food.

Then we have the Sadlak amendment, which will deny to the United States of America, in favor of the financially well heeled industrial corporations, the critical and strategic materials the Government of the United States and its allies need for the defense of the free world.

Then the Lucas amendment hobbles a new Wage Stabilization Board so that it cannot pass upon fringe benefits, which are in many instances more important than the mere matter of wages and hours.

We have nothing left but a fiction here, Mr. Chairman. Why should we go through the agony of voting now after going through the agony of several days of passing upon amendments to this bill? The agony we have gone through is nothing whatsoever in comparison with the agony the Administrator of this act will go through.

I call your attention also, Mr. Chairman, to the fact that every businessman

will suffer agonies in trying to interpret this measure and to obey the law as it will be. And what will the consumer go through, agonizing from day to day and week to week and month to month? We will also be passing upon something that will cause chaos in the labor market, in the business market, and in the financial market and cripple our efforts for defense.

So, Mr. Chairman, I hope the Committee in its wisdom will see fit to refer this bill back to the committee with the recommendation that the enacting clause be stricken out. Then if we want to pass upon a true price and wage control bill let the committee on Banking and Currency report out a bill, which will meet the present conditions, and let us not go through the motions of passing nothing but a title, and attempt to fool the American people by saying that we passed price controls or wage controls. Vote one way or another, but do not try to sell this skeleton to the American public and the defense officials; do not say to the whole world that we here are in favor of inflation, and that we are not going to accept our responsibilities and take the lead in defending the free world. Are we playing the game just as Mr. Stalin predicted years ago when he said the United States would collapse economically and then the Soviet Union could take over not only all of these small nations in Europe and Asia, but later on gobble up the South American countries and finally the United States of America.

I hope my motion to strike out the enacting clause is adopted.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Illinois.

Mr. YATES. The amendments proposed by the gentleman from Georgia and the gentleman from Mississippi will kill rent control.

Mr. EBERHARTER. The bill will, with the Wheeler amendment will kill rent control, so that we will have nothing whatsoever except the naked bones of a control act. That is all. So I think we ought to send it back to the Committee on Banking and Currency.

Mr. YATES. On June 8, 1952, the Washington Post contained an article in which there was a statement by the president of the National Association of Real Estate Boards that higher production costs will drive the prices of new houses up during the coming months; yet we propose to take rent control off by this amendment.

Mr. EBERHARTER. I hope my motion will be adopted. If it is not adopted, well, I can truly say that I have tried to present the facts so that the people of the country are not fooled. They will see what the House has been doing here and can be guided accordingly when it comes to expressing their will in the future.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, I do not think any of my colleagues will believe that I am satisfied with this bill. I think it has been

emasculated. I think it has been weakened, but I think it would be a great error to agree to the motion of the gentleman who has just preceded me. We have not yet ceased to consider this bill. We are going back into the House. We may have votes on some questions, the result of which may correct the errors we have made. It would certainly be a great mistake, because the bill has been weakened, to recommit it to the Committee on Banking and Currency. As much as I would like to see a better bill enacted, I do not know that we will succeed in doing any better if you recommit it than we have done. I would hate to see it come back to that committee. We will have no time to consider it. The sands are fast running out. It would be a tragedy if you do not maintain some semblance of price control and wage control. I am hopeful that the Members, after they have slept on the matter and after they have had time to consider it, will rectify some of the errors they have made. You are soon going to have an opportunity to do that. This would mean that the bill, after all the consideration that has been given to it, is now going to be cast aside without consideration. Certainly that is not admissible. If you want to offer a motion to recommit, do so after we have had every opportunity to correct the bill, and then let the House pass upon it. But to do it now would put the Committee on Banking and Currency in a position in which they could not render any service, and it would cause the death not only of price control and wage control but of allocations and priorities which are so essential to the conduct of our defense effort. Certainly you do not want to do that. I ask that you vote this motion down.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania [Mr. EBERHARTER].

The question was taken; and on a division (demanded by Mr. EBERHARTER) there were—ayes 42, noes 132.

So the motion was rejected.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent to extend my remarks prior to the Eberharter amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Mississippi [Mr. WILLIAMS] to the amendment offered by the gentleman from Georgia [Mr. WHEELER].

The question was taken; and on a division (demanded by Mr. WILLIAMS of Mississippi) there were—ayes 69, noes 119.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia [Mr. WHEELER].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 125, noes 103.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHEELER and Mr. PATMAN.

The Committee divided; and the tellers reported that there were—ayes 144, noes, 113.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the bill be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

(The balance of the bill reads as follows:)

SEC. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new subsection:

"(p) Consistent with the other provisions of this Act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget."

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto conclude at 2:30.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, how many amendments are at the desk?

The CHAIRMAN. The Chair is advised that there are now 5 amendments at the desk.

Mr. WOLCOTT. Why does not the gentleman make it 2:45?

Mr. SPENCE. Mr. Chairman, I modify my request and ask unanimous consent that all debate on the bill and all amendments thereto conclude not later than 2:45.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment to H. R. 8210 offered by Mr. McDONOUGH: Page 12, after line 5, insert the following new subsection:

"(c) Subsection (1) of section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new sentences: 'If any locality which has been decontrolled as a result of action by its local governing body under paragraph (3) of subsection (j) of this section is included in an area certified under this subsection as a critical defense housing area, the President shall promptly notify the local governing body of that fact, and shall not establish any maximum rent for any housing accommodation in the locality until 60 days have elapsed after the date on which such notice is given. If, within such 60-day period, the local governing body adopts a resolution in accordance with applicable local law and based upon a finding by it reached as the result of a public hearing held after 10 days' notice, that any of the conditions listed in paragraphs (1), (2), and (3) of this subsection does not exist in the locality, the certification involved shall have no effect with respect to the locality for the purposes of this subsection and subsection (m) of this section. The preceding two sentences shall not apply with respect to any housing

accommodation occupied by, or by the family of a member of the Armed Forces who is stationed at an Armed Forces installation in or adjacent to the locality, or with respect to any certification made before the date of enactment of the Defense Production Act amendments of 1952.'

(Mr. YATES asked and was given permission to revise and extend the remarks he previously made.)

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Georgia.

Mr. WHEELER. Mr. Chairman, I understand from the reading of the amendment the gentleman has offered that it is the same amendment I have at the desk. I shall support the gentleman's amendment and hope it will be adopted by the Committee.

(Mr. WHEELER asked and was given permission to revise and extend his remarks.)

Mr. McDONOUGH. Mr. Chairman, I hope the Members are not confused insofar as these rent-control amendments are concerned. I will attempt to describe the difference between my amendment and the Wheeler amendment which the Committee has just adopted.

The Wheeler amendment provides that if an area is now a critical defense area his amendment will have no effect so far as changing that situation is concerned; that in any area in the United States that is now under rent control, and is not a critical defense area, rent control will cease at a certain date, unless the local governing body invokes rent control under existing law by appropriate legislative action.

Insofar as my amendment is concerned, I say that if a local governing body has decontrolled the area by legislative action, it shall not be recontrolled unless the findings of the Defense Mobilizer and the Secretary of Defense, who must make a survey to determine whether it is a critical defense area, are turned over to the local governing body for review. If the local governing body finds that the conditions exist as the result of a survey made by these two Federal agencies, that they in fact exist, then the local governing body will by affirmative vote agree with the Federal Government that rent control should apply. If, on the other hand, the local governing body finds that the conditions the Federal agency investigating that area determine are not true, and take negative action, the certification of that area as a critical defense area shall have no force and effect.

There are three things that are necessary to determine whether an area is critical or not: If a new plant or installation has been built in the area, and there is a substantial in-migration of defense workers, or military personnel is required to carry out the activities of such plant or installation, and that there is a substantial shortage of housing to house the defense workers or military personnel. All three of these things must be found in any area that is not now a critical defense area before it can be determined to be a critical defense

area and rent control imposed. The essential difference is that if the local governing body has decontrolled rents, my amendment only applies to those areas that have taken such legislative action. I think that this gives to the local governing body a right to review the findings, and it gives recognition on the part of the Congress that the local governing body has some responsibility to this area.

In order to inform you what the attitude of the Rent Control Administrator is, during the hearings I asked Mr. Tighe Woods this question. You will find it on page 322 of the hearings:

Mr. McDONOUGH. What do you think of an amendment providing that after the survey is made, it is presented to the local governing body for review?

Mr. Woods. Actually we have been doing it informally. Such an amendment would not bother me at all.

I do not think it is necessary to go into any more detail on this amendment. I trust that the Members of the Committee fully understand it. It is a further amplification of the question of local governing bodies in relation to rent control, and I urge its adoption.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the national defense of our country is not a local matter; it is a Federal matter. Defense areas are defined by the Secretary of Defense in conjunction with the Defense Mobilizer. To turn over to the local authorities the right to say whether or not rents in a critical defense area shall be controlled, it seems to me, would be very ill-advised. I understand that is just what the gentleman's amendment does. That amendment, my recollection is, was submitted to the committee and was rejected. It certainly would weaken our defense and weaken the measures we take for our own protection if we turn over to each local community the discretion in regard to these matters.

Mr. Chairman, I hope the amendment will be defeated.

Mr. POULSON. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. POULSON. Could the gentleman tell me how it would work, for instance, in Los Angeles? If in one particular section of the city there was an acute shortage, because of the defense program, would it apply to the entire city?

Mr. SPENCE. The local authorities can decontrol now if they want to.

Mr. POULSON. I mean, in a defense area. The city of Los Angeles has decontrolled rents. But, let us assume there was one particular area where there was an acute need because of the defense program, and they would certify that in that particular area there should be rent control. Would that affect the entire city or not?

Mr. SPENCE. No. The critical area is defined by the authorities that are charged with its definition. The critical area would be confined to that part which was designated as a critical area by Government authority. The local authorities have the right to decontrol

as they please the entire city or any part of it.

(Mr. MULTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MULTER. Mr. Chairman, I sincerely believe that the local-option principles of the present rent-control law are desirable and in keeping with our American democratic tradition. However, with equal sincerity and conviction I believe that it would be a great mistake to give the local governing body a veto over the initial introduction of rent control into a critical defense-housing area.

In these critical areas, the Federal Government—not the local government—is responsible for the acute housing situation and the pressure on rents. The Federal Government has established the military installations, and has directed the men who are stationed at these installations. The construction and expansion of defense production plants are the direct effect of defense orders which the Federal Government has placed. For these reasons the Federal Government has a responsibility which it cannot evade, to provide—at least initially—protection to servicemen and defense workers against exorbitant rents.

Actually, in most of these areas, only the Federal Government is able to clearly evaluate the need for rent control at the beginning. This is not because Federal officials are any wiser than local officials, but because only the Federal Government has the full information upon which the decision to certify the locality as a critical area was based. Much of this information must remain classified for security purposes, and cannot be divulged to the general public or to the mayors and members of our elected city councils. In the course of time, the plans which are reflected in this classified information come into actuality, and their actual effect upon the local housing situation becomes clear to the people in the community. If, at this point, it appears that the Federal Government has miscalculated on the effect which the activation of its military installations or the construction of defense plants would have on the housing situation in the community, the governing body of the community will realize the mistake. If it finds that rent control actually is not necessary, it then has ample authority under the present legislation to remove it.

It may be argued that members of the Armed Forces and their families would be protected. Quite the contrary is true because landlords generally would not rent to a member of the Armed Forces and thereby subject their property to rent control when other properties are not under control. If a landlord rents to a soldier he might later be subject to rent control, but if he did not rent to a soldier there is always the possibility that the city council would override any determination by the Secretary of Defense and the Director of Defense Mobilization.

For these reasons, I urge that there be no local veto of the introduction of

rent control in a critical area. I believe the local option decontrol provision in the present law is not only sufficient, but provides a much sounder basis for a local determination. The amendment proposed by the Congressman from California should be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. POULSON].

Mr. POULSON. Mr. Chairman, I rise in behalf of the amendment.

Mr. Chairman, in line with the question of the gentleman from Kentucky [Mr. SPENCE] in which he stated that the military authorities or those who have the power to designate a critical area could take in the whole city of Los Angeles, just because a little section was designated a defense area, it seems to me we certainly should have some method by which the governing body within the city would have the right to decontrol certain portions of the city if they did take the whole city. Assume that because they take one area they say the whole city of Los Angeles is a defense area. Anybody who has been out there knows that would be about as silly and ridiculous a thing as you could do, but we know they do those things.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. POULSON. I yield to the gentleman from New York.

Mr. MULTER. I understood the chairman of our committee to tell the gentleman in answer to his question that that supposition could not happen.

Mr. POULSON. Yes, but the question is how they can define it. It is still within the city. That is his opinion, but I should like to have some protection for the city of Los Angeles.

Mr. MULTER. You have the protection in the law which now gives you the right to decontrol. Los Angeles is decontrolled and has the right to decontrol. You do not need this amendment to continue that right.

Mr. POULSON. Yes, but suppose they declare the whole city a critical area?

The reason I was in support of the motion offered by the gentleman from Pennsylvania [Mr. EBERHARTER] was that I am, naturally, going to vote against the whole bill, but I thought this was just as good a time to finish it up at it would be later one. What I predict right now is that we who are opposed to this type of control, which is not getting any results but merely creates this large bureaucracy, will find this is what will happen. We think we are making headway, but the committee will go into conference and they will be in disagreement up until about the last day or two before the recess or adjournment. Then they will come back in the usual method and say, "We cannot agree, so let us have a continuing resolution." That will leave this Price Control Act, this monstrosity with all its evils, in effect. So I say, let us settle it right now.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, may I ask how many amendments there are on the desk?

The CHAIRMAN. The Chair is informed there are three amendments at the desk. The gentleman from New York [Mr. MULTER], the gentleman from Tennessee [Mr. BAKER], and the gentleman from Ohio [Mr. AYRES], now have amendments at the desk.

Mr. WOLCOTT. May I suggest that in order that the Members offering the amendments may have at least 5 minutes each on their amendments they be recognized for the purpose of offering their amendments. It might complicate the situation, but it will be in lieu of cutting off debate on this amendment or on the amendments as they come up. Would that be agreeable?

The CHAIRMAN. The gentleman knows time has been fixed for debate to close at 2:45. The gentleman might ask unanimous consent that out of the time remaining these three gentleman who have amendments to offer be allotted 5 minutes apiece to explain their amendments.

Mr. WOLCOTT. I make that request, Mr. Chairman.

Mr. YORTY. Reserving the right to object, Mr. Chairman, would that mean they would be recognized now?

The CHAIRMAN. They would not be recognized until the pending amendment is disposed of, but the Chair would retain for them 5 minutes apiece.

Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOKS. Mr. Chairman, I ask unanimous consent to extend my remarks on the Wheeler amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

STATEMENT IN OPPOSITION TO THE AMENDMENT
WHICH WOULD CAUSE DISCRIMINATION AGAINST
SOLDIERS

Mr. YORTY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there probably is not any place in the United States where the battle over rent control has been fought out as it has been in the city of Los Angeles. I certainly do not blame the gentleman from California [Mr. McDONOUGH] for interesting himself in this problem. But I want to call to your attention what you are doing if you vote for this amendment. The last two sentences of this amendment provide that it will not apply to housing occupied by soldiers or their families where the soldier is stationed nearby. Therefore, this amendment should be called the amendment to rent no more houses to soldiers in areas that are not now controlled, but which may be in the future if they become critical defense areas.

Under this amendment if a defense area is declared impacted because of defense activity, and the local body reviews the Federal decision and decides against controls, then control will be applied only to houses occupied by soldiers or their families. What person offering a house for rent in an uncon-

trolled area would rent that house to a soldier from this date forward if we adopt this amendment? I remember when I came home I had a lot of trouble getting into my own house. It is very difficult for soldiers sometimes. This amendment does not even purport to take care of the families of veterans if the veterans are overseas. It only makes provision that control may be placed on housing where a veteran is stationed nearby. I cannot understand the kind of reasoning that puts that sort of wording into an amendment and asks the House of Representatives to vote against the soldiers of this country and against their families by practically barring them from the opportunity to rent houses.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. YORTY. I yield.

Mr. McDONOUGH. Would the gentleman say that the amendment should apply to the armed services, and if the local governing body says that there shall be no rent control there, that the soldiers in that area shall be under rent control? Mr. YORTY, I can see where you are attempting to say that this is discrimination against members of the armed services, which is not my intention. My intention is to protect members of the Armed Forces. The House legislative counsel may have made a mistake in drafting the amendment.

Mr. YORTY. Mr. Chairman, I yielded to the gentleman only for a question. Let me say to the gentleman, I am not making a theoretical argument. I am making a factual, legal argument. I believe the gentleman should again study the last two sentences of his amendment. In my opinion, the legislative counsel has not properly considered the effect of the last part of the amendment as it would apply to members of the armed services. What it does is to say that this amendment does not apply to housing occupied by soldiers if they are stationed nearby, or housing occupied by their families if the soldiers are stationed nearby. If a soldier is in Korea it does not even purport to protect his family. Only if a soldier is stationed at home on duty nearby is he supposed to be protected by this amendment construed in the most favorable way. I say again, and I repeat, and it cannot be refuted, that this is an antisoldier amendment because no person will rent to a soldier in the future if there is a chance that the area might be controlled and applied only to people who rent to soldiers. It would definitely cause discrimination against members of the armed services who desire to rent houses in areas not now under control.

[Mr. JACKSON of California addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of asking the author of this amendment some questions.

Do I understand that this amendment applies in those areas that have heretofore been decontrolled, and thereafter the National Government determines that this is a critical area, and that after the National Government determines it is a critical area you must have the concurrence of the local council in order to make rent controls effective?

Mr. McDONOUGH. That is right.

In other words, the local governing body has to make an affirmative finding that the findings of the Federal Government as they have found them are correct.

Mr. ROGERS of Colorado. You could and would visualize that in some instances in those areas that have been decontrolled and the National Government finds it is a critical area, before rent control can become effective, the local authorities must also enter into the same findings in order to have rent control?

Mr. McDONOUGH. That is right.

Mr. ROGERS of Colorado. I also understand that your amendment goes further and says that it shall not apply to a man in the Armed Forces stationed nearby. Is that correct?

Mr. McDONOUGH. The last two sentences of the amendment read that it shall not apply to housing accommodations occupied by the family of a member of the armed services who is stationed at an armed services installation adjacent to the locality. That has reference to camps in the immediate area.

Mr. ROGERS of Colorado. Then I understand that in order for it to be effective the National Government and the local government must approve it; and if they do approve it, then it shall apply to the Armed Forces.

Mr. McDONOUGH. That is correct. It shall not apply to the Armed Forces and their families.

Mr. ROGERS of Colorado. Shall not apply to the Armed Forces?

Mr. McDONOUGH. That is right. If they say that rent controls shall go into effect, it shall apply to the Armed Forces. If they say it shall not go into effect, it shall not apply to the Armed Forces.

Mr. ROGERS of Colorado. Then if they do not both concur, you have no rent control as it deals with the Armed Forces stationed in that area?

Mr. McDONOUGH. Except whatever control may be under the Government itself on those Army installations.

Mr. ROGERS of Colorado. Of course, in the installation owned by the Government itself they have control of that, but I am talking of areas outside of Government ownership.

Now, if you have a decontrol situation, it has already been decontrolled, in order for your amendment to become effective in critical areas, then who, under your amendment, would administer the terms and conditions of the rent control, and what would it be?

Mr. McDONOUGH. Of course, if the local government determines that the Federal findings are not according to their findings, there is no rent control applied. If they find that they are, then rent control is applied; but if it is ap-

plied, it does not apply to any Army personnel stationed in Army installations in that adjacent locality.

Mr. ROGERS of Colorado. Then the Federal Government Rent Control Office would be in force and effect and would be reestablished, if you had a combination of the National Government in a critical area and the local government concurred in their findings?

Mr. McDONOUGH. That is correct.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. McDONOUGH. Mr. Chairman, I would like to offer a substitute to my own amendment.

The CHAIRMAN. The gentleman may withdraw his amendment and modify it, if he desires to do so.

Mr. McDONOUGH. I withdraw the amendment and will offer another amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: On page 12, following line 5, add another section as follows:

"SEC. — Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof a new subsection as follows:

"(q) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any locality which has previously been decontrolled under this act until a public hearing, after 30 days' notice, has been held in such locality, and the governing body of said locality has by resolution, adopted in accordance with applicable local law, found that the conditions set forth in subsection (1) exist in said locality."

Mr. McDONOUGH. Mr. Chairman, this is the same amendment. I recognized the possibility of misconstruing the last section of the amendment I originally offered insofar as the armed services are concerned.

I have five sons who are veterans of World War II. My oldest son is at present in the Armed Forces and a Korean veteran.

I would never discriminate against or provide any means whereby the members of the armed services and their families would be discriminated against.

The language referring to the Armed Forces and their families was inserted by the House legislative counsel and since it might be misconstrued to be discriminatory I have removed it in my substitute amendment.

This amendment as proposed will merely provide for a review of the findings of the Federal Government and to determine whether those findings are in accordance with the facts and then take affirmative or negative action.

If there is any doubt in the minds of those who had the idea that the last section of my first amendment would discriminate against the armed services, I have by this amendment removed that section and I want the RECORD to show that it was never my intention regard-

less of any remarks to the contrary by my colleague from California [Mr. YORTY]—that there was any desire on my part to discriminate against the members of the armed services and their families, but rather to protect them against decontrol in the immediate area where they may be living in an armed services installation in an area that is not declared critical by the local governing body and consequently would not be under rent control.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

The question was taken; and on a division (demanded by Mr. McDONOUGH) there were—ayes 39, noes 60.

So the amendment was rejected.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER: At page 12 of H. R. 8210, add the following after line 5:

"Sec. 302. The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by section 204 (1) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area to be a critical defense housing area. Any committee so appointed shall consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization. Any Federal agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such committee may request from time to time relevant to its operations."

Mr. MULTER. Mr. Chairman, this merely sets up an advisory committee to help the Director of Defense Mobilization to reach a proper determination in connection with the defense areas. I understand the agencies involved have no objection to it, and at least some of the members of the committee on the other side have indicated that they have no objection to it.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. MULTER].

Mr. Chairman, I might say that my opposition to the amendment is quite qualified. There probably is not very much reason why it should not be agreed to. However, I want to take this time to talk on other matters.

Mr. Chairman, before we close debate on this bill we should bear in mind that there is a school of thought here in the Committee of the Whole that through the exercise of some very smart tactics, which are political in nature, if this bill is made too ineffective according to the standards of certain administrators of the act, then those who have done this will find themselves in very serious political straits come next October and November. Because those statements have been made I think the counter-statement should also be made that it is obviously within the province of the administration, if it sees fit to do so,

to increase prices. This may be done in several ways. It may be done, as Mr. Arnall and Mr. Putnam have tried to do in weeks gone by, by throwing out scarce propaganda which impels the people against the possibility of rising prices to turn their money into commodities. That has been done and prices can be increased in that manner. Also the Commodity Credit Corporation can go on a buying spree and force the price of any commodity up almost as high as it wants to by accumulating in its warehouses huge and unnecessarily large stocks of goods. This is also true of the Defense Department and the other procurement agencies of the Government.

May I say to you that under the present circumstances and in the foreseeable future if prices do rise in the United States it will be because of the deliberate actions taken by the administration to put this House and the Congress in the embarrassing position of not having gone along with it on price control. Do not be frightened. If we cannot take care of ourselves in that situation, then we do not deserve to be here in this Congress. Inflation cannot be stopped by direct price controls alone, but prices can be maintained at a high level by the manipulation of the commodity markets by the agencies of Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The question was taken; and on a division (demanded by Mr. MULTER) there were—ayes 58, noes 22.

So the amendment was agreed to.

Mr. BAKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAKER: On page 12, line 5, after "budget", strike out the period and insert a semicolon and the following: "Provided, however, That the provisions of this subsection shall not apply to housing units under the jurisdiction of the Atomic Energy Commission where Federal rent control is now in effect."

Mr. SPENCE. Mr. Chairman, there is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. BAKER].

The amendment was agreed to.

Mr. AYRES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AYRES: On page 12, after line 5, insert a new section as follows:

"Section — subsection (1) of section 204 of the Housing and Rent Act of 1947 as amended, is amended by striking out paragraphs 1, 2, and 3 and insert in lieu thereof the following paragraph:

"1. A new defense plant or installation has been provided or an existing defense plant or installation has been reactivated or its operations substantially expanded;

"2. Substantial immigration of defense workers of military personnel has occurred to carry out activities at such plant or installation;

"3. Substantial shortage of housing required for such defense workers of military personnel exists which has resulted in excessive rent increases and which impedes activities of such defense plant or installation."

Mr. AYRES. Mr. Chairman, last year Lorain, Ohio, was declared a critical defense-housing area. At the same time they imposed rent control on the area they took in a number of smaller communities, including some rural areas, that had no need for rent control at all.

All my amendment does is to differentiate properly between the conditions for certification as a critical area under the Defense Housing Act, and conditions for certification as critical under the Housing and Rent Act.

At present these conditions are substantially the same, yet the objectives are far apart.

The conditions for certification of a critical defense-housing area under the Defense Housing Act must necessarily look to the future; that a military installation is to be reactivated, a substantial immigration of personnel will be required, and a substantial shortage of housing impends. This is necessary because the object of the Defense Housing Act is to construct housing that would be ready for occupancy at some future date when the area would sustain the impact of increased defense activity.

However, rent control deals with a situation in the present, and therefore the conditions for certification of a critical defense area under the Rent Act should deal in the present.

For example, under the present law the President may impose full Federal rent control in an area which may sustain substantial immigration of defense workers at some future date and which would result in a threat of excessive rent increases. There is no basis whatsoever for providing such broad authority to impose rent control because of a future need. Particularly, is this so when we realize that when an area is certified for rent control, the rents may be rolled back 6 months, a year or all the way back to June 24, 1950.

In effect, the amendment would prevent a premature designation of an area as critical for full Federal rent control, yet would not affect the maximum rent or the roll-back date once the area is certified to meet an actual existing situation.

Mr. Chairman, I trust the committee will adopt the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Kentucky.

Mr. SPENCE. As I understand the amendment it would prevent a critical defense area from being designated until the workers or the soldiers were in that area; is that true?

Mr. AYRES. No, that is not true at all. For instance, in the Lorain situation which was declared a critical defense area, if they do not get the steel strike settled pretty soon there will not be any need for calling it a critical defense area.

Mr. SPENCE. As I understand the amendment, at the time the area would be declared a critical defense area, controls would be placed on housing.

Mr. AYRES. All my amendment does is to separate the two, and say two decisions have to be made and not one.

(Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks just before the debate on title I concluded.)

(Mr. DONDERO asked and was given permission to revise and extend his remarks made earlier in the day.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. AYRES].

The question was taken; and on a division (demanded by Mr. MULTER) there were—ayes 87, noes 61.

So the amendment was agreed to.

(Mr. JUDD asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. JUDD addressed the Committee: His remarks will appear hereafter in the Appendix.]

Mr. ZABLOCKI. Mr. Chairman, it is with deep apprehension that I have watched the action of this House in deliberately and systematically decimating our economic controls. Although I fully realize that certain changes in the present structure and scope of these controls are warranted by the change in economic conditions, I am gravely perturbed by the adoption of the numerous amendments which have crippled this legislation to the point where it is now a mere skeleton of its former self—a skeleton with which the Government is supposed to maintain the economic stability of our Nation.

The argument has been repeatedly advanced while the bill has been under consideration, that the need for economic controls has disappeared. Now, there are two ways, it would appear to me, of looking at this question. On one hand, there are people who feel that controls, with their requirements, are burdensome, and that it would be politically expedient to remove them. It is that kind of thinking that prevailed in Congress in 1946, when all price controls were suddenly removed with the assurance that prices would soon level off and decline. The opposite, however, proved to be the case, and there are very few consumers who will ever forget the hardships of inflationary pressures which were released on the public as a result of hasty congressional action.

The other way of looking at this question consists of judging hard, practical facts, and having some concern for the average wage earner and taxpayer, to whom every increase in prices brings additional hardships. It is from this viewpoint that the advisability of maintaining economic controls should be determined.

Let us look at some plain facts. The Members who voted to cripple economic controls pointed out, for instance, that the general level of prices has leveled off and is relatively stable. This condition prevailed, however, only for a brief period during the early part of the year. The past few months, in contrast, have witnessed a steady and continued increase in the cost of living. The indexes compiled by the Bureau of Labor Statistics show that, since a drop last February, prices have been steadily going up, and are today only one-tenth of 1 per-

cent below the all-time peak reached in January.

The argument was also raised that many goods are presently in plentiful supply, some of them selling below price ceilings. With this assertion I have no quarrel to pick. But if one looks a bit deeper than just the surface, we must come to the realization that our defense program, which largely affects the available supply of goods and their prices, is still increasing in volume. It is estimated that defense expenditures will amount this coming fiscal year to \$60,000,000,000. This tremendous influx of money into our economy cannot pass by without an inflationary effect on the average, day-to-day cost of living.

All these factors, and many others which were brought out during the debate, point to the fact that the economic state of the Nation is not as yet stable, and can be very easily thrown out of balance to the detriment of the consumers and the Nation as a whole.

It should also be remembered that the abolition of a large part of the structure of our present economic-stabilization program, envisaged in the present form of the legislation before this House, will preclude the possibility of maintaining a close and accurate check on the economic changes occurring in our Nation, which may require prompt remedial action. In addition, the proposed abolition of the Wage Stabilization Board, which in my opinion should remain tripartite in nature, constitutes but another attempt to cripple or invalidate the presently set up stabilization process.

In view of the above-mentioned factors—namely, the continuing increase in the cost of living; the anticipated \$60,000,000,000 outlay for defense during fiscal 1953; and the lack of adequate evidence of economic stability—it would appear to me that the crippling of economic controls, so as to make them completely ineffectual, is unwise at the present time; further a failure to provide preventive checks that could be invoked promptly, is foolhardy.

THE NEED FOR CONTINUING PRICE CONTROLS

Mr. RODINO. Mr. Chairman, we, the representatives of the people of the United States, must recognize that it is imperative during this time of emergency to continue price controls as they have been established under the Defense Production Act of 1950, as amended. The threat of inflation and the resultant danger to our national economy and defense effort is as prevalent today as it has been at any time during the past 2 years.

We often hear it said that the Federal Government should cut down expenditures in the interest of economy. But there would be no gain realized by cutting down expenditures if, at the same time, the Members of Congress in one short-sighted moment allowed the evils of inflation to befall our Nation as a result of lifting price controls and if the necessary quantity of goods and services so desperately needed for the defense effort were further reduced by increasing prices.

The facts seem to indicate clearly that price controls have been very effective

in diminishing the fires of inflation, for in the 15 months prior to establishment of price controls in January 1951 the consumers' price index increased by 7.7 percent, and in the short span of 6 months following the outbreak of hostilities in Korea this index increased by 6.6 percent. In the 15 months following establishment of price controls the consumers' price index has increased by only 3.9 percent.

In little more realistic terms, these figures simply mean that the increases in prices in the 15 months prior to the establishment of price controls decreased the value of the dollar in terms of the 1939 purchasing power by 4 cents, and in the 15 months since price controls were instituted the purchasing power of the dollar has decreased by only 2 cents.

Shakespeare once said, "What is past is prologue." Yes, the past is merely an introduction—a beginning—and we should grow as a result of what has happened in the past and should be in a position to face the future more intelligently. The situation that resulted from our unwisely lifting of price controls after the Second World War in the face of similar inflationary pressures should be lesson enough to show us the way for the future.

Mr. Bernard Baruch got to the heart of this whole question of continuing price controls in a single sentence in his letter to Senator BLAIR MOODY, Democrat, of Michigan. "It is a question," wrote Mr. Baruch, "of which is to be put first, the national interest or the special interest." It is our obligation as representatives of the people of the United States to act in their best interest for we and they are the roots from which democracy must draw its life. If we do our share, as Mr. Baruch has said, considering only the national interest and not the special interest, it becomes obvious that price controls should be continued.

In conclusion it must be noted that the removal of price controls at this time would have the following possible effects:

First. Uncontrolled inflation with a resultant decrease in the purchasing power of the dollar because the total demand for goods and services for consumer consumption is greater than their supply.

Second. Inflated dollars would mean that the Government would have to expend more money to get the same quantity of goods and services needed for defense.

Third. The Government's increased spending would have to be financed by larger taxes or increased deficit spending.

Fourth. The lower and middle income groups would be forced to live on a relatively lower level because of higher prices.

Fifth. Fixed income pensions and institutions would be squeezed by the pressure of depreciated purchasing power of their income.

Mr. Chairman, the voices raised most earnestly in behalf of retention of controls and holding the line against each and every special interest comes from no one political party and no one economic level. It is the voice of the

American people demanding a workable and effective Defense Production Act that can successfully do the job for which it has been designed.

It is true that nobody likes to take unpalatable medicines. Yet when the family doctor orders the patient to do so, in order to combat illness or disorder, the patient usually does so. If not, he suffers the consequences.

I think we should view controls in the same light. Nobody likes them. However, as undesirable as controls are, they pose less of a peril to a free economy than does the near confiscation of uncontrolled inflation which can be disastrous or ruinous to our economy. Controls are the necessary medicines with which to combat inflation. All of us are aware of what inflation can do when it is allowed to run rampant through a nation. We have too many examples in history of this terrifying and destructive power. We caught a glimpse of this power after the United States went into war in Korea and prices soared from day to day and from hour to hour.

In this time of emergency the question which is squarely put to us is this: What is to come first, the national interest or the special interest?

If we are to maintain a stabilized economy, one that will not explode in our faces and wreck the whole country at a time of crisis, we must adopt an effective measure of control. That challenge is ours now. In the interest of our people, in the interest of our economy, in the interest of our national security, I shall vote against any and all amendments that will cripple and make ineffective the Defense Production Act which we are now considering.

Mr. KLEIN. Mr. Chairman, I have voted against final passage of this so-called Price and Rent Control Act.

Actually this bill as passed controls neither prices nor rents, and as a matter of fact the only control feature in it is that it controls wages. This seems to me manifestly unfair. In fact it is a fraud on the American people since it gives the impression that it controls prices and rents. With the Talle amendment it decontrols prices on all of the essential commodities. With the Wheeler amendment, leaving up to the local communities the decision as to whether there should be rent control, it in effect provides for no rent controls whatsoever.

While it is true that in the State of New York we have a State rent-control law, when we legislate here we do so for the entire country and not on a sectional basis; and therefore I cannot bring myself to vote for a bill which will really offer no rent controls to the people of the country.

As I pointed out in my remarks yesterday, we are in an emergency period where we need these controls—both price and rent. The cost of living has been going up consistently; yet we take the position here that we do not need any of these controls. It does not require much of a memory to remember what happened when the Emergency Price Control Act, which was in effect

during World War II, was discontinued. In spite of the cries of the business interests that if controls were removed prices would come down, they actually had the opposite effect. Prices have never been as high in the history of our country as they are today; yet here we are making the same mistake again.

I appreciate that many of my colleagues have been undecided as to whether to vote for this bill and take a chance on a better bill coming out of conference, or to take the straightforward action of voting against it. I am certain that if this bill were defeated, a simple extension resolution would be brought in extending the law as it now stands, even though it is quite weak, what with the Capehart and Herlong amendments in it.

The manifest fraud in presenting this bill to the country as a price-control bill is evidenced by the fact that a majority of the unholy coalition, that is the Republicans and Southern Democrats who were instrumental in the passage of all of the emasculating amendments just passed, have voted for this bill on final passage. They evidently want to create the impression that they favor price and rent controls when actually they are guilty of destroying them. I know my constituents would have wanted me to vote against such a fraud; and I trust that when prices and rents do go up, as they inevitably must, the people of this country will know where to assess the blame.

Mr. WALTER. Mr. Chairman, under the permission granted to extend my remarks at this point, I desire to include the following article from the New York Times of yesterday:

STEEL AGREEMENT REACHED, DROPPED—BETHLEHEM AND UNION EFFECT ACCORD WITH MODIFIED UNION SHOP—INDUSTRY REJECTS IT

(By Joseph A. Loftus)

WASHINGTON, June 24.—The Bethlehem Steel Co. and the United Steelworkers of America, CIO, reached an understanding last week that would have ended the steel strike, but the deal was subject to the approval of other major steel companies and they, or a majority of them, refused to go along.

Well-placed industry sources said the understanding covered the two remaining major issues blocking a settlement of the 23-day-old steel strike—the union shop and back pay. They described the union-shop compromise as a modification of the principle that requires all employees to become members of the union within 30 days after their employment begins. Steel union officials declined to comment.

Other aspects of the steel story today were:

A project to reopen certain mills for the production of top priority military material apparently has failed.

The Senate Labor Committee approved two plant-seizure bills but the Democratic policy committee decided not to put them on the calendar for consideration in view of recent Senate rejections of similar proposals.

The understanding between Bethlehem and the union was reached at an informal meeting last Thursday in New York. The Bethlehem officials reported this to a meeting of steel industry leaders on Friday. The industry turned it down. Bethlehem, in accordance with a kind of compact, or gentlemen's agreement, that binds the steel companies, bowed to this decision, and talks with the union were broken off.

The understanding, it was reported, would have given the employees more back pay than the offer made by the companies in Washington 2 weeks ago. The objections of the industry, however, were grounded on the union-shop compromise and not on the back-pay proposal.

The veto strength was exercised largely by United States Steel, Inland, National, and Armco. The last two companies are only partly affected by the strike. Some of their units, which have independent unions or are unorganized, are producing steel.

Republic Steel and Jones & Laughlin stood with the group but they are believed to be more amenable to compromising the union-shop issue than the others are at this time.

Two weeks ago, just before the collapse of bargaining in Washington, Republic was reported to be out in front in the union-shop negotiations, but backed away under pressure from United States Steel, it was said.

Bethlehem was the first to settle with the union 2 years ago. There was some kind of understanding among the steel companies at that time, too, although it was not believed to be as tight as the current compact. Anyhow, the Bethlehem settlement became the industry pattern.

VARIOUS FACTORS IN DEADLOCK

The impasse in the steel negotiations probably cannot be ascribed to any single factor. It is the belief of many informed persons that the large supplies of some types of steel is the major influence in the companies' decision and that when these inventories are reduced a price increase will be more meaningful and bargaining will be conducted on a more realistic basis.

Likewise, as the steelworkers feel the pinch of payless paydays more and more the union becomes more amenable to compromise.

The possibility that President Truman may have to use the Taft-Hartley law against the union to restore production and possibly will invoke it Thursday, also may figure in the industry's calculations to some extent.

Resistance to compulsory unionism on grounds of principle varies in strength among employers generally and this is true within the steel industry. Clarence B. Randall, president of Inland, is probably the most articulate of the steel employers who oppose the union shop on moral grounds. The fact that Inland once made a union-shop agreement in its coal mines is not regarded by Mr. Randall as a refutation or contradiction of his position. He feels that the coal-mine contract was something the company had to take and did not agree to voluntarily.

Other steel employers, while believing that union membership should be held to a voluntary basis, say privately that they probably would conform to the prevailing practice.

When the Washington talks were called off about 2 weeks ago, both sides announced they were willing to produce steel for essential armaments. They appointed committees, which met with defense production officials several times, but so far the Government has not designated a single plant for reopening on an emergency basis.

The project apparently involved so many technical problems, as well as labor-management bargaining problems, that it is not going to yield much if anything. The union concedes that it is reluctant to send some of its members back to work in an area where other members would continue striking.

The industry and the Government, for their part, seem unwilling even to ventilate the problems involved.

The seizure bills, which were pigeonholed almost as fast as they were reported out of

committee today, were sponsored by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, and Senator WAYNE L. MORSE, Republican, of Oregon.

The Humphrey bill was tailored specially for the current steel dispute to provide for just compensation for both sides. It would not permit the Government to impose the union shop. The committee also proposed another bill offered by Senator HUMPHREY providing for the establishment for a labor-management study.

The Morse bill would give the President a flexible set of tools, including seizure and an injunction to use whenever the national security was threatened by a labor-management dispute.

Mr. DOLLINGER. Mr. Chairman, I find it necessary to cast my vote against final passage of the Defense Production Act now before us. Previous to this vote, I have voted against the crippling amendments offered by various Congressmen which have been included in the bill.

In my opinion, the Defense Production Act as it now comes before us, is a spineless, useless measure which betrays the American people and which would undermine our defense program as well as the Nation's economy. I cannot conscientiously vote for it. It is a control bill in name only; it utterly destroys controls and paves the way for skyrocketing prices, profiteering, increased living costs, and terrible hardships for the American people to bear. It protects special interests and those who stand to make huge profits when controls are removed; it is a boon to those who seek unconscionable gains even though it means jeopardizing our freedom.

This so-called control bill makes our people defenseless against those who have now been given the go sign to charge outrageous prices for food and other necessities of life; it throws them to the wolves of greed and selfishness. At the same time the wage freeze is extended so that most people will find it impossible to meet the further increased living costs. Their wages remain the same while costs boom upward. This is a shocking and conscienceless act, and I want no part of it.

The American people looked to Congress for protection and help in these days of spiraling living costs. Furthermore, they expected us to prevent further inflation in order that our Nation's economy would remain safely stabilized. The terrific inflation which is now bound to come will prove disastrous; we will destroy ourselves as surely as any enemy could, for when our economy is dangerously undermined, our Nation stands defeated.

The crippling amendments which have been adopted and which so seriously destroy the effectiveness of this control measure have made this a no-control measure. For these reasons, I am voting against it.

Mr. McKINNON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Time was fixed to conclude debate at 2:45 p. m. There are still 3 minutes remaining. Does the gentleman desire to be recognized for that time?

Mr. McKINNON. I do, Mr. Chairman.

Mr. Chairman, as this debate closes, may I point out that if the House adopts the Talle and Cole amendments, this bill cannot be truthfully called an anti-inflationary bill but a superinflationary act. Time will prove that statement.

I understood the gentleman from Michigan to say a few moments ago that if prices go up in the next few months as the result of this bill—and he must presume they will—it will not be the fault of the House but the fault of the executive agency.

Nothing could be farther from the truth. Take the Tolle amendment, as an example. If this amendment is finally adopted, no item can be price controlled if it is deemed in surplus for the preceding 90 days. Surplus is defined in the amendment as an item not being allocated, or rationed at the retail level.

Now many things today are in surplus, according to that definition but they most assuredly are selling at ceiling prices, and will sell at even higher prices if the Talle amendment is adopted.

Consider the shoes you are now wearing. You bought them at ceiling prices, but they are not in short supply. If we are to maintain ceiling prices, we must ration them—at a burden to the consumer and a cost to the taxpayer. If we do not ration them, the price increases.

On page 12 of the committee hearings is a table which shows that, on March 15, 1952, 50 percent of the items included in the cost-of-living index were at their all-time peak. Eighty-five percent of these items were within 5 percent of their all-time peak. On March 15, this cost-of-living index was at 188 percent of the prewar average but, on May 15, the index had risen further to 189 percent of the prewar average—it was within one-twentieth of 1 percent of its all-time high and I understand that since May 15 it probably has gone to a new high.

On page 14 of the record of the hearings I find that 96 percent of the wholesale prices that are of primary interest to business and to procurement agencies were at the very peak or only very slightly below it during the early part of this year. And, I understand that since then very little change has occurred.

Indeed, price pressure is continuing all the time. On page 1508, I find a list of items two pages long—items on which ceiling price increases have been requested from the Office of Price Stabilization as late as last month. There are 79 items, and they are not small items but many of them are broad categories. They include such a variety of things as steel mill products, glass containers, cotton ginning machinery, dinnerware, automotive repair services, fertilizer, cosmetics, newsprint, beef, pork, canned peas, soft drinks, coal at retail, and heating oil.

I looked through this long list of items for those whose prices might be controlled under the Talle amendment. I can assure you there are less than a dozen of them. There are more than five dozen of those items which, under the Talle amendment, would no be decontrolled—right after ceiling price increases have been requested for them.

Does anyone believe that this five dozen items might not be immediately raised in price the day after the Talle amendment went into effect?

Does anyone believe that when the price spiral had started with these five dozen items it would stop right there? The cost of living, already at an all-time high and on the up trend, would keep rising and rising fast. I need not tell you that the wages of millions of workers now are automatically tied to the cost of living index. They would have to be raised under the Talle amendment—industry's costs would go up—prices would be raised, wages would climb—and we would be right back on the inflationary merry-go-round.

The supporters of the Talle amendment might find it merry—but the American people would not. The American people have suffered enough from inflation. They do not want any more of it. They do not want prices raised by the Talle amendment. They want to see this amendment defeated and this time we should think of the best interest of the American consumer and not the special interest of a few who seek to make more profit.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended, pursuant to House Resolution 696, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on the Talle, Lucas, Smith, Barden, Cole, and Wheeler amendments.

The SPEAKER. Is separate vote demanded on any other amendment?

If not, the Chair will put them en gross.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. TALLE: On page 3, after line 18, insert the following new section:

"Sec. 104. Section 402 (d) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"(5) The ceiling price for any material shall be suspended as long as (1) the material is selling below the ceiling price and has sold below that price for a period of 3 months; or (2) the material is in adequate or surplus supply to meet current civilian and military consumption and has been in such adequate or surplus supply for a period of 3 months. For the purpose of this paragraph, a material shall be considered in ade-

quate or surplus supply whenever such material is not being allocated for civilian use, or in the case of an agricultural commodity or product processed in whole or substantial part therefrom, is not being rationed at the retail level of consumer goods for household and personal use, under the authority of title I of this act."

Mr. HAYS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAYS of Ohio. Mr. Speaker, is not the parliamentary situation such that if this amendment prevails, no commodity can be controlled unless it is rationed?

The SPEAKER. The gentleman does not state a parliamentary inquiry. It is not in the province of the Chair to interpret the laws.

The question is on the amendment.

Mr. TALLE. Mr. Speaker, I demand a division.

Mr. SPENCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 210, nays 182, answered "present" 1, not voting 38, as follows:

[Roll No. 112]

YEAS—210

Abbutt	Dorn	Latham
Adair	Doughton	LeCompte
Allen, Calif.	Durham	Lovre
Allen, Ill.	Eaton	Lucas
Andersen,	Ellsworth	McConnell
H. Carl	Elston	McCulloch
Anderson, Calif.	Fernandez	McDonough
Andresen,	Ford	McGregor
August H.	Forrester	McIntire
Andrews	Gamble	McMillan
Arends	Gathings	McVey
Armstrong	Gavin	Mack, Wash.
Auchincloss	George	Mahon
Baker	Golden	Martin, Iowa
Barden	Goodwin	Martin, Mass.
Beamer	Graham	Mason
Belcher	Grant	Meador
Berry	Gregory	Morrow
Betts	Gross	Miller, Md.
Bishop	Gwin	Miller, Nebr.
Blackney	Hagen	Miller, N. Y.
Boggs, Del.	Hall	Morton
Bonner	Edwin Arthur	Mumma
Bow	Hall	Murray
Boykin	Leonard W.	Nicholson
Bramblett	Halleck	Norrell
Brehm	Harden	O'Hara
Brooks	Harris	O'Konski
Brown, Ohio	Harrison, Nebr.	Osmer
Brownson	Harrison, Va.	Ostertag
Bryson	Harrison, Wyo.	Passman
Budge	Harvey	Patman
Buffett	Hill	Patten
Burleson	Hillings	Phillips
Busbey	Hinshaw	Poage
Bush	Hoeven	Potter
Byrnes	Hoffman, Ill.	Poulson
Cannon	Hoffman, Mich.	Prouty
Carrigg	Holmes	Kadwan
Chatham	Hope	Rankin
Chelf	Horan	Redden
Chenoweth	Hunter	Reed, Ill.
Chiperfield	Ikard	Reed, N. Y.
Church	Jackson, Calif.	Rees, Kans.
Clevenger	James	Regan
Cole, Kans.	Jarman	Riley
Cole, N. Y.	Jenison	Rivers
Cooley	Jenkins	Robeson
Cox	Johnson	Rogers, Fla.
Crawford	Jonas	Rogers, Tex.
Cunningham	Jones	Sadlak
Curtis, Mo.	Hamilton C.	St. George
Curtis, Nebr.	Jones	Saylor
Dague	Woodrow W.	Schenck
Davis, Ga.	Kearney	Scrivner
Davis, Wis.	Kearns	Scudder
Denny	Kersten, Wis.	Shafer
Devereux	Kilburn	Sheehan
D'Ewart	Kilday	Short
Dolliver	King	Sikes
Dondero	Larcan	Simpson, Ill.

Simpson, Pa.
Sittler
Smith, Kans.
Smith, Wis.
Springer
Stanley
Stockman
Taber
Talle
Taylor
Thompson,
Thompson,
Mich.

Tollefson
Vail
Van Pelt
Velde
Vorys
Vursell
Welchel
Werdel
Wharton
Wheeler
Whitten
Widnall

Williams, Miss.
Williams, N. Y.
Willis
Wilson, Ind.
Wilson, Tex.
Winstead
Wolcott
Wood, Ga.
Wood, Idaho
Woodruff

NAYS—182

Anfuso	Garmatz	Mills
Angell	Gary	Mitchell
Ayres	Gordon	Morano
Bailey	Granahan	Morgan
Bakewell	Granger	Morrison
Baring	Green	Moulder
Barrett	Greenwood	Multer
Bates, Mass.	Hale	Murdock
Battle	Hand	Murphy
Beall	Hardy	Norblad
Bender	Hart	O'Brien, Ill.
Bennett, Fla.	Havener	O'Brien, Mich.
Bennett, Mich.	Hays, Ark.	O'Brien, N. Y.
Bentsen	Hays, Ohio	O'Neill
Blatnik	Hébert	O'Toole
Boggs, La.	Hedrick	Patterson
Bolling	Heffernan	Perkins
Bolton	Heller	Philbin
Bosone	Herter	Polk
Bray	Heseltan	Preston
Brown, Ga.	Hess	Price
Buchanan	Hollifield	Priest
Buckley	Howell	Rabaut
Burnside	Hull	Rains
Burton	Irving	Ramsay
Butler	Jackson, Wash.	Reams
Camp	Javits	Rhodes
Canfield	Jones, Ala.	Ribicoff
Case	Jones, Mo.	Riehlman
Celler	Judd	Roberts
Chudoff	Karsten, Mo.	Rodino
Clemente	Kean	Rogers, Colo.
Colmer	Keating	Rogers, Mass.
Cooper	Kee	Rooney
Corbett	Kelly, Pa.	Roosevelt
Cotton	Kelly, N. Y.	Ross
Coudert	Kennedy	Scott, Hardie
Crosser	Keogh	Scott,
Crumpacker	Kerr	Hugh D., Jr.
Dawson	King, Calif.	Secrest
Deane	Kirwan	Seely-Brown
DeGraffenried	Klein	Shelley
Delaney	Kluczynski	Sheppard
Denton	Lane	Sieminski
Dingell	Lanham	Smith, Miss.
Dollinger	Lantaff	Smith, Va.
Donohue	Lesinski	Spence
Donovan	Lind	Staggers
Doyle	McCarthy	Thomas
Eberhart	McCormack	Thornberry
Elliott	McGrath	Trimble
Engle	McGuire	Van Zandt
Fallon	McKinnon	Walter
Feighan	McMullen	Watts
Fine	Machrowicz	Wier
Flood	Mack, Ill.	Wigglesworth
Fogarty	Madden	Withrow
Forand	Magee	Wolverton
Fugate	Mansfield	Yates
Fulton	Marshall	Yorty
Furcolo	Miller, Calif.	Zablocki

ANSWERED "PRESENT"—1

Combs

NOT VOTING—38

Aandahl	Evins	Richards
Abernethy	Fenton	Sabath
Addonizio	Fisher	Sasser
Albert	Frazier	Steed
Allen, La.	Gore	Stigler
Aspinall	Herlong	Sutton
Bates, Ky.	Jensen	Tackett
Beckworth	Lyle	Teague
Burdick	Morris	Thompson, Tex.
Carlyle	Nelson	Vinson
Carnahan	Pickett	Welch
Davis, Tenn.	Powell	Wickersham
Dempsey	Reece, Tenn.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mr. Addonizio against.
Mr. Reece of Tennessee for, with Mr. Sabath against.

Mr. Herlong for, with Mr. Aspinall against.
Mr. Fisher for, with Mr. Welch against.
Mr. Lyle for, with Mr. Combs against.
Mr. Pickett for, with Mr. Vinson against.

Until further notice:

Mr. Abernethy with Mr. Aandahl.
Mr. Wickersham with Mr. Fenton.
Mr. Dempsey with Mr. Burdick.

Mr. COMBS. Mr. Speaker, I have a live pair with the gentleman from Texas, Mr. LYLE. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. BEALL and Mr. SECREST changed their vote from "yea" to "nay."

Mr. LARCADE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. COLE of Kansas: Page 6, line 15, strike out section 106 and insert as follows:

"The first sentence of section 402 (k) of the Defense Production Act of 1950 as amended, is amended to read as follows:

"No rule, regulation, order, or amendment thereto shall be issued under this title or remain in effect under the title for more than 60 days after the date of the enactment of the Defense Production Act amendments of 1952, which shall deny a seller of materials or services at retail or wholesale his customary percentage margins over costs of the materials or services or his customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by his records during such period, except as to any one specific item of a line of material sold by such seller which is in short supply as evidenced by specific Government action to encourage production of the item in question."

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. SHORT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231, nays 164, not voting 36, as follows:

[Roll No. 113]

YEAS—231

Adair	Bolton	Cooper
Allen, Calif.	Bow	Corbett
Allen, Ill.	Boykin	Coudert
Andersen,	Bramblett	Cox
H. Carl	Brehm	Crawford
Anderson, Calif.	Brooks	Crumpacker
Andresen,	Brown, Ga.	Cunningham
August H.	Brown, Ohio	Curtis, Mo.
Andrews	Bryson	Curtis, Nebr.
Arends	Budge	Dague
Armstrong	Buffett	Davis, Ga.
Auchincloss	Burleson	Davis, Wis.
Barden	Busbey	Denny
Bates, Mass.	Bush	Devereux
Battle	Butler	D'Ewart
Beall	Byrnes	Dolliver
Beamer	Cannon	Dondero
Belcher	Carrigg	Dorn
Bennett, Mich.	Chatham	Doughton
Bentsen	Chenoweth	Durham
Berry	Chiperfield	Eaton
Betts	Church	Ellsworth
Bishop	Clevenger	Elston
Blackney	Cole, Kans.	Engle
Boggs, Del.	Cole, N. Y.	Fernandez
Boggs, La.	Colmer	Forrester

Fulton	Kilday	Sadlak
Gamble	Larcade	St. George
Gathings	Latham	Saylor
Gavin	LeCompte	Schenck
George	Lovre	Scott, Hardie
Golden	Lucas	Scott,
Goodwin	McConnell	Hugh D., Jr.
Graham	McCulloch	Scrivner
Grant	McDonough	Scudder
Gross	McGregor	Shafer
Gwinn	McIntire	Sheehan
Hagen	McMillan	Sheppard
Hale	McVey	Short
Hall,	Mahon	Simpson, Ill.
Edwin Arthur	Martin, Iowa	Simpson, Pa.
Hall,	Martin, Mass.	Sittler
Leonard W.	Mason	Smith, Kans.
Halleck	Meador	Smith, Miss.
Hand	Merrrow	Smith, Va.
Harden	Miller, Md.	Smith, Wis.
Harris	Miller, Nebr.	Springer
Harrison, Nebr.	Miller, N. Y.	Stanley
Harrison, Va.	Morton	Stockman
Harrison, Wyo.	Mumma	Taber
Harvey	Murray	Talle
Hébert	Nelson	Taylor
Hess	Nicholson	Teague
Hill	Norblad	Thomas
Hillings	Norrell	Thompson,
Hinshaw	O'Hara	Mich.
Hoeven	Osmers	Thornberry
Hoffman, Mich.	Ostertag	Tollefson
Holmes	Passman	Vail
Hope	Patten	Van Pelt
Horan	Phillips	Velde
Hunter	Poage	Vorys
Ikard	Potter	Vursell
Jackson, Calif.	Poulson	Weichel
James	Preston	Werdel
Jarman	Prouty	Wharton
Jenison	Radwan	Wheeler
Jenkins	Rankin	Whitten
Jensen	Redden	Widnall
Johnson	Reed, Ill.	Williams, Miss.
Jones,	Reed, N. Y.	Williams, N. Y.
Hamilton C.	Rees, Kans.	Willis
Jones,	Regan	Wilson, Ind.
Woodrow W.	Riehlman	Wilson, Tex.
Judd	Riley	Winstead
Kearney	Rivers	Wolcott
Kearns	Robeson	Wood, Ga.
Keating	Rogers, Colo.	Wood, Idaho
Kerr	Rogers, Fla.	Woodruff
Kilburn	Rogers, Tex.	

NAYS—164

Abbott	Flood	Lane
Afuso	Fogarty	Lanham
Angell	Forand	Lantaff
Ayres	Ford	Lesinski
Bailey	Fugate	Lind
Baker	Furcolo	McCarthy
Bakewell	Garmatz	McCormack
Baring	Gary	McGrath
Barrett	Gordon	McGuire
Bender	Granahan	McKinnon
Bennett, Fla.	Granger	McMullen
Blatnik	Green	Machrowicz
Bolling	Greenwood	Mack, Ill.
Bonner	Gregory	Mack, Wash.
Bosone	Hardy	Madden
Bray	Hart	Magee
Brownson	Havenner	Mansfield
Buchanan	Hays, Ark.	Marshall
Buckley	Hays, Ohio	Miller, Calif.
Burnside	Hedrick	Mills
Burton	Heffernan	Mitchell
Camp	Heller	Morano
Canfield	Hertel	Morgan
Case	Heseltun	Morrison
Celler	Hoffman, Ill.	Moulder
Chelf	Hollifield	Multer
Chudoff	Howell	Murdock
Clemente	Hull	Murphy
Combs	Irving	O'Brien, Ill.
Cooley	Jackson, Wash.	O'Brien, Mich.
Cotton	Javits	O'Brien, N. Y.
Crosser	Jonas	O'Konski
Dawson	Jones, Ala.	O'Neill
Deane	Jones, Mo.	O'Toole
DeGraffenried	Karsten, Mo.	Patman
Delaney	Kean	Patterson
Denton	Kee	Perkins
Dingell	Kelly, Pa.	Philbin
Dollinger	Kelly, N. Y.	Polk
Donohue	Kennedy	Price
Donovan	Keogh	Priest
Doyle	Kersten, Wis.	Rabaut
Eberhart	King, Calif.	Rains
Elliot	King, Pa.	Ramsay
Fallon	Kirwan	Rhodes
Feighan	Klein	Ribicoff
Fine	Kluczynski	Roberts

Rodino	Sieminski	Wier
Rogers, Mass.	Sikes	Wigglesworth
Rooney	Spence	Withrow
Roosevelt	Staggers	Wolverton
Ross	Trimble	Yates
Secrest	Van Zandt	Yorty
Seely-Brown	Walter	Zablocki
Shelley	Watts	

NOT VOTING—36

Aandahl	Dempsey	Reece, Tenn.
Abernethy	Evins	Richards
Addonizio	Fenton	Sabath
Albert	Fisher	Sasser
Allen, La.	Frazier	Steed
Aspinall	Gore	Stigler
Bates, Ky.	Herlong	Sutton
Beckworth	Lyle	Tackett
Burdick	Morris	Thompson, Tex.
Carlyle	Pickett	Vinson
Carnahan	Powell	Welch
Davis, Tenn.	Reams	Wickersham

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Nelson for, with Mr. Addonizio against.
Mr. Herlong for, with Mr. Powell against.
Mr. Fisher for, with Mr. Welch against.
Mr. Pickett for, with Mr. Aspinall against.
Mr. Vinson for, with Mr. Bates of Kentucky against.

Until further notice:

Mr. Abernethy with Mr. Aandahl.
Mr. Wickersham with Mr. Fenton.
Mr. Dempsey with Mr. Reece of Tennessee.
Mr. Lyle with Mr. Burdick.
Mr. Evins with Mr. Reams.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. LUCAS as a substitute for the amendment offered by Mr. KEARNS: On page 7, after line 18, insert the following new section:

"SEC. 109. Section 403 of the Defense Production Act of 1950, as amended by Defense Production Act Amendments of 1951, is amended by inserting '(a)' after '403.' and by adding at the end thereof the following new subsection:

"(b) (1) There is hereby created, in the Economic Stabilization Agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the "Board"), which shall be composed of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order, but the number of members representative of the general public shall at all times exceed the aggregate of the number of members representative of labor and the number of members representative of business and industry. The number of offices on the Board for representatives of labor shall equal the number of offices on the Board for representatives of business and industry. Among the members representative of labor, at least one shall be a person who is not a representative of any organization which is affiliated with either of the two major labor organizations.

"(2) The members representative of the general public shall be appointed by the President by and with the advice and consent of the Senate. The members representative of labor, and the members representative of business and industry, shall be appointed by the President. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall be 1 year, unless sooner terminated in accordance with section 717. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

"For the purposes of this act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of law heretofore or hereafter enacted by the Congress, and not otherwise.

"(6) Paragraph (5) of this subsection shall take effect 30 days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order No. 10161, and reconstituted by Executive Order No. 10233, is hereby abolished, effective at the close of the 29th day following the date on which this subsection is enacted."

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. My recollection is that a separate vote was demanded on the Lucas amendment. My understanding is that there is no Lucas amendment, but that there is a Kearns amendment as amended by the Lucas substitute.

The SPEAKER. The gentleman is correct. It is the Kearns amendment as amended by the Lucas substitute, but it is still the Kearns amendment.

Mr. HALLECK. A further parliamentary inquiry, Mr. Speaker. In view of the fact that a request was made for a separate vote on the Lucas amendment, and all the other amendments have already been acted upon as a whole, is it in order now to have a separate vote on the Kearns amendment?

The SPEAKER. Whatever there is left is the Kearns amendment as amended by the Lucas substitute. The Chair is going to hold that it is subject to being voted on now.

The question is on the amendment.

Mr. GREEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 256, nays 138, not voting 37, as follows:

[Roll No. 114]

YEAS—256

Abbitt	Dondero	Kersten, Wls.
Adair	Dorn	Kilburn
Allen, Calif.	Doughton	Kilday
Allen, Ill.	Durham	King, Pa.
Andersen,	Eaton	Larade
H. Carl	Ellsworth	Latham
Anderson, Calif.	Elston	LeCompte
Andresen,	Engle	Lovre
August H.	Fallon	Lucas
Andrews	Fernandez	McConnell
Arends	Ford	McCulloch
Armstrong	Forrester	McDonough
Auchincloss	Fugate	McGregor
Baker	Gamble	McIntire
Bakewell	Gary	McMillan
Barden	Gathings	McMullen
Bates, Mass.	Gavin	McVey
Battle	George	Mack, Wash.
Beamer	Golden	Mahon
Belcher	Goodwin	Martin, Iowa
Bender	Graham	Martin, Mass.
Bennett, Fla.	Grant	Mason
Bennett, Mich.	Greenwood	Meador
Bentsen	Gregory	Merrow
Berry	Gross	Miller, Md.
Betts	Gwinn	Miller, Nebr.
Bishop	Hagen	Miller, N. Y.
Blackney	Hale	Morano
Boggs, Del.	Hall	Morton
Boggs, La.	Edwin Arthur	Mumma
Bolton	Hall,	Murray
Bonner	Leonard W.	Nelson
Bow	Halleck	Nicholson
Boykin	Hand	Norblad
Bramblett	Harden	Norrell
Brehm	Hardy	O'Hara
Brooks	Harris	Osmers
Brown, Ga.	Harrison, Nebr.	Ostertag
Brown, Ohio	Harrison, Va.	Passman
Brownson	Harrison, Wyo.	Patman
Bryson	Harvey	Patten
Budge	Hébert	Patterson
Buffett	Herter	Phillips
Burleson	Hess	Poage
Burton	Hill	Potter
Busbey	Hillings	Poulson
Bush	Hinshaw	Preston
Butler	Hoeven	Priest
Byrnes	Hoffman, Ill.	Prouty
Camp	Hoffman, Mich.	Radwan
Chatham	Holmes	Rains
Chenoweth	Hope	Rankin
Chiperfield	Horan	Reams
Church	Hunter	Redden
Clevenger	Ikard	Reed, Ill.
Cole, Kans.	Jackson, Calif.	Reed, N. Y.
Cole, N. Y.	James	Rees, Kans.
Colmer	Jarman	Regan
Cooley	Jenison	Riehlman
Cooper	Jenkins	Riley
Cotton	Jensen	Rivers
Coudert	Johnson	Robeson
Cox	Jonas	Rogers, Fla.
Crawford	Jones, Mo.	Rogers, Mass.
Cunningham	Jones,	Rogers, Tex.
Curtis, Mo.	Hamilton C.	Ross
Curtis, Nebr.	Jones,	Sadlak
Dague	Woodrow W.	St. George
Davis, Ga.	Judd	Schenck
Davis, Wis.	Kean	Scott, Hardie
Denny	Kearney	Scrivner
Devereux	Kearns	Scudder
D'Ewart	Keating	Seely-Brown
Dolliver	Kerr	Shafer

Sheehan
Short
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Stanley
Stockman
Taber
Talle
Taylor

Teague
Thompson,
Mich.
Thornberry
Vail
Van Pelt
Van Zandt
Velde
Vorvys
Vursell
Weichel
Werdel
Wharton
Wheeler

Whitten
Widnall
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Ind.
Wilson, Tex.
Winstead
Wolcott
Wood, Ga.
Wood, Idaho
Woodruff

NAYS—138

Anfuso	Granger	Moulder
Angell	Green	Multer
Ayres	Hart	Murdock
Bailey	Havener	Murphy
Baring	Hays, Ark.	O'Brien, Ill.
Barrett	Hays, Ohio	O'Brien, Mich.
Beall	Hedrick	O'Brien, N. Y.
Bolling	Heffernan	O'Konski
Bosone	Heller	O'Neill
Bray	Heseltan	O'Toole
Buchanan	Hollifield	Perkins
Buckley	Howell	Philbin
Burnside	Hull	Polk
Canfield	Irving	Price
Cannon	Jackson, Wash.	Rabaut
Carrigg	Javits	Ramsay
Case	Jones, Ala.	Rhodes
Celler	Karsten, Mo.	Ribicoff
Chelf	Kee	Roberts
Chudoff	Kelley, Pa.	Rodino
Clemente	Kelly, N. Y.	Rogers, Colo.
Combs	Keogh	Rooney
Corbett	King, Calif.	Roosevelt
Crosser	Kirwan	Saylor
Crumpacker	Klein	Scott,
Dawson	Kluczynski	Hugh D., Jr.
Deane	Lane	Secret
DeGraffenried	Lanham	Shelley
Delaney	Lantaff	Sheppard
Denton	Lesinski	Sieminski
Dingell	Lind	Sikes
Dollinger	McCarthy	Sittler
Donohue	McCormack	Spence
Donovan	McGrath	Staggers
Doyle	McGuire	Thomas
Eberharter	McKinnon	Tollefson
Elliott	Machrowicz	Trimble
Feighan	Mack, Ill.	Walter
Fine	Madden	Watts
Flood	Magee	Wier
Fogarty	Mansfield	Withrow
Forand	Marshall	Wolverton
Fulton	Miller, Calif.	Yates
Furcolo	Mills	Yorty
Garmatz	Mitchell	Zablocki
Gordon	Morgan	
Granahan	Morrison	

NOT VOTING—37

Aandahl	Dempsey	Richards
Abernethy	Evins	Sabath
Addonizio	Fenton	Sasser
Albert	Fisher	Steed
Allen, La.	Frazier	Stigler
Aspinall	Gore	Sutton
Bates, Ky.	Herlong	Tackett
Beckworth	Kennedy	Thompson, Tex.
Blatnik	Lyle	Vinson
Burdick	Morris	Welch
Carlyle	Pickett	Wickersham
Carnahan	Powell	
Davis, Tenn.	Reece, Tenn.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Herlong for, with Mr. Powell against.
Mr. Fisher for, with Mr. Welch against.
Mr. Pickett for, with Mr. Aspinall against.
Mr. Vinson for, with Mr. Addonizio against.

Until further notice:

Mr. Abernethy with Mr. Aandahl.
Mr. Wickersham with Mr. Fenton.
Mr. Dempsey with Mr. Reece of Tennessee.
Mr. Lyle with Mr. Burdick.

Mr. SITTLER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 9, after line 10, insert the following new section:

"Sec. 111. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: 'It is the sense of the Congress that by reason of the work stoppage now existing in the steel industry, the national safety is imperiled and the Congress therefore requests the President to invoke immediately the national emergency provisions of sections 206 to 210, inclusive, of the Labor Management Relations Act of 1947 for the purpose of terminating such work stoppage.'"

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 228, nays 164, answered "present" 1, not voting 39, as follows:

[Roll No. 115]

YEAS—228

Abbutt	Dondero	Lanham
Adair	Dorn	Lantaff
Allen, Calif.	Doughton	Larcade
Allen, Ill.	Durham	Latham
Andersen,	Ellsworth	LeCompte
H. Carl	Elston	Lovre
Anderson, Calif.	Fallon	Lucas
Andresen,	Fernandez	McConnell
August H.	Fisher	McCulloch
Andrews	Ford	McDonough
Arends	Forrester	McGregor
Auchincloss	Gamble	McIntire
Ayres	Gary	McMillan
Barden	Gathings	McMullen
Bates, Mass.	Gavin	McVey
Battle	Goodwin	Mahon
Beall	Graham	Martin, Iowa
Belcher	Grant	Martin, Mass.
Bender	Greenwood	Mason
Bennett, Fla.	Gregory	Meador
Bentsen	Gwinn	Morrow
Berry	Hale	Miller, Md.
Betts	Hall	Miller, Nebr.
Blackney	Edwin Arthur	Miller, N. Y.
Boggs, Del.	Hall	Mills
Boggs, La.	Leonard W.	Mumma
Bolton	Halleck	Murray
Bonner	Hardy	Nicholson
Bow	Harrison, Nebr.	Norblad
Boykin	Harrison, Va.	Norrell
Bramblett	Harrison, Wyo.	Ostertag
Brehm	Harvey	Patman
Brooks	Hays, Ark.	Patten
Brown, Ga.	Herter	Phillips
Brown, Ohio	Hess	Poage
Bryson	Hill	Potter
Buffett	Hillings	Poulson
Burleson	Hoeven	Preston
Burton	Hoffman, Ill.	Priest
Busbey	Hoffman, Mich.	Prouty
Bush	Holmes	Radwan
Byrnes	Hope	Rankin
Camp	Horan	Reams
Chatham	Hunter	Redden
Chelf	Ikard	Reed, Ill.
Chenoweth	Jackson, Calif.	Reed, N. Y.
Chiperfield	Jarman	Rees, Kans.
Church	Jenison	Regan
Clevenger	Jenkins	Riehlman
Cole, Kans.	Jensen	Riley
Cole, N. Y.	Johnson	Rivers
Colmer	Jonas	Robeson
Cooper	Jones	Rogers, Fla.
Cotton	Hamilton C.	Rogers, Mass.
Coudert	Jones	Rogers, Tex.
Cox	Woodrow W.	Ross
Crawford	Judd	Sadlak
Cunningham	Kean	St. George
Curtis, Nebr.	Kearney	Schenck
Davis, Ga.	Kearns	Scott, Hardie
Davis, Wis.	Keating	Scrivner
Deane	Kerr	Scudder
Denny	Kersten, Wis.	Shafer
Devereux	Kilburn	Short
D'Ewart	Kilday	Sikes

Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Smith, Miss.
Smith, Va.
Smith, Wis.
Springer
Stanley
Stockman
Taber
Talley
Taylor
Teague
Thomas

Thompson,
Mich.
Thornberry
Trimble
Vail
Van Pelt
Van Zandt
Velde
Vorys
Vursell
Watts
Weichel
Werdel
Wharton

Wheeler
Whitten
Widnall
Wigglesworth
Williams, Miss.
Willis
Wilson, Tex.
Winstead
Wolcott
Wood, Ga.
Wood, Idaho
Woodruff

NAYS—164

Anfuso
Angell
Armstrong
Bailey
Bakewell
Baring
Barrett
Beamer
Bennett, Mich.
Bishop
Blatnik
Bolling
Bosone
Bray
Brownson
Buchanan
Buckley
Budge
Burnside
Butler
Canfield
Cannon
Carrigg
Case
Celler
Chudoff
Clemente
Cooley
Corbett
Crosser
Crumpacker
Curtis, Mo.
Dague
Dawson
DeGraffenried
Delaney
Denton
Dingell
Dollinger
Dolliver
Donohue
Donovan
Doyle
Eberhart
Elliott
Engle
Feighan
Fine
Flood
Fogarty
Forand
Fugate
Fulton
Furolo
Garmatz

Gordon
Granahan
Granger
Green
Gross
Hagen
Hand
Harden
Harris
Hart
Havener
Hays, Ohio
Hébert
Hedrick
Heffernan
Heller
Hesilton
Hinshaw
Hollifield
Howell
Hull
Irving
Jackson, Wash.
James
Javits
Jones, Ala.
Jones, Mo.
Karsten, Mo.
Kee
Kelley, Pa.
Kelly, N. Y.
Kennedy
Keogh
King, Calif.
King, Pa.
Kirwan
Klein
Kluczynski
Lane
Lanski
Lind
McCarthy
McCormack
McGrath
McGuire
McKinnon
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magee
Mansfield
Marshall
Miller, Calif.
Mitchell

Morano
Morgan
Morrison
Morton
Moulder
Multer
Murdock
Murphy
Nelson
O'Brien, Ill.
O'Brien, Mich.
O'Brien, N. Y.
O'Hara
O'Konski
O'Neill
Osmers
O'Toole
Passman
Patterson
Perkins
Philbin
Polk
Price
Rabaut
Rains
Ramsay
Rhodes
Ribicoff
Roberts
Rodino
Rogers, Colo.
Rooney
Roosevelt
Saylor
Scott
Hugh D., Jr.
Segrest
Segly-Brown
Sheehan
Shelley
Sheppard
Sieminski
Sittler
Spence
Staggers
Tollefson
Walter
Wier
Williams, N. Y.
Wilson, Ind.
Withrow
Wolverton
Yates
Yorty
Zablocki

ANSWERED "PRESENT"—1

Combs

NOT VOTING—39

Aandahl	Dempsey	Reece, Tenn.
Abernethy	Eaton	Richards
Addonizio	Evins	Sabath
Albert	Fenton	Sasser
Allen, La.	Frazier	Steed
Aspinall	George	Stigler
Baker	Golden	Sutton
Bates, Ky.	Gore	Tackett
Beckworth	Herlong	Thompson, Tex.
Burdick	Lyle	Vinson
Carlyle	Morris	Welch
Carnahan	Pickett	Wickersham
Davis, Tenn.	Powell	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Vinson for, with Mr. Addonizio against.

Mr. Herlong for, with Mr. Powell against.

Mr. Pickett for, with Mr. Aspinall against.

Mr. Lyle for, with Mr. Combs against.

Mr. Eaton for, with Mr. Welch against.

Until further notice:

Mr. Abernethy with Mr. Aandahl.
Mr. Wickersham with Mr. Felton.
Mr. Dempsey with Mr. George.
Mr. Bates of Kentucky with Mr. Golden.
Mr. Evins with Mr. Reese of Tennessee.
Mr. Morris with Mr. Baker.

Mr. COMBS. Mr. Speaker, on this roll call I voted "nay." I have a live pair with my colleague, the gentleman from Texas, Mr. LYLE. Were he present he would have voted "yea." I therefore withdraw my vote and ask to be recorded present.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. BARDEN: On page 11, line 10, after "1952", insert "Provided, however, That title 4 and all authority thereunder shall terminate at the close of July 31, 1952."

The SPEAKER. The question is on the amendment.

Mr. SPENCE. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 150, nays 244, answering "present" 1, not voting 36, as follows:

[Roll No. 116]

YEAS—150

Allen, Calif.	Fisher	Mumma
Allen, Ill.	Gavin	Nicholson
Andersen,	George	O'Hara
H. Carl	Golden	Patten
Anderson, Calif.	Goodwin	Phillips
Andresen,	Graham	Poage
August H.	Gross	Potter
Andrews	Gwinn	Poulson
Arends	Hagen	Rankin
Ayres	Halleck	Redden
Barden	Harden	Reed, Ill.
Beamer	Harrison, Nebr.	Reed, N. Y.
Belcher	Harrison, Va.	Rees, Kans.
Berry	Harvey	Regan
Betts	Hébert	Rivers
Bishop	Hill	Robeson
Blackney	Hillings	Rogers, Fla.
Boggs, Del.	Hoeven	Rogers, Tex.
Bow	Hoffman, Ill.	St. George
Bramblett	Hoffman, Mich.	Schenck
Brehm	Hope	Scrivner
Brown, Ohio	Hunter	Scudder
Buffett	Ikard	Shafer
Burleson	Jackson, Calif.	Sheehan
Busbey	James	Short
Bush	Jarman	Simpson, Ill.
Byrnes	Jenison	Simpson, Pa.
Cannon	Jenkins	Smith, Kans.
Chatham	Jensen	Smith, Miss.
Chenoweth	Jones	Smith, Wis.
Chiperfield	Woodrow W.	Springer
Church	Kearns	Stockman
Clevenger	Kilburn	Taber
Cole, Kans.	Kilday	Talle
Cole, N. Y.	King, Pa.	Teague
Cooley	LeCompte	Thompson,
Cox	Lovre	Mich.
Crawford	Lucas	Vail
Crumpacker	McConnell	Velde
Cunningham	McCulloch	Vorys
Curtis, Mo.	McDonough	Vursell
Curtis, Nebr.	McGregor	Werdel
Davis, Ga.	McIntire	Wharton
Davis, Wis.	McVey	Wheeler
D'Ewart	Mahon	Wilson, Ind.
Dolliver	Martin, Iowa	Wilson, Tex.
Dorn	Mason	Wolcott
Doughton	Morrow	Wood, Ga.
Durham	Miller, Md.	Wood, Idaho
Ellsworth	Miller, Nebr.	Woodruff
Elston	Mills	
Fernandez	Morton	

NAYS—244

Abbitt	Granger	Morrison
Adair	Grant	Moulder
Anfuso	Green	Multer
Angell	Greenwood	Murdock
Armstrong	Gregory	Murphy
Auchincloss	Hale	Murray
Bailey	Hall	Nelson
Baker	Edwin Arthur	Norblad
Bakewell	Hall	Norrell
Baring	Leonard W.	O'Brien, Ill.
Barrett	Hand	O'Brien, Mich.
Bates, Mass.	Hardy	O'Brien, N. Y.
Battle	Harris	O'Konski
Beall	Harrison, Wyo.	O'Neill
Bender	Hart	Osmer
Bennett, Fla.	Havenner	Ostertag
Bennett, Mich.	Hays, Ark.	O'Toole
Bentsen	Hays, Ohio	Passman
Blatnik	Hedrick	Patman
Boggs, La.	Heffernan	Patterson
Bolling	Heller	Perkins
Bolton	Herter	Philbin
Bonner	Heseltan	Polk
Bosone	Hess	Preston
Boykin	Hinshaw	Price
Bray	Holifield	Priest
Brown, Ga.	Holmes	Prouty
Brownson	Horan	Rabaut
Bryson	Howell	Radwan
Buchanan	Hull	Rains
Buckley	Irving	Ramsay
Budge	Jackson, Wash.	Reams
Burnside	Javits	Rhodes
Burton	Johnson	Ribicoff
Butler	Jonas	Riehlman
Camp	Jones, Ala.	Riley
Canfield	Jones, Mo.	Roberts
Carrigg	Jones,	Rodino
Case	Hamilton C.	Rogers, Colo.
Celler	Judd	Rogers, Mass.
Chelf	Karsten, Mo.	Rooney
Chudoff	Kean	Roosevelt
Clemente	Kearney	Ross
Colmer	Keating	Sadlak
Cooper	Kee	Saylor
Corbett	Kelley, Pa.	Scott, Hardie
Cotton	Kelly, N. Y.	Scott,
Coudert	Kennedy	Hugh D., Jr.
Crosser	Keogh	Secrest
Dague	Kerr	Seely-Brown
Dawson	Kersten, Wis.	Shelley
Deane	King, Calif.	Sheppard
DeGraffenried	Kirwan	Sieminski
Delaney	Klein	Sikes
Denny	Kluczynski	Sittler
Denton	Lane	Smith, Va.
Devereux	Lanham	Spence
Dingell	Lantaff	Staggers
Dollinger	Larcade	Stanley
Dondero	Latham	Taylor
Donohue	Lesinski	Thomas
Donovan	Lind	Thornberry
Doyle	McCarthy	Tollefson
Eberhart	McCormack	Trimble
Elliott	McGrath	Van Pelt
Engle	McGuire	Van Zandt
Fallon	McKinnon	Walter
Feighan	McMillan	Watts
Fine	McMullen	Weichel
Flood	Machrowicz	Whitten
Fogarty	Mack, Ill.	Widnall
Forand	Mack, Wash.	Wier
Ford	Madden	Wigglesworth
Forrester	Magee	Williams, Miss.
Fugate	Mansfield	Williams, N. Y.
Fulton	Marshall	Willis
Furcolo	Martin, Mass.	Winstead
Gamble	Meador	Withrow
Garmatz	Miller, Calif.	Wolverton
Gary	Miller, N. Y.	Yates
Gathings	Mitchell	Yorty
Gordon	Morano	Zablocki
Granahan	Morgan	

ANSWERING "PRESENT"—1

Combs

NOT VOTING—36

Aandahl	Davis, Tenn.	Reece, Tenn.
Abernethy	Dempsey	Richards
Addonizio	Eaton	Sabath
Albert	Evins	Sasser
Allen, La.	Fenton	Steed
Aspinall	Frazier	Stigler
Bates, Ky.	Gore	Sutton
Beckworth	Herlong	Tackett
Brooks	Lyle	Thompson, Tex.
Burdick	Morris	Vinson
Carlyle	Pickett	Welch
Carnahan	Powell	Wickersham

So the amendment was rejected.
The Clerk announced the following pairs:

On this vote:

Mr. Pickett for, with Mr. Vinson against.
Mr. Lyle for, with Mr. Combs against.

Until further notice:

Mr. Addonizio with Mr. Aandahl.
Mr. Abernethy with Mr. Reece of Tennessee.
Mr. Dempsey with Mr. Burdick.
Mr. Wickersham with Mr. Fenton.
Mr. Evins with Mr. Eaton.

Mr. COMBS. Mr. Speaker, I voted "nay." I have a live pair with my colleague, the gentleman from Texas, Mr. LYLE. Were he present, he would vote "yea." I, therefore, withdraw my vote and vote "present."

Mr. MEADER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. WHEELER: On page 11, strike out lines 17 to 20, inclusive, and insert in lieu thereof the following:

"(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(f) (1) The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of March 31, 1953—

"(A) in any area which prior to or subsequent to September 30, 1952, is certified under subsection (1) of section 204 of this act as a critical defense housing area;

"(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of Federal rent control in such city, town, or village; and

"(C) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

The SPEAKER. The question is on the amendment.

Mr. YATES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 225, nays 170, not voting 36, as follows:

[Roll No. 117]

YEAS—225

Abbitt	Forrester	Miller, N. Y.
Adair	Fulton	Morton
Allen, Calif.	Gamble	Mumma
Allen, Ill.	Gathings	Murray
Andersen,	Gavin	Nicholson
H. Carl	George	Norblad
Anderson, Calif.	Golden	O'Hara
Andresen,	Goodwin	Osmer
August H.	Graham	Ostertag
Arends	Grant	Passman
Armstrong	Gross	Patten
Auchincloss	Gwinn	Phillips
Ayres	Hagen	Poage
Barden	Hale	Potter
Bates, Mass.	Hall	Poulson
Beall	Edwin Arthur	Preston
Beamer	Hall,	Prouty
Belcher	Leonard W.	Radwan
Bender	Halleck	Rankin
Bennett, Fla.	Harden	Redden
Bennett, Mich.	Harrison, Nebr.	Reed, Ill.
Bentsen	Harrison, Va.	Reed, N. Y.
Berry	Harrison, Wyo.	Rees, Kans.
Betts	Harvey	Regan
Bishop	Hébert	Riehlman
Blackney	Hedrick	Riley
Boggs, Del.	Hess	Rivers
Bolton	Hill	Robeson
Bow	Hillings	Rogers, Fla.
Boykin	Hinshaw	Rogers, Tex.
Bramblett	Hoeven	Ross
Bray	Hoffman, Ill.	Sadlak
Brehm	Hoffman, Mich.	St. George
Brooks	Hope	Saylor
Brown, Ohio	Horan	Schenck
Brownson	Hunter	Scott, Hardie
Bryson	Ikard	Scrivner
Budge	Jackson, Calif.	Scudder
Buffett	James	Shafer
Burleson	Jarman	Sheehan
Busbey	Jenison	Short
Bush	Jenkins	Sikes
Byrnes	Jensen	Simpson, Ill.
Carrigg	Johnson	Simpson, Pa.
Chatham	Jonas	Sittler
Chenoweth	Jones, Mo.	Smith, Kans.
Chiperfield	Jones,	Smith, Va.
Church	Hamilton C.	Smith, Wis.
Clevenger	Jones,	Springer
Cole, Kans.	Woodrow W.	Stanley
Cole, N. Y.	Judd	Stockman
Colmer	Kearney	Taber
Cooley	Kearns	Talle
Cooper	Keating	Taylor
Cotton	Kersten, Wis.	Teague
Cox	Kilburn	Thompson,
Crawford	Kilday	Mich.
Crumpacker	King, Pa.	Vall
Cunningham	Lantaff	Van Pelt
Curtis, Mo.	LeCompte	Van Zandt
Curtis, Nebr.	Lovre	Velde
Dague	Lucas	Vorys
Davis, Ga.	McConnell	Vursell
Davis, Wis.	McCulloch	Weichel
Denny	McDonough	Werdel
Devereux	McGregor	Wharton
D'Ewart	McIntire	Wheeler
Dolliver	McMullen	Widnall
Dondero	McVey	Williams, Miss.
Dorn	Mack, Wash.	Williams, N. Y.
Doughton	Mahon	Willis
Durham	Martin, Iowa	Wilson, Ind.
Ellsworth	Martin, Mass.	Wilson, Tex.
Elston	Mason	Wolcott
Engle	Meador	Wood, Ga.
Fernandez	Merrrow	Wood, Idaho
Fisher	Miller, Md.	
Ford	Miller, Nebr.	

NAYS—170

Andrews	Battle	Buckley
Anfuso	Blatnik	Burnside
Angell	Boggs, La.	Burton
Bailey	Bolling	Butler
Baker	Bonner	Camp
Bakewell	Bosone	Canfield
Baring	Brown, Ga.	Cannon
Barrett	Buchanan	Case

Celler	Howell	O'Brien, Mich.
Chelf	Hull	O'Brien, N. Y.
Chudoff	Irving	O'Konski
Clemente	Jackson, Wash.	O'Neill
Combs	Javits	O'Toole
Corbett	Jones, Ala.	Patman
Coudert	Karsten, Mo.	Patterson
Crosser	Kean	Perkins
Dawson	Kee	Philbin
Deane	Kelley, Pa.	Polk
DeGraffenried	Kelly, N. Y.	Price
Delaney	Kennedy	Priest
Denton	Keogh	Rabaut
Dingell	Kerr	Rains
Dollinger	King, Calif.	Ramsay
Donohue	Kirwan	Reams
Donovan	Klein	Rhodes
Doyle	Kluczynski	Ribicoff
Eberhart	Lane	Roberts
Elliott	Lanham	Rodino
Fallon	Larcade	Rogers, Colo.
Feighan	Latham	Rogers, Mass.
Fine	Lesinski	Rooney
Flood	Lind	Roosevelt
Fogarty	McCarthy	Scott,
Forand	McCormack	Hugh D., Jr.
Fugate	McGrath	Secrest
Furcolo	McGuire	Seely-Brown
Garmatz	McKinnon	Shelley
Gary	McMillan	Sheppard
Gordon	Machrowicz	Sieminski
Granahan	Mack, Ill.	Smith, Miss.
Granger	Madden	Spence
Green	Magee	Staggers
Greenwood	Mansfield	Thomas
Gregory	Marshall	Thornberry
Hand	Miller, Calif.	Tollefson
Hardy	Mills	Trimble
Harris	Mitchell	Walter
Hart	Morano	Watts
Havenner	Morgan	Whitten
Hays, Ark.	Morrison	Wier
Hays, Ohio	Moulder	Wigglesworth
Heffernan	Multer	Winstead
Heller	Murdock	Withrow
Hertter	Murphy	Wolverton
Heselton	Nelson	Yates
Holifield	Norrell	Yorty
Holmes	O'Brien, Ill.	Zablocki

NOT VOTING—36

Aandahl	Dempsey	Richards
Abernethy	Eaton	Sabath
Addonizio	Evins	Sasser
Albert	Fenton	Steed
Allen, La.	Frazier	Stigler
Aspinall	Gore	Sutton
Bates, Ky.	Herlong	Tackett
Beckworth	Lyle	Thompson, Tex.
Burdick	Morris	Vinson
Carlyle	Pickett	Welch
Carnahan	Powell	Wickersham
Davis, Tenn.	Reece, Tenn.	Woodruff

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Herlong for, with Mr. Vinson against.

Mr. Pickett for, with Mr. Addonizio against.

Mr. Woodruff for, with Mr. Aspinall against.

Until further notice:

Mr. Abernethy with Mr. Aandahl.

Mr. Wickersham with Mr. Eaton.

Mr. Lyle with Mr. Fenton.

Mr. Dempsey with Mr. Burdick.

Mr. Welch with Mr. Reece of Tennessee.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

Mr. NICHOLSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. NICHOLSON. I am opposed to the bill, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. NICHOLSON moves to recommit the bill (H. R. 8210) to the Committee on Banking and Currency with instructions to report the same back forthwith with the following amendment: On page 12, following line 5, add another section as follows:

"Sec. —. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof a new subsection as follows:

"(q) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any locality which has previously been decontrolled under this act until a public hearing, after 30 days' notice, has been held in such locality, and the governing body of said locality has by resolution, adopted in accordance with applicable local law, found that the conditions set forth in subsection (1) exist in said locality."

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 211, nays 185, not voting 35, as follows:

[Roll No. 118]

YEAS—211

Abbutt	Curtis, Mo.	Horan
Allen, Calif.	Dague	Howell
Anfuso	Deane	Hull
Angell	DeGraffenried	Irving
Armstrong	Delaney	Jackson, Wash.
Auchincloss	Denny	James
Ayres	Devereux	Jarman
Baker	Dingell	Javits
Bakewell	Dondero	Johnson
Baring	Donohue	Jones, Ala.
Bates, Mass.	Doughton	Jones, Mo.
Battle	Durham	Jones,
Beamer	Eaton	Hamilton C.
Bender	Elliott	Jones,
Bennett, Fla.	Engle	Woodrow W.
Bentzen	Fallon	Judd
Blackney	Fernandez	Kean
Boggs, Del.	Forrester	Kearney
Boggs, La.	Fugate	Keating
Bolling	Furcolo	Kennedy
Bolton	Gamble	Keogh
Bonner	Garmatz	Kerr
Bosone	Gary	Kersten, Wis.
Boykin	Gathings	Kilburn
Brooks	Gavin	King, Calif.
Brown, Ga.	Gordon	Kluczynski
Brownson	Graham	Lane
Bryson	Granger	Lantaff
Burton	Gregory	Larcade
Byrnes	Hale	Latham
Camp	Hall,	Lesinski
Canfield	Leonard W.	Lind
Cannon	Halleck	McCarthy
Carrigg	Hand	McConnell
Case	Hardy	McCormack
Celler	Harris	McKinnon
Chatham	Hart	McMillan
Chelf	Hays, Ark.	McMullen
Clemente	Hébert	Machrowicz
Colmer	Hedrick	Mack, Wash.
Combs	Heffernan	Magee
Cooley	Heller	Martin, Mass.
Cooper	Herlong	Meador
Cotton	Hertter	Morrow
Coudert	Heselton	Miller, Calif.
Cox	Hess	Miller, N. Y.
Crosser	Holifield	Mitchell
Crumpacker	Holmes	Morano

Morrison	Rains	Stanley
Morton	Ramsay	Talle
Moulder	Reams	Taylor
Multer	Redden	Thomas
Mumma	Riehlman	Thornberry
Murdock	Riley	Tollefson
Murphy	Rivers	Trimble
Murray	Roberts	Van Pelt
Norblad	Robeson	Van Zandt
Norrell	Rodino	Vorys
O'Brien, Ill.	Rogers, Colo.	Watts
O'Brien, Mich.	Rogers, Fla.	Weichel
O'Brien, N. Y.	Rogers, Mass.	Whitten
Osmer	Rooney	Widnall
Ostertag	Ross	Wier
Passman	Sadlak	Wigglesworth
Patman	Schenck	Williams, Miss.
Philbin	Scudder	Williams, N. Y.
Polk	Secrest	Willis
Preston	Sieminski	Winstead
Priest	Sikes	Yates
Prouty	Smith, Miss.	Zablocki
Rabaut	Smith, Va.	
Radwan	Spence	

NAYS—185

Adair	Fulton	Nelson
Allen, Ill.	George	Nicholson
Andersen,	Golden	O'Hara
H. Carl	Goodwin	O'Konski
Anderson, Calif.	Granahan	O'Neill
Andresen,	Grant	O'Toole
August H.	Green	Patten
Andrews	Greenwood	Patterson
Arends	Gross	Perkins
Bailey	Gwinn	Phillips
Barden	Hagen	Poage
Barrett	Hall,	Potter
Beall	Edwin Arthur	Poulson
Belcher	Harden	Price
Bennett, Mich.	Harrison, Nebr.	Rankin
Berry	Harrison, Va.	Reed, Ill.
Betts	Harrison, Wyo.	Reed, N. Y.
Bishop	Harvey	Rees, Kans.
Blatnik	Havenner	Regan
Bow	Hays, Ohio	Rhodes
Bramblett	Hill	Ribicoff
Bray	Hillings	Rogers, Tex.
Brehm	Hinshaw	Roosevelt
Brown, Ohio	Hoeven	St. George
Buchanan	Hoffman, Ill.	Saylor
Buckley	Hoffman, Mich.	Scott, Hardie
Budge	Hope	Scott,
Buffett	Hunter	Hugh D., Jr.
Burleson	Ikard	Scrivner
Burnside	Jackson, Calif.	Seely-Brown
Busbey	Jenison	Shafer
Bush	Jenkins	Sheehan
Butler	Jensen	Shelley
Chenoweth	Jonas	Sheppard
Chiperfield	Karsten, Mo.	Short
Chudoff	Kearns	Simpson, Ill.
Church	Kelley, Pa.	Simpson, Pa.
Clevenger	Kelly, N. Y.	Sittler
Cole, Kans.	Kilday	Smith, Kans.
Cole, N. Y.	King, Pa.	Smith, Wis.
Corbett	Kirwan	Springer
Crawford	Klein	Staggers
Cunningham	Lanham	Stockman
Curtis, Nebr.	LeCompte	Taber
Davis, Ga.	Lovre	Teague
Davis, Wis.	Lucas	Thompson,
Dawson	McCulloch	Mich.
Denton	McDonough	Vail
D'Ewart	McGrath	Velde
Dollinger	McGregor	Vursell
Dolliver	McGuire	Walter
Donovan	McIntire	Werdel
Dorn	McVey	Wharton
Doyle	Mack, Ill.	Wheeler
Eberhart	Madden	Wilson, Ind.
Ellsworth	Mahon	Wilson, Tex.
Elston	Mansfield	Withrow
Feighan	Marshall	Wolcott
Fine	Martin, Iowa	Wolverton
Fisher	Mason	Wood, Ga.
Flood	Miller, Md.	Wood, Idaho
Fogarty	Miller, Nebr.	Yorty
Forand	Mills	
Ford	Morgan	

NOT VOTING—35

Aandahl	Burdick	Gore
Abernethy	Carlyle	Kee
Addonizio	Carnahan	Lyle
Albert	Davis, Tenn.	Morris
Allen, La.	Dempsey	Pickett
Aspinall	Evins	Powell
Bates, Ky.	Fenton	Reece, Tenn.
Beckworth	Frazier	Richards

Sabath	Sutton	Welch
Sasscer	Tackett	Wickersham
Steed	Thompson, Tex.	Woodruff
Stigler	Vinson	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Addonizio for, with Mr. Dempsey against.

Mr. Welch for, with Mr. Aspinall against.

Mr. Vinson for, with Mr. Pickett against.

Mr. Bates of Kentucky for, with Mr. Reece of Tennessee against.

Mr. Powell for, with Mr. Woodruff against.

Until further notice:

Mr. Abernethy with Mr. Aandahl.

Mr. Wickersham with Mr. Fenton.

Mrs. Kee with Mr. Burdick.

Mr. FEIGHAN, Mr. JONAS, Mr. HARDIE SCOTT, Mr. CORBETT, Mr. WOLVERTON, Mr. BEALL, Mr. FULTON, Mr. GREENWOOD, Mr. WITHROW, and Mr. BURNSIDE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct the section numbers and the cross references in the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, be taken from the Speaker's table, that all after the enacting clause be stricken out, that the bill just passed be substituted, and that the bill as so amended do pass.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That this act may be cited as the "Defense Production Act Amendments of 1952."

TITLE I—AMENDMENT TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED PRIORITIES AND ALLOCATIONS

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress, then no restriction or other limitation shall be imposed under this title upon the right of any person to purchase such commodity in any foreign country and to import and use the same in the United States. No restriction or other limitation shall be imposed under this title if the domestic production of any commodity is sufficient to meet all civilian domestic requirements and the requirements for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress."

SEC. 102. Section 104 of the Defense Production Act of 1950, as amended, is hereby amended to read as follows:

"SEC. 104. Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title are hereby revived and shall continue in effect until June 30, 1953, for the purpose of authorizing and exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply, or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government: *Provided, however,* That such controls shall be removed as soon as the conditions giving rise to them have ceased. This section shall not be construed to limit the authority contained in sections 101 and 704 of this act."

SEC. 103. Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling shall be established or maintained under this title for fresh fruits or vegetables."

SEC. 104. Title I of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 105. (a) In carrying out the policy of the United States as set forth in section 2 of this act, the President, by and with the advice and consent of the Senate, may appoint representatives to confer with other friendly nations through the mechanism of the International Materials Conference in an effort to ascertain the existing and potential supply of materials useful in the economic mobilization of this and such other nations, as well as the most effective distribution of such materials in executing that policy. Upon a finding by the President, reached after a hearing at which interested parties may express their views, that a pattern of international distribution recommended after such consultation is necessary or appropriate to promote the national defense and compatible with the best interests of the United States, he may, any other provision of this title to the contrary notwithstanding, use the authority vested in him by this act to make it possible for this Nation to carry out the recommendations made by any such conference.

"(b) Subject to the provisions of subsection (a) of this section, nothing contained in this act shall impair the authority of the President under this act to exercise allocation and priorities controls over materials both domestically produced and imported and facilities through the controlled materials plan or other methods of allocation."

PRICE AND WAGE STABILIZATION

SEC. 105. Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "The provisions of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section."

SEC. 106. (a) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding after the word "profession" in paragraph (ii) thereof the following: "; wages, salaries, and other compensation paid to professional engineers employed in a professional capacity; wages, salaries, and other compensation paid to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public

accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession."

(b) Declaratory of existing law, paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) (1) Rates and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended, and including compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (2) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pick-up and delivery and local transfer services: *Provided,* That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to timely intervention by such agency before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase;"

(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(viii) Rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing."

(d) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(ix) Annual or semiannual payments in the nature of compensation made to employees or officers of a business or enterprise which constitutes a distribution of a portion or percentage of its profits according to a profit-sharing plan or practice which was established and in effect on or before January 15, 1950. If the determination of any amount or part of the plan or practice involves the exercise of the discretion of managers of the business or enterprise, such plan or practices may be continued and payments made thereunder so long as the discretion is exercised according to the same policy standards and principles which were applicable and in effect on or before January 15, 1950."

SEC. 107. Subsection (k) of section 402 of the Defense Production Act of 1950, as amended, is amended by striking out the word "hereafter" in the first sentence thereof.

SEC. 108. Section 402 (k) of the Defense Production Act of 1950, as amended, is further amended by adding at the end of the first sentence thereof before the period the following proviso: "*Provided, however,*

That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials for wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth."

SEC. 109. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof two new subsections as follows:

"(1) No rule, regulation, order or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called fair trade law) or regulation now in effect.

"(m) If the domestic production of any commodity is in excess of the amount necessary to meet allocations for defense, stockpiling, and military assistance to any foreign nation authorized by any act of Congress, no rule, regulation, or order issued under this title shall apply to purchases by any person of any material outside of the United States or its Territories and possessions for importation into the United States for his own use or for fabrication by him into other products for resale."

SEC. 110. Notwithstanding any other provision of this act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit.

SEC. 111. Section 403 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "403," and by adding at the end thereof the following new subsection:

"(b) (1) There is hereby created, in the present Economic Stabilization Agency, or any successor agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.

"(2) The members representative of the general public shall be appointed by the President, by and with the advice and consent of the Senate. The members representative of labor, and the members representative of business and industry, shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall terminate on March 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and

necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations, relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress: *Provided, however*, That the Board may undertake to mediate and/or arbitrate labor disputes involving wages, salaries, and other compensation, if the Director of the Federal Mediation and Conciliation Service certifies to the Administrator of the Economic Stabilization Agency that all remedies available to the Service have been exhausted, and if the parties themselves request the Board to mediate and/or arbitrate, or (ii) the President requests the Board to mediate and/or arbitrate the dispute and the parties consent: *Provided further*, That in any effort to mediate and/or arbitrate a labor dispute referred to the Board pursuant to the terms of the foregoing proviso, a panel of the Board, the membership of which is constituted in the same proportion as is the Board itself, may act on behalf of the Board.

"(6) Paragraph (5) of this subsection shall take effect 30 days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order No. 10161, and reconstituted by Executive Order No. 10233, as amended by Executive Order No. 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted."

SEC. 112. Section 403 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsection:

"(c) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency to coordinate the relationship between prices and wages, and to stabilize prices and wages."

SEC. 113. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"SUSPENSION OF CONTROLS

"SEC. 411. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this act, as amended, to promote the earliest practicable balance between production and the demand therefor

of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this act, he shall by regulation or order terminate the suspension."

SEC. 114. Title V of the Defense Production Act of 1950, as amended, is hereby amended by adding a new section, as follows:

"SEC. 504. *Resolved*, That, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress requests the President to immediately invoke the national emergency provisions (secs. 206 to 210, inclusive) of the Labor Management Relations Act, 1947, for the purpose of terminating such work stoppage."

SEC. 115. The first sentence of section 707 of the Defense Production Act of 1950, as amended, is amended by striking out the word "his."

SEC. 116. (a) Section 717 (a) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(a) Titles I, II, III, VI, and VII of this act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this act and all authority conferred thereunder shall terminate at the close of February 28, 1953."

(b) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out "June 30, 1952" and inserting in lieu thereof "June 30, 1953."

TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

SEC. 201. Subsection (e) of section 4 and subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, are each amended by striking out "June 30, 1952" and inserting in lieu thereof "February 28, 1953."

SEC. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following:

"(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any defense-rental area, including any community owned and operated by the Federal Government, which has previously been decontrolled under this act until a public hearing, after 30 days' notice, has been held in such area."

TITLE III—MISCELLANEOUS

PUBLIC CONTRACTS

SEC. 301. The act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (41 U. S. C. 35-45), is amended (1) by redesignating sections 10 and 11 as sections 11 and 12, respectively, and (2) by inserting immediately following section 9 a new section 10 as follows:

"SEC. 10. (a) Notwithstanding any provision of section 4 of the Administrative Procedure Act, such act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this act.

"(b) All wage determinations under section 1 (b) of this act shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination may be had within 90 days after such determination, is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles, or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

"(c) Notwithstanding the inclusion of any stipulations required by any provision of this act in any contract subject to this act, any interested person shall have the right of judicial review of any legal question which might otherwise be raised, including, but not limited to, wage determinations and the interpretation of the terms 'locality,' 'regular dealer,' 'manufacturer,' and 'open market.'"

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the bill S. 2594 and insert the provisions of the bill H. R. 8210 as passed, as follows: "That this act may be cited as the 'Defense Production Act Amendments of 1952'.

"TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

"SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: 'Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat product unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: *Provided*, That nothing in this act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products.'

"SEC. 102. Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'When all requirements for the national defense, for the stockpiling of critical and strategic materials and for military assistance to any foreign nation authorized by any act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No authority granted under this act may be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference.'

"SEC. 103. Section 101 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(c) Whenever priorities are established or allocations made under section (a) with

respect to any raw material, and such priorities or allocations operate to limit the production of articles or products produced in the United States, the President shall by proclamation limit the importation, during the period such priorities or allocations are in effect, of any article or product in the manufacture or production of which such raw material is used to 100 percent of the average annual imports of such article or product during the calendar years 1947 through 1949: *Provided*, That the Tariff Commission has reported to the President that a substantial portion of the American producers of such article or product, or an article or product competitive therewith, has requested such limitations on imports: *Provided further*, That the Secretary of Defense has not certified to the President that the American production of such article or product is insufficient to supply the essential defense needs therefor. Upon the application of any substantial American producer, the Tariff Commission shall publish the fact of having received such application, shall hold public hearing thereon and shall report the facts to the President within 60 days of the receipt of such application. Such report to the President shall include the article or product on which the import limitation has been requested, whether it contains any raw material which is under priority or allocation control, whether a substantial portion of the American producers thereof have requested the above-specified import limitation, the maximum quantity of imports which would comply with said import limitation and such other facts as the Tariff Commission deems appropriate. A copy of said report to the President shall be submitted to the Secretary of Defense. If said report of the Tariff Commission indicates that the above-specified conditions have been met by the applicant and the Secretary of Defense has not certified to the President that the American production of such article or product is not sufficient to meet the essential defense needs, the President shall proclaim such import limitation within 30 days of his receipt of the report from the Tariff Commission. If the Secretary of Defense has certified that the American production of such article or product is insufficient to meet the essential defense needs therefor, the President shall, by proclamation, limit the imports of such article or product to such quantity as the Secretary of Defense certifies as necessary, in excess of American production, to meet the essential defense needs. All reports of the Tariff Commission and all certifications of the Secretary of Defense made hereunder shall be made public at the time of their issuance.

"SEC. 104. Section 104 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under

any Government price support program: *Provided, however*, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 10 percent of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise the authority and powers conferred by this section.'

"SEC. 105. The first sentence of section 302 of the Defense Production Act of 1950, as amended, is amended by inserting before the period at the end thereof the following: ', and manufacture of newsprint.'

"SEC. 106. Paragraph (2) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting after the first sentence thereof the following new sentence: 'No regulation or order shall be issued or remain in effect, under this title, which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less.'

"SEC. 107. Section 402 (d) of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"(5) The ceiling price for any material shall be suspended as long as (1) the material is selling below the ceiling price and has sold below that price for a period of 3 months; or (2) the material is in adequate or surplus supply to meet current civilian and military consumption and has been in such adequate or surplus supply for a period of 3 months. For the purpose of this paragraph, a material shall be considered in adequate or surplus supply whenever such material is not being allocated for civilian use, or, in the case of an agricultural commodity or product processed in whole or substantial part therefrom, is not being rationed at the retail level of consumer goods for household and personal use, under the authority of title I of this act.'

"SEC. 108. (a) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting in the fifth sentence thereof, after '(1) the Agricultural Act of 1949,' the following: 'except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 percent of the parity price, or such higher level as may be established under section 402 of that act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas.'

"(b) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products shall be established or maintained in any agricultural marketing area at levels which fail to reflect for the processing of such products the cost adjustments provided in paragraph (4) of this subsection and which fail to reflect for the distributing and selling of such products the customary margin or charge provided in subsection (k) of this section. Where a State regulatory body is authorized to establish minimum and/or maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be: *And provided further*, That in the case of prices of milk established by any State regulatory body, with respect to which price, parties may be

deemed to contract, no ceiling price may be maintained under this title which is less than the price so established. No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form.

"SEC. 109. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(6) For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale. This paragraph shall take effect as of January 26, 1951."

"SEC. 110. (a) Paragraph (111) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(iii) Price of rentals for (a) materials furnished for publication by any press association of feature service, or (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by or wages paid to any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion picture or other theater enterprise, or outdoor advertising facilities."

"SEC. 111. (a) Paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) Rates charged by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended;"

"(b) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(viii) Prices charged and wages paid by bowling alleys."

"(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(ix) Wages paid for agricultural labor."

"(d) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(e) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: *Provided, however,* That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective 30 days after its enactment."

"(e) Subsection 2 of section 402 of the Defense Production Act of 1950, as amended, is amended by adding to the end thereof the following new paragraph:

"(xi) Sales of surplus materials by the States, Territories, and possessions of the United States and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing."

"SEC. 112. The first sentence of section 402 (k) of the Defense Production Act of 1950, as amended, is amended to read as follows: 'No rule, regulation, order, or amend-

ment thereto shall be issued under this title, or remain in effect under this title for more than 30 days after the date of the enactment of the Defense Production Act amendments of 1952, which shall deny a seller of materials or services at retail or wholesale his customary percentage margins over costs of the materials or services or his customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by his records during such period, except as to any one specific item of a line of material sold by such seller which is in short supply as evidenced by specific government action to encourage production of the item in question.'

"SEC. 113. Section 402 (k) of the Defense Production Act of 1950, as amended, is further amended by adding at the end of the first sentence thereof before the period the following proviso: '*Provided, however,* That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials for wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth.'

"SEC. 114. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsections:

"(1) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by any State law (other than any so-called fair trade law) enacted prior to July 1, 1952, or by regulation issued pursuant to such law.

"(m) No rule, regulation, order, or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, the same ceiling price or prices for meat accorded to hotel supply houses or combination distributors which are not so affiliated."

"SEC. 115. Section 403 of the Defense Production Act of 1950 as amended by Defense Production Act amendments of 1951, is amended by inserting '(a)' after '403.' and by adding at the end thereof the following new subsection:

"(b) (1) There is hereby created, in the Economic Stabilization Agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the "Board"), which shall be composed of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order, but the number of members representative of the general public shall at all times exceed the aggregate of the number of members representative of labor and the number of members representative of business and industry. The number of offices on the Board for representatives of labor shall equal the number of offices on the Board for representatives of business and industry. Among the members representative of labor, at least one shall be a person who is not a representative of any organization which is affiliated with either of the two major labor organizations.

"(2) The members representative of the general public shall be appointed by the President, by and with the advice and consent of the Senate. The members representative of labor, and the members representative of business and industry shall be appointed by the President. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall be 1 year, unless sooner terminated in accordance with section 717. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress, and not otherwise.

"(6) Paragraph (5) of this subsection shall take effect 30 days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order No. 10161, and reconstituted by Executive Order No. 10233, is hereby abolished, effective at the close of the 29th day following the date on which this subsection is enacted."

"SEC. 116. (a) (1) The first sentence of subsection (a) of section 407 of the Defense Production Act of 1950, as amended, is amended by striking out 'relating to price controls under this title' and inserting in lieu thereof 'relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended'; and by striking out 'relating to price controls' after 'any such regulation or order'.

"(2) Subsection (b) of section 407 of the Defense Production Act of 1950, as amended, is amended by inserting after 'this title' the following: 'and the Housing and Rent Act of 1947, as amended'; and by inserting after 'section 705 of this act' the following: ', or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be'.

"(b) Section 408 of the Defense Production Act of 1950 as amended is amended to read as follows:

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within 30 days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part, the regulation or order or the amendment of or supplement to the regulation or order protested; to make and enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by a preponderance of the evidence on the record, shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President or not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to decision the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this act as amended, of which this title is a part and with respect to this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(c) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order under this title. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(d) (1) Within 30 days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within 5 days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this act or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within 30 days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 409 or 706 of this act or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this act or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under para-

graph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within 5 days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of this Act the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.

"SEC. 117. At the end of section 403, add the following new paragraph:

"Notwithstanding the other provisions of this section, administration of salary stabilization for executive, administrative, supervisory, and professional personnel shall be under the jurisdiction of the Bureau of Internal Revenue, under stabilization policies promulgated by the Economic Stabilization Administrator. The term "supervisory personnel" as used herein shall have the same meaning as the term "supervisor" as defined by the "Labor-Management Relations Act, 1947", and the terms "executive", "administrative", and "professional" shall have the same meaning as the corresponding terms as defined in existing regulations of the Administrator of the Wage and Hour Division for the purposes of the Fair Labor Standards Act."

"SEC. 118. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"SEC. 411. No person shall be required under this act to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices."

"SEC. 119. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: 'It is the sense of the Congress that, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress therefor requests the President to invoke immediately the national emergency provisions (sections 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage.'

"SEC. 120. (a) Title VI of the Defense Production Act of 1950, as amended, is hereby repealed. The table of contents in the first section of the Defense Production Act of 1950, as amended, is amended by striking out 'Title VI. Control of consumer and real estate credit,' and inserting in lieu thereof 'Title VI. [Repealed]'.

"(b) Subsection (c) of section 109 of the Defense Production Act amendments of 1951, which amends section 704 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'and provide for extending natural gas for house heating to amputee veterans, other hardship cases, and totally disabled individuals.'

"(c) Section 708 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section."

"SEC. 121. Section 701 (c) of the Defense Production Act of 1950, as amended, is hereby amended by striking out the colon at the end of the first sentence thereof, and adding the following: 'during such period:'."

"SEC. 122. Section 705 of the Defense Production Act of 1950, as amended, is amended by adding thereto the following new subsection:

"(f) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

"SEC. 123. The first sentence of section 707 of the Defense Production Act of 1950, as amended, is amended by striking out the word 'his.'

"SEC. 124. Section 717 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereto the following new subsection:

"(d) No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of the Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within 90 days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within 90 days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this act, no termination date shall be applicable to this subsection."

"SEC. 125. (a) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out '1952' and inserting in lieu thereof '1953.'

"(b) Subsection (a) of section 717 of the Defense Production Act of 1950, as amended, is amended by striking out '1952' and inserting in lieu thereof '1953.'

"SEC. 126. Subsection (b) of section 712 of the Defense Production Act of 1950 is amended by striking out the first sentence thereof and inserting in lieu thereof the following: 'It shall be the function of the committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this act and to review the progress achieved in the execution and administration thereof.'

"TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

"SEC. 201. (a) Subsection (e) of section 4 of the Housing and Rent Act of 1947, as amended, is amended by striking out 'June 30, 1952' and inserting in lieu thereof 'June 30, 1953.'

"(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(f) (1) The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of March 31, 1953—

"(A) in any area which prior to or subsequent to September 30, 1952, is certified under subsection (1) of section 204 of this act as a critical defense-housing area;

"(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of Federal rent control in such city, town, or village; and

"(C) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

"SEC. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new subsection:

"(p) Consistent with the other provisions of this act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget: *Provided, however,* That the provisions of this subsection shall not apply to housing units under the jurisdiction of the Atomic Energy Commission where Federal rent control is now in effect."

"SEC. 203. The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by section 204 (1) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities

and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area to be a critical defense housing area. Any committee so appointed shall consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization. Any Federal Agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such Committee may request from time to time relevant to its operations.

"SEC. 204. Subsection (1) of section 204 of the Housing and Rent Act of 1947, as amended, is amended by striking out paragraphs (1), (2), and (3), and inserting in lieu thereof the following paragraphs:

"(1) a new defense plant or installation has been provided, or an existing defense plant or installation has been reactivated or its operation substantially expanded;

"(2) substantial in-migration of defense workers or military personnel has occurred to carry out activities at such plant or installation; and

"(3) a substantial shortage of housing required for such defense workers or military personnel exists which has resulted in excessive rent increases and which impeded activities of such defense plant or installation."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which the bill H. R. 8210 was passed were vacated, and that bill was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object in order that the parliamentary situation might be explained, is it not necessary that at some point in the proceedings a request be made that the bill be printed in some form or other?

Mr. SPENCE. Mr. Speaker, I intend to make such a request.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. SPENCE, BROWN of Georgia, PATMAN, RAINS, WOLCOTT, GAMBLE, and TALLE.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Senate bill with the amendment of the House thereto be printed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I also ask unanimous consent that all Members may have five legislative days to extend their remarks at the conclusion of the debate in Committee of the Whole, and to include extraneous matter.

vided by that statute contained the so-called cross-filing system. By this is meant that a Republican, for instance, may have his name placed on the primary ballot of the Democrat Party. Only registered Democrats vote in the Democrat primary. If this Republican, whose name appears upon the Democrat primary ballot, gets more votes than anyone else he then has the Democrat nomination, provided he also has obtained the nomination of the Republican Party, with which party he is affiliated. In fact, that is what happened in the 1950 California primary election, to eleven California Congressmen who are members of the House of Representatives in the present Congress. Six Republicans obtained both nominations and five Democrats obtained both nominations.

In order to understand this system, you must know something about the California election laws. A resident of California can only vote if he is registered. When he registers he gives his name, residence and age. He is also asked to state his party preference and if he states it he is registered "Republican" "Democrat," etc. If he does not wish to state it, the registration clerk stamps opposite his name on the registration sheet "declines to state." In that event he cannot vote in a primary election but he is entitled to vote in a general election.

In California, a primary election is, in fact, an election by each of the political parties for the purposes of selecting the party candidates of the various parties for the "Partisan offices." The Election Code states that "Partisan office means an office for which a party may nominate a candidate" and that "Nonpartisan office means an office for which no party may nominate a candidate." All the offices of counties, cities, and the judiciary are nonpartisan.

A California direct primary election is really as many elections as there are organized parties, all held at the same time, at the same polling places, and for the purpose of selecting candidates for the various partisan offices, by the vote of the party members of each party, for each of the organized parties.

Only registered Republicans can vote in the Republican primary, only registered Democrats in the Democrat primary, etc. When a voter enters his precinct polling place in a California primary election he gives his name to the clerk of the precinct board and she looks at the precinct registration list and ascertains with what party he is registered. If he is a Democrat the voter is given a Democrat ballot. There is a ballot for each political party and only the members of each party may vote in the primary for the selection of candidates for the party with which they are registered. The voter must be registered 40 or more days before the primary election day, in order to vote in the primary election. The same is true of the general election.

The California direct primary law also provides the method whereby a person may get his name on the party ballot of a party or parties other than the party with which he is registered. Thus he may be considered by the voters of such party or parties for the nomination for Representative in Congress, for instance. The same system is used for all other partisan offices.

Right at that point is where the system differs from what it is in other States. In California a person who wishes to be considered for nomination by the Democrat Party, in addition to that of his own party, need not be a member of the Democrat Party. What we say about the Democrat Party here applies to any other party on whose ballot the prospective candidate wishes to get his name. In order that he may have his name placed upon the ballot of the Democrat or any other party, he must, in the case of a Congressman, have from 40 to 60 sponsors. They sign a sponsor's petition and,

in effect, request that the name of John Jones be placed on the Democrat ballot as a candidate for the nomination for Congressman. Each sponsor must be a member of the party on whose ballot it is proposed to place the name of the man he sponsors. But, and this is the key to the system, the proposed candidate, except in the case where the candidate is seeking the nomination of the party of his registration (his party), need not be a member of the party on whose primary (party) ballot the sponsors ask that his name be placed. In other words, the choice of the Democrats as to who shall be their candidate for Congress is not confined to members of their own party, but may come from any other political party, if members of other parties who are also trying to get this nomination cross-filed in the Democrat Party primary. Proposed candidates for the Democrat nomination may come from any or all of the other parties if they are able to obtain 40 to 60 sponsors, which is relatively easy.

This is the certificate which a sponsor would sign if he were a Democrat to get LEROY JOHNSON, a Republican, on the Democrat primary ballot as a candidate for Congress:

"I, the undersigned sponsor for LEROY JOHNSON for the Democratic Party nomination to the office of Representative in Congress, to be voted for at the primary election to be held on the 3d day of June, 1952, hereby assert as follows:

"My knowledge of LEROY JOHNSON is sufficient to warrant my urging his election to the office of Representative in Congress and in my opinion he is fully qualified, mentally, morally and physically for the office and should be elected to fill it. I am a qualified voter of San Joaquin County and I am registered as affiliated with the Democrat Party," etc.

By this method the choice of the voters in each party, in selecting the person who is to become the nominee for Congress in their party, is widened, so it conceivably could include persons from every other political party. The voters of the party have the field to choose from, if persons from other parties have qualified to get their name on the ballot, as above described.

In our independent political system, where the differences between the parties are not very clear and well defined and where there is a wide divergence in the views of the members of each of the major parties, the voter may frequently look to the man instead of the party principles to make his choice of whom he thinks will be a suitable candidate for Congress. In the 1950 primary election six California Republicans received the Democrat nomination as well as their own Republican nomination in the primary. In every one of these instances, except one, the candidates received the majority vote in the Democrat primary. In other words, a majority of the Democrats who voted in the Democrat primary for a nominee for Congressman, in the case of five Congressmen, now in the House of Representatives, felt that the Republican whose name was on their ballot was preferable as a candidate for Congress to the Democrat whose name was on the same ballot. The reverse was true in the case of five Democrats who received both nominations and are now members of the California delegation in the House. Instances have occurred where a candidate for a nomination has received less than a majority vote, but these are rare. A plurality vote is sufficient for a candidate to be the winner of the nomination.

In the 8 elections starting with 1936 and ending with the election of 1950 75 men who ran for Congress have received both nominations. Of this 75, only 3 of these received the nomination of the other party by a plurality. The other 72 received the majority of the opposite party in the primary. Of this group, 45 were Republicans and 30 were Democrats.

In the primary the California voter usually has a wide choice from which to select his nominees for partisan offices and the results have usually shown rare discrimination and considerable independence in the selection of candidates, especially for major offices.

There is a provision in this primary law that aims at party integrity, regularity, and discipline. It provides that—

"A candidate who fails to receive the highest number of votes for the nomination of the political party with which he was registered as affiliated on the date of his declaration of candidacy or declaration of acceptance of nomination was filed with the county clerk cannot be the candidate of any other political party."

This section has come into operation infrequently. In the 1944 primary election John M. Costello, an incumbent Democrat Congressman, was seeking the nomination of both parties. He failed to get a plurality of the votes for the nomination of his own party, hence he failed to get the Democrat nomination. He did, however, succeed in getting a majority of the Republican votes for the nomination and hence, theoretically, was nominated by the Republicans as their candidate. However, the above section of the law came into effect and since he did not receive the nomination from the party of his registration, he was not permitted to have the nomination of another party. The theory of the section is that if one cannot get the nomination of the party with which he is affiliated, the other party should not be required to take him as their candidate. In that situation the law provides that the State central committee of each party select the persons who are to be the nominees of their parties for the position in question, and their names are printed on the general election ballot under the appropriate party heads.

How has this system worked? What are some of the results of it? Has it broken down party lines and party responsibility? Does it weaken or destroy the party organizations? Does it give too much power to the individual voter?

As a background for the consideration of these questions we must keep in mind certain facts and conditions under which the California direct primary has operated. In California all municipal, county, and judicial offices are nonpartisan. By this is meant that one who runs for mayor or superior court judge does not do so as a Republican or a Democrat. He runs as an individual and by his personality and his campaign efforts really sells his qualifications for the job to the voters. In rare instances does his party affiliation come into the picture. For over 40 years the voter in California in selecting over half of his public officers has looked at them as individuals. He has, in making his choice, considered the education, experience, attainments, record, and character of those who seek nominations for municipal and judicial offices. This has made him a more independent voter, who arrives at his conclusions as to whom he wishes to be nominated for partisan offices by giving more consideration to the man and his attainments than to the party with which the prospective candidate happens to be affiliated.

But the party is not entirely overlooked. Those Republicans who have obtained the Democrat elections have all read ads something like this: "Why did you register Democrat? Because you believed in the Democrat Party. You certainly would prefer a man who is a Democrat for your candidate to one who is a Republican. Johnson is a Republican seeking the nomination of your party. Smith is the candidate who is registered Democrat. Vote Democrat—vote for Smith." But the voters are usually not as partisan as the organization that wrote that ad. They weighed the merits of those seeking the nomination and a majority decided that Johnson, even though he was a Repub-

ican, was the man they wanted as their candidate. Right here it might be well to mention that under the law no man seeking a nomination—of any party—need state that he subscribes to the party principles of that party. In fact, when a Republican seeks the Democrat nomination he states "I hereby declare myself a Democrat Party candidate for nomination to the office of Representative in Congress," etc. Then later he also says: "I am registered as affiliated with the Republican Party." Nothing is said about the principles to which he adheres. But he does clearly identify what party he is registered with in his declaration of candidacy. The campaign of course brings that out clearly to any informed voter knows what parties the men who are seeking nomination of opposite parties are affiliated with. Also the campaign develops by circulars, ads, and speeches what principles the various candidates are espousing. Undoubtedly this primary system has developed the habit of independence in California voters as they frequently must consider the merits of candidates who belong to different parties in selecting a candidate for a partisan office.

Strong men with good records have been generously treated under this primary system. Clarence F. Lea served as a Representative from the First District of California for 32 years. In 14 of the last 15 elections he received the nomination of both parties. In the first election he did not seek the nomination of both parties. Congressman Lea ended his service with one of the most statesmanlike records ever compiled by a California Congressman. He hewed to the line of what he thought was right, rather than slavishly following the Democrat line. This did not always please the party leaders, but his constituents rewarded him richly by continuing to send him back to Congress until his voluntary retirement. The writer knows of one instance where he was punished for voting his convictions rather than casting his vote as the titular head of his party decreed.

Senator Hiram W. Johnson received both nominations for United States Senator several times, the only man to be so honored. Gov. Earl Warren in the primary of 1946 received both nominations, the only candidate to be thus honored. In 1950 he received almost as many votes as his opponent James Roosevelt in the Democrat primary and in the general election defeated him by over 1,127,000 votes, carrying every county in the State.

This law seems to work about the same for candidates of either party. In the last congressional election six Republicans and five Democrats received both nominations. For all practical purposes this elects those who obtain both nominations, as their names are printed on the ballot as the candidate for the Republican and also for the Democrat parties. However, on the California ballot is a blank space, directly under the names on the printed ballots, where a voter may write in his choice, if he does not care to vote for any of those whose name is printed on the ballot. I know of one instance where a candidate for assemblyman was elected in that manner. He was a Republican but failed to get a plurality of the votes in the Republican primary, although he did receive a plurality in the Democrat primary, thus being ineligible as a candidate of either party, and consequently his name was not printed on the ballot. I understand that this has happened in several other assembly elections but in no case where the constituency is larger than that of an assemblyman.

When a candidate receives both nominations, especially if he gets a majority of the votes in each of the parties in whose primary election his name has been entered, he definitely feels that he is really a representative of all the people. No political clique or committee can claim that they are

specifically responsible for his election. Obviously it broadens the base from which he considers public questions and makes him less amenable to blandishments and special-interest groups. The public official selected by both parties to be their candidate may not be as close to the party organization of his own party, as if cross-filing were not allowed, but he certainly is close to the people who elected him and he very definitely gets a feeling of direct responsibility to them.

This system does not necessarily break down party lines. The Republicans and the Democrats still maintain their party allegiance, even though they have obtained both nominations. They vote for the candidate for Speaker of the House who has been nominated by the members of their party. They participate in the party conferences. They help write the party platforms.

Perhaps if candidates for partisan offices were unable to get both nominations the party committees would have a stronger hold over those elected. But no self-respecting Congressman, or any other elected official, would permit any party committee to dominate him and take away from him his right to use his own independent judgment in voting on issues presented to him for a decision, except in cases where the voters have formally expressed themselves. In that situation the Representative should register their views. Under the California system the party members select the candidate and the party committees (State and county) have the duty of electing the candidates whom the party members selected at the primary.

This system has resulted in every candidate, generally, making his own campaign, independent of any other candidate of his own party. We do not have the "package deal" where every candidate on the ticket works and speaks for the election of every other candidate on his ticket. Usually the Congressional candidates support the candidate of their party for United States Senator. But they seldom get into the campaigns of assemblymen and State senators of their own party. Also, they seldom get into the governor's campaign.

This has good and bad features, depending upon one's viewpoint. Frequently a man running for Congress might have reservations or be positively opposed to some State policies advocated by the man running for governor on the same ticket. This may be the case with candidates running on the same party ticket for other offices. Each candidate is thus judged more on his individual merits and the particular principles he espouses, rather than on the party with which he is affiliated or the principles of that party as expressed in its platform or the record of the party in the State and National field.

The danger of a small group—usually representing some selfish or special interest—getting control of the officials whom we elect is much less under the cross-filing system. We must remember that such situations brought about the primary system, which now is almost universal in our country. Robert M. La Follette saw special interest in Wisconsin dominate the conventions which nominated candidates. The expression was common among certain groups that "If we can control the nominations" we care not whom the people elect. So Governor La Follette developed the primary, which took from convention delegates the power to nominate candidates and placed it in the hands of the voters who are the members of the various parties. In California we took one step more and gave each voter of any party a chance to have the widest possible choice in the selection of party candidates by permitting persons of any party to be considered as a candidate for any partisan office, if he could obtain the necessary number of sponsors in the party whose nomination

he was seeking. It simply amounts to this: That the Democratic Party members may choose a Republican as their nominee, and vice versa, just as in the past segments of a party have endorsed candidates and platforms of one of the competitive parties. This broadening of the base gives the voter of the party a wider choice in the selection of a nominee of his party for Congress and any other office, which by California law is not made nonpartisan.

P. S.—Since the above was written Senator WILLIAM F. KNOWLAND, at the primary election on June 3, 1952, received both the Republican and the Democrat nomination. He is the second man to accomplish this feat. Also, 15 Congressmen—9 Republicans and 6 Democrats—received both nominations, at the recent primary election.

Defense Production Act Amendments of 1952

SPEECH
OF

HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. KLEIN. Mr. Chairman, I must confess that I am terribly disheartened at the action taken in the Committee of the Whole today and Friday in emasculating the bill under consideration.

It would seem to me that the Barden amendment just adopted is at least a more honest and direct approach than the previous amendments which would actually have the same effect, although under the guise of continuing price and wage controls. We have now reached the stage where the special interests and those who speak for them here in the House are out in the open. They do not want any price or wage controls whatsoever—this in the face of a terrific threat to our economic system, and in the face of one of the greatest emergencies facing the American people since the Declaration of Independence was signed.

It is difficult to imagine what is passing through the minds of those who have voted for these devastating amendments. Do they feel that the poorer and less fortunate of our people should be forgotten? Do they feel that only the wealthier of our people who do not need price or wage controls are the ones entitled to the protection of the Congress?

Whatever it is that is motivating them in their efforts to permit prices to rise to such an extent that the ordinary necessities of life may be denied to the very people who cannot afford to pay these high prices, is a mystery to me. I have no doubt that the American people will soon realize the effects of this "special interest" legislation; and will be heard from in no uncertain terms in November.

Over the years I have voted consistently to maintain price controls; even

though in each succeeding year amendments were introduced and passed which further weakened real and effective controls. I have voted for these bills even though I felt they were not going as far as they should, on the theory that they were better than no controls at all.

The entire question is now out in the open. The question is: Are we more interested in property rights than we are in human rights? As for myself, I can only say that I will continue to fight on behalf of the mass of our people who must have these controls during this period of emergency.

Can Taxes Really Be Lowered?

EXTENSION OF REMARKS OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. ZABLOCKI. Mr. Speaker, among the issues which will be discussed and debated throughout this election year, the high cost of Government and the reduction of taxes will have a prominent place.

Relying on the old adage that people like the man who is for a tax reduction, some Presidential candidates with votes in mind have unequivocally announced and promised the lowering of taxes if they are elected. Their followers have taken up the cry, without any regard as to whether or not the promise can be carried out. Of course, there are some persons who are accustomed to the practice of making empty promises, although they fully realize that they will be broken.

I believe that the editorial from the Milwaukee Journal of June 23, 1952, which I am enclosing under permission to extend my remarks in the RECORD, very adequately and objectively summarizes the answer to the often asked question "Can taxes really be lowered?"

It would be better if some politicians would become more honest with themselves and with the American people. The editorial follows:

CAN TAXES REALLY BE LOWERED?

Every American would like to see his taxes decreased.

Most Americans who study the problem will realize, however, that there is little hope of this for some time to come. In the first place, the Federal Government is now operating in the red, despite high taxes. In the second place, the deficit will be even larger next year. In the third place, we and the rest of the free world have not yet even begun to catch up with Russia militarily. In the fourth place, we may have to spend even more 2 years and 3 years from now than next year—depending entirely on what Russia does. In the fifth place, even when we get to a point of lower budgets, we must begin doing something about the staggering national debt before we lower tax rates materially.

Yet both Senator TAFT and General Eisenhower are promising to cut taxes soon after election, if elected president.

Senator TAFT says it should be possible to cut the Federal budget to \$60,000,000,000 by fiscal 1955 from the \$85,000,000,000 set for next year. This, he says, would permit a 15 percent reduction in taxes. It might permit almost that cut, if we let the national debt stay at what would probably then be about \$275,000,000,000. But where does he get the idea that \$60,000,000,000 would meet our costs in 1955?

Does he know what Russia intends, what position our allies will be in and what value our dollar will have?

General Eisenhower, after mentioning possible savings of \$40,000,000,000, has grown more cautious. He now says it should be possible to cut taxes within 2 years—after the budget deficit is wiped out and the free world has reached a balance with Russia.

Again, how does he know that budgets can be reduced and a balance with Russia had within 2 years, when nobody can even guess Russia's ultimate plans or the speed of its armament production in the immediate future?

Anybody can say that he is against waste in Government and promise to reduce it. Anybody can say that we should decrease Federal budgets as much and as soon as it is safe. Nobody can say much more at this time.

Our Federal fiscal objectives in the next few years should be (1) to spend as little as is safe under conditions as they develop, (2) to reach as quickly as possible the point where tax receipts exceed expenditures and (3) to keep taxes high enough after the budget is balanced to make possible an orderly reduction of the debt.

In the long run, the country's economic solidity is just as important an element in defense as a stockpile of weapons and a trained force to use them. If we should be forced to an all-out war, we would need to borrow billions to carry on. It is vital that our national debt be held down against such a possibility.

Defense Production Act Amendments of 1952

SPEECH

OF

HON. JOHN E. FOGARTY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I agree with what the gentlewoman from Illinois has just stated in her opposition to this amendment. We can put any interpretation on this amendment that we want to but the plain facts are that we are letting down some of the barriers that we as Members of the Congress have voted to protect the youth of this country and see to it that the majority of them, at least, get the education that they deserve. The reason we voted this amendment to the Fair Labor Standards Act of 1949 was because the majority of the Members of Congress thought that

this protection should be given to these children, and if we give in now to this segment of agriculture, under the pretense that it is all right for them to work on the farm, we are letting down the barriers that many men and women have been fighting for for years and years in this country to guarantee to these children, who were prevented from getting an education in the past, under the guise of working on the farm or anywhere else, to get that education. The gentleman from Michigan talks about these city people not understanding the problems of the farmer. I appreciate the fact that he had a son who started to work on the farm and worked until he got through high school or college, I presume, but at least he had the sense of responsibility to his child, while he was working on that farm, to see to it that he got a good and proper education, and that is something that the children of these farm workers, that this amendment pertains to, will not be getting if you vote for this amendment today. You will be discriminating against the child, that is what you will be doing by accepting this amendment. I find myself in the same position as the son of the gentleman from Michigan. I was born and brought up on a farm. I still live on that same farm. I milked cows a long time, from the time I was 9 or 10 years old, until I graduated from high school. I think that is a good thing for any young fellow to do. But, thank God my father had sense enough to see to it that I got an education while I was working on that farm. If I thought this amendment would allow that to be done, I would vote for it, because I know it is a good thing for any young fellow to have the experience that goes with a man working on the farm. But, I am convinced just as sure as I stand before you this afternoon that that is not the case. The people who are arguing for this amendment are the ones who argued against the amendment being enacted into law when it was enacted by the overwhelming vote of this Congress. If we adopt this amendment or one like it we are letting down the barriers that many good men and women have been fighting for for years, for the youths of our country, to see to it that they get a proper education.

One of the worst conditions existing in our country today are the children of the migratory farm workers. There we have a condition, I will say to my friend from Texas, that we should be looking into at the present time. There are thousands and thousands of children of migratory farm workers today that are not getting any education at all, and we, as Members of Congress, are not doing anything about it. That is an actual fact. I do not know how many thousands of migratory farm workers there are today going from Texas right up to Minnesota, and there is not one way in the world that it can be checked upon whether or not they are going to school 1 day or 5 days or 10 days, and those conditions that exist with the children of migratory farm workers existed with the children of farmers in your area which caused the Congress to take the

action it did in the amendment to the Fair Labor Standards Act of 1949. If we vote for this amendment today, we are breaking down the barriers for the protection of the children of our country, and we should see to it that they at least get a semblance of a decent education.

Extension of Controls

EXTENSION OF REMARKS OF

HON. HUGH J. ADDONIZIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. ADDONIZIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to insert the following thoughtful letter on the need for extending controls from Mr. W. Fred Lind, of West Orange, N. J. Mr. Lind speaks for the millions of hard-pressed consumers who face the threat of even higher prices if the pending amendments are adopted. With all the controls in force the best we have been able to do with the cost of living is to hold it at last winter's all-time peak, and it is essential that we at least hold the line. Inflationary pressures are still here and consumers must be protected against the ravages of further inflation:

WEST ORANGE, N. J.

EDITOR, NEWARK EVENING NEWS,
Newark, N. J.

DEAR SIR: True democracy is the product of continuous sifting of conglomerated thoughts to achieve what is good for all, never accepting itself as ultimate, but ever seeking perfection. However, there are times in the sifting process that sludge plugs the meshes. Such is now the situation in connection with our defense program and in the political path to good government. Certain Members of Congress have not only obstructed the efficient functioning of OPS, thus costing the consumer countless dollars, but now they would destroy the agency completely. The tactics of last Friday in Congress were indicative of a cheap parliamentary trick. It appears to me that the same forces that stole the parliamentary conventions at Texas and Louisiana have been at work against controls. This is cheap politics contrary to true public wishes. These men would have us believe there is no longer any danger to our economy or our country. I believe the danger is as real now as it was when OPS was organized.

I have worked with OPS unofficially for almost 2 years. During that time I criticized them, helped them, and even got mad at them. I came through with suggestions that would benefit the retail grocer directly and the public indirectly, and, believe it or not, OPS came through with corrections. In my opinion this agency have done more for the citizens than many Congressmen have.

I agree that the OPS has to do some reorganizing, and should decontrol many items which are in ample supply, but OPS has to stay in order to put chiselers in their place when they get out of line again.

While some Congressmen have considered OPS unnecessary and have tried to destroy it, many others have seen the wisdom of retaining control of our economy. The representative from my district, Representative HUGH ADDONIZIO, has worked earnestly for his constituents especially in the fight on in-

flation. More power to him and those like him who work quietly but honestly to help protect our country.

Yours very truly,

W. FRED LIND.

Textile Troubles

EXTENSION OF REMARKS OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. LANE. Mr. Speaker, under leave to extend my remarks, I wish to include the following article by John Harriman:

LOSS OF EXPORT MARKETS HURTS TEXTILE BUSINESS

(By John Harriman)

Last week President Francis W. White, of the giant American Woolen Co. said the woolen business in New England was caput—finished. "Half the mills would shut down," said Mr. White, "and the other half would seek the lush field of the sunny South."

Also last week out spoke Economic Stabilizer Roger Putnam, Springfield manufacturer, who said not to worry, the mill migration was all for the best in the long run.

And on last Friday at the New England council meeting in Whitefield, N. H., Prof. Seymour Harris, of Harvard, chairman of the New England Governors' Textile Committee, said that we could save our textile mills; but he went on to outline some pretty uncomfortable conditions behind his "could."

MILLS IN SOUTH ALSO AFFECTED

Our textile troubles here in New England are, of course, just a part of industry-wide troubles (some mills in the South are sweating, too). Furthermore, the troubles in this country are in turn but a part of a world-wide textile problem—the uncomfortable fact that the spinning and weaving mills of the world can turn out more textiles than the people of the world can buy.

This trouble started back during World War I when textile men in this country, Britain and Japan, the three big textile exporting nations, got ready to satisfy what they judged to be a very large pent-up demand for cotton and woolen cloth.

Then for the first time mills began to run on a three-shift operation, and much capital was invested in new machinery and new mills.

But the pent-up demand proved much less than had been anticipated. And this resulted in the long, dark textile years between World War I and World War II, when the industry was ruthlessly combed of its older and less efficient operations. This combing out lost New England about 80 percent of its cotton mills.

What happened was that other countries which once had bought textiles from Britain, this country and Japan, were now building their own industry. The once rich export markets were being lost.

IN INDIA AND SOUTH AMERICA

Now the same thing has happened after World War II.

India, which was once a large importer of textiles, is now one of the great exporting nations. Indeed, she led all others in exports in 1949.

In South America, too, textile mills were springing up, and to a lesser degree the same thing was happening in other parts of the globe.

World output of cotton goods, for instance, has increased by 50 percent from its pre-

World War I figure; but in the same interval world export of cotton goods has declined by 40 percent.

In 1913 about 30 percent of all cottons manufactured moved into the export market. Today the figure is roughly 12 percent.

The effect of this on the United States industry can be judged from the fact that our exports of cotton goods were 807,000,000 yards in 1951 against expected exports of 600,000,000 yards this year (and against a postwar high of 1,500,000,000 yards).

Japan, which must export 40 percent of her cotton manufacture, has nearly that much of her industry shut down. While Britain is experiencing higher textile unemployment than at any time since the war.

In other words, once again, as after World War I, the industry is being combed of its less efficient, higher cost, noncompetitive operations which means, of course, of its older mills.

Development of the Allegheny Valley

EXTENSION OF REMARKS OF

HON. LEON H. GAVIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. GAVIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks delivered by me at a meeting of the Allegheny River Improvement Association, East Brady, Pa., June 21, 1952:

It is always a pleasure for me to return to my district and discuss with the people those problems and projects in which we are greatly interested and which will mean so much to the further development of the Allegheny Valley.

The development of the Allegheny River is a project in which I, along with many others, have been interested for the past 25 or 30 years. And I sincerely hope that during my lifetime this great river will be developed for navigation up to and including Warren, which would contribute greatly to the industrial development of the region.

I have also been interested in the development of the Allegheny and Genesee Rivers to connect with the New York State barge canal to bring about a complete canalization project for the eastern part of the United States.

However, studies thus far made of the Allegheny-Genesee proposal indicate that the cost of the through waterway would be extremely high and that very large tonnage would be required to justify such a project. The length of the route, topography, the difficult water-supply problem in the divide reach, and the relatively short navigation season are some of the major factors which influence the through waterway adversely. I have been advised that unless conclusive evidence of very large prospective tonnage movements on the waterway can be developed by the project proponents it is apparent that this proposed route would find great difficulty in being economically justified.

I know of the great interest and work of the Allegheny River Improvement Association and the Upper Allegheny River Improvement Association to bring about greater consideration of this proposal.

But another factor that has entered into this situation is the flood-control program which Congress in the Flood Control Act of June 28, 1938, and subsequent legislation has approved for a comprehensive plan for the development of the water resources of the Ohio River Basin in the interest of

"When our night patrols meet resistance, they want to be able to look around and see right now what the enemy's up to," Colonel Cook said. "They don't want it to get dark out there."

"If you are on an outpost in no-man's-land, and you are outnumbered three or four to one by the Chinese and they are creeping up on you and infiltrating your position, you want those flares burning."

"This regiment is restricting its use of flares because it's not getting all it wants."

DIVISION'S OWN WEAPONS

The 60- and 81-millimeter and the 4.2-inch mortars are an infantry division's own weapons. Colonel Cook was talking about flares for these weapons.

The Eighth Army says that across the front in Korea there is no shortage of illuminating ammunition of any type—including mortars. In various places from time to time there may be transitory spottiness as to caliber, but this does not interfere with night illumination of a battle.

Any disproportion between calibers is not crucial. If 60-millimeter mortar flares run low in any outfit, then there is the longer-burning flare fired by the 81-millimeter mortar.

This is backstopped by the 105-millimeter artillery, which has an even longer-burning flare.

LONGEST-BURNING TYPE

Then there is the 155-millimeter artillery. It has and shoots flares which burn longest of all the mortar and artillery types.

But long before there is the remotest possibility of these four calibers of weapons consuming immediate sources of illuminating ammunition, a United States Air Force "flareship" can be summoned. Usually it is on the scene 30 to 45 minutes after it is called. And it can circle all night over a battlefield, dropping flares that burn 10 or 11 minutes.

During one night action, Colonel Cook's regiment fired 42 rounds of 81-millimeter mortar flares and 428 rounds of 60-millimeter mortar flares and did not run out.

The next day, in asking to be resupplied, the regiment received two and one-half times as many 81-millimeter flares as it had fired, but only 25 percent of the expended 60-millimeter flares.

A SHORTAGE TO THEM

To Colonel Cook and his supply officer, Captain Benjamin F. Sawyer, of San Angelo, Tex., this meant a shortage of 60-millimeter flares.

But to one of their superior officers at division headquarters, this was not so.

"First of all," he said, "a total of 470 mortar flares is too damn much to shoot in one night when we've got artillery illuminating ammunition and flareships, and second, there is no shortage of mortar flares. All they've got to do is come down and get them."

Colonel Cook admits his outfit has never been hurt for want of any type of ammunition. "We never lost a life in 6 months up here due to any shortage of any type of ammunition or because we ran out of it," he said.

YOU ALWAYS WANT MORE

As one officer said: "No matter how many troops a commander has got, he hasn't got enough. No matter how much money people have, they haven't got enough. And no matter how much ammunition we've got, we haven't got enough. You always want more, more than you need—for security, I guess."

On the line, a company commander, Capt. Thomas J. Ralston, of Havertown, Pa., said of his ammunition supplies that "no matter how hard the fighting, it's never gotten down to the point where we needed it and couldn't get it. And we have never run out."

"We have all the support we could ask for from our mortars and artillery," said his executive officer, First Lt. William E. Morris, of Oklahoma City, Okla.

"I think we are getting better support for our patrols than ever before. We used to shoot day and night, and that might have been wasteful. I can't see any shortages."

NO COMPLAINTS ON THE LINE

Combat infantrymen on the line have no complaints about the artillery support they are getting nor about the high explosives hurled in their support by their own mortars.

Some units would like a bigger allocation of high explosive, 4.2-inch mortar shells. But, again, no shortage is involved.

Take this recent action:

At midnight on May 25 a reinforced American infantry platoon supported by light and heavy machine guns occupied an outpost in no-man's land. It was attacked by one Chinese battalion with diversionary enemy attacks in squad and company strength.

Another U. N. platoon was ordered to attack in support of the unit holding the outpost.

The resulting fire fight lasted for 3 hours and 45 minutes.

THE AMMUNITION EXPENDED

In that period, the Americans fired 818 rounds of 4.2-inch mortar shells.

A total of 591 rounds of 81-millimeter mortar fire was used along with 1,175 rounds of 60-millimeter mortar. In addition, 87,000 rounds of .30-caliber machine-gun ammunition and 30,000 rounds of .50 caliber machine-gun ammunition were fired. More than 750 hand grenades were thrown.

In addition, there were thousands upon thousands of rounds of carbine and rifle fire and some artillery fire and an Air Force flareship came in to light up proceedings.

Twenty-nine Chinese were killed in the action. Their bodies were still draped on the barbed-wire fences at the end of the engagement. Three wounded prisoners of war were taken, two of them dying later. It was estimated that the enemy dragged off at least 70 dead.

And none of the U. N. troops involved ran out of ammunition.

If there is an ammunition shortage developing, it must be in the United States. It has not reached Korea.

Letter From a Constituent

EXTENSION OF REMARKS

OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 18, 1952

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

DEAR CONGRESSMAN HALL: I will vote for you in the Republican primary Tuesday, August 19, for these reasons:

1. Your long record in Congress is honest, fearless, and shows you cannot be bought or controlled.

2. You have helped many thousands of our citizens, veterans, older people, workers, and farmers.

3. You believe in telling Washington politicians the truth about corruption and loose living, no matter how it hurts. You always vote the people's way.

4. I don't like the unholy alliance of political bosses and dictatorial newspapers gang-

ing up on you and trying to force people to vote their way.

5. I say let the people decide, not the politicians. You represent us back home and work for us.

Good luck.

Yours respectfully,

L. G.

Alaska Air Bases May Be Without Fuel Unless Union Armed Violence is Halted

EXTENSION OF REMARKS

OF

HON. NORRIS POULSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 17, 1952

Mr. POULSON. Mr. Speaker, armed violence, which United States authorities have failed to halt, may leave the vital Ladd and Eilsen Air Force Bases in Alaska without sufficient winter fuel.

Mob rule has supplanted law and order in the Healy River area of Alaska, and the Usibelli Coal Co. mine, chief supplier of fuel for the strategic air bases, has been prevented from complying with its military contracts.

In the last 6 weeks, trucks, machinery, buildings, and oil and gas tanks owned by the Usibelli mine have been destroyed by United Mine Workers Union men armed with rifles and other weapons. One Usibelli worker was pulled from his truck and beaten.

The acts of violence were performed by workers from the Healy River Coal Co., adjacent to the Usibelli operation, and the Evan Jones Coal Mine, in defiance of a court injunction prohibiting illegal picketing. Efforts of the United States Marshal to stop the rioting have been futile, and the rioters have not only ignored his commands but have openly defied them.

The Usibelli company, both directly and through its Washington attorney, Northcutt Ely, has appealed for protection to the Department of Justice, the Secretary of the Interior, the Air Force, the Navy Department, and the Defense Solid Fuels Administration. Although the rioting has gone on nearly 2 months, in violation of court orders, Federal authorities have failed to stop it.

The mobs from the Healy River and Evan Jones mines have sought to force Usibelli employees to join the United Mine Workers. Union officials from the States have directed the violence and have been on the scene during the destruction of the Usibelli property.

The Usibelli operation is a strip mine, and most of its workers are members of construction unions, including the AFL Operators Union and the Teamsters Union. They are not miners, but dirt movers and truckers. They have voted 25 to 1 against joining the United Mine Workers.

RECORD OF VIOLENCE

Since April 13, 1952, shipments from the Usibelli mines have been stopped, substantially, by the mass picketing and violence carried on by UMW miners from the Healy and Jones mines under the

direction of UMW agents. Usibelli trucks were prevented from unloading coal at the company tipple.

April 15, 1952, the Usibelli company obtained a temporary restraining order in Federal court against the mass picketing. It permitted legal picketing.

April 28, 1952, an injunction, pending suit, was issued against the rioters by the Federal court.

The threats, picketing, and violence continued.

May 15, 1952, contempt proceedings were started by the Usibelli company, and the United States marshal at Fairbanks, 100 miles from the mine, was informed that a riot was taking place.

May 20, 1952, the marshal appeared on the scene and advised the pickets that they were in violation of the court orders and the rioting statute of the Territory. The marshal's warning and his orders temporarily restored order, but only for 10 days, when apparently union orders from higher up were received to resume violence.

May 30, 1952, an armed mob, composed of men from the Healy and the Jones mines again stopped Usibelli shipments to the Air Force.

May 31, 1952, belts of the Usibelli company tipple were cut, fuse boxes were tampered with in an effort to start a fire, and five railroad cars of coal destined for the military were dumped.

In an open meeting, Healy miners discussed burning the Usibelli tipple and the blowing up of Usibelli fuel tanks.

June 2, 1952, the Usibelli tipple powerhouse was destroyed by fire. Evidence was found to show that the destruction was the work of an incendiary.

June 23, 1952, with a deputy United States marshal on the scene but helpless to halt them, a hundred miners from the Healy mine commandeered a Usibelli truck, blocked the road to the Usibelli tipple, opened valves on oil and gas storage tanks and ignited the flowing fuel. The fuel tanks and a newly installed tipple power plant were either destroyed or seriously damaged.

Ten thousand gallons of gas, an equal amount of oil, and machinery were burned. A truck was demolished. The loss in this one instance amounted to more than \$30,000.

Loss in coal deliveries since the rioting began has amounted to more than \$100,000, the Usibelli company reports.

The arsonist was seen setting the fire in this case by several score persons, and can readily be identified.

In the mob was a representative of the UMW District 27, in Montana, who had just arrived by plane and appeared to be in full charge of the armed violence and destruction.

AIR BASES WINTER FUEL

The Usibelli company, located at Sun-Trans, Alaska, has contracted to supply approximately 208,000 tons of coal to the Ladd and Eilsen Air Force Bases. This amount represents over 60 percent of the requirements of these bases for the coming year. The Navy signed the contract for the Air Force coal supply. In addition, the company has contracts with the Alaska Railroad and the city of Fairbanks.

There is no other coal supply readily available to the Air Force to replace their supply if the Usibelli mine is shut down. Importing coal from the States would be prohibitive. Nor may the bases be converted in time to utilize another type of fuel.

The Usibelli company has no dispute with its employees.

In an appeal to the Attorney General, Emil Usibelli, company president, declared:

The only issue is one of recognition. Our men do not belong to the United Mine Workers, have not, and are unwilling to so affiliate, and have not been and are not now on strike.

We have refused, and will continue to refuse (even though it has cost us over \$100,000 to date to do so), to force our employees to join any union against their will. We have never refused any union representative free run of our camp to talk to our men, nor in any manner curbed that privilege.

Here is a situation, Mr. Speaker, that demands the immediate attention of the highest officials in Washington having authority to settle such matters.

In this case, union mobsters have defied the United States, destroyed property, ignored court orders, and menaced the operations of vital air defense bases.

The Defense Production Act

EXTENSION OF REMARKS OF

HON. JOHN P. SAYLOR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. SAYLOR. Mr. Speaker, from time to time I have received a flood of telegrams when certain legislation has been pending before the House of Representatives. I have sometimes wondered as to how some of the individuals who have sent these telegrams knew or were informed as to the status of the legislation.

I realize that the letters, cards, and telegrams which the Members of Congress receive is the only way they have of determining the wishes of the people in their district. We respect the views expressed in those letters and telegrams and keep them in mind when considering such legislation in the House.

I have received a flood of such telegrams from the local CIO unions in my district concerning the Defense Production Act and its various amendments. However, I have been unimpressed by these telegrams because of one which, from its very nature, shows that more was included in the telegram to me than the originator intended.

I know that the Members of Congress will appreciate the fact that the CIO feels that in their deliberations of the legislation concerning price controls the Members of Congress have shown a shocking demonstration of their irresponsibility.

I wish to include as a part of my remarks the text of the telegram which I have referred to. However, I am omitting the name of the individual who for-

warded the telegram to me, for the simple reason that I do not wish to blame him for the views expressed by his superiors.

JOHNSTOWN, PA., June 24, 1952.

JOHN P. SAYLOR,

House Office Building,

Washington, D. C.:

On Friday the House of Representatives in shocking demonstration of their irresponsibility tentatively scrapped all price controls. Final action due on Wednesday. Imperative flood of wires reach Representatives at once strongly urging they be present to vote against Talle amendment to control all commodities not subject to allocating and rationing, against Harrison amendment prohibiting price ceilings on fish, canned fruit, and vegetables, against Lucas revamping the WSB depriving it of jurisdiction over labor disputes, against Smith amendment requesting the President to invoke the Taft-Hartley injunction in the Steel case. Representatives must feel the full weight of public indignation if Friday's ruthless destruction of price controls is to be reversed.

President, United Steelworkers of America, Local Union —

Why Fair Employment Practices Help To Strengthen America and the Free World

EXTENSION OF REMARKS

OF

HON. F. D. ROOSEVELT, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. ROOSEVELT. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like to call attention to an article by Malcolm Ross entitled "The Need and the Chance for Equality," which appeared in the magazine section of the New York Times of May 25.

The protection of civil rights is a national problem which affects everyone. I believe we need to guarantee the same rights to every person regardless of who he is, where he lives, or what his racial, religious, or national origins are. Mr. Ross tells of the progress we have made in our recognition of the rights of equal opportunity and equal pay for equal work in industry; basic changes in segregation practices in the Armed Forces; and significant enlargement of opportunities for Negroes in schooling, voting, and public housing. Mr. Ross also emphasizes the great need for statutory adoption of FEPC measures to further secure these rights.

I commend the reading of this article to all of my colleagues:

THE NEED AND THE CHANCE FOR EQUALITY

(By Malcolm Ross)

Soviet distortions of the ills suffered by American Negro citizens are among the most difficult to meet of all the big lies circulated by Russia for the purpose of winning the colored races of Asia to its side. Lies about American germ warfare in Korea make us angry, but reports that the newspapers of India have headlined the racist bombings in Miami must strike home, for we know that they happened. White Americans and Negro Americans agree that relationships be-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 30, 1952

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

For actions of June 27-28, 1952
82nd-2nd, Nos. 114 and 115

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HIGHLIGHTS: Both Houses agreed to conference report on appropriation bill for foot-and-mouth disease laboratory. House committee reported Bosone small-reclamation projects bill. House committee reported bills to adjust burley tobacco quotas and authorize consolidated insect-research laboratory. Senate overrode veto of immigration bill. Senate committee reported flammable-fabrics bill. Sen. Ken denied Secretary Brannan's charges on voting record. House concurred in Senate amendments to bills on extension-work authorizations, Md. tobacco quotas, and Ft. Robinson land transfer. House passed appropriation bill for foreign aid and defense production activities. Both Houses agreed to conference report on defense production bill. Senate passed Korean GI bill. Senate debated defense appropriation bill.

HOUSE - June 27

1. **APPROPRIATIONS.** Agreed to the conference report on H. R. 7860, the urgent deficiency appropriation bill for 1952. The conferees agreed to the following proviso, to be added to the item for a foot-and-mouth disease laboratory in lieu of the proviso which had been proposed by the Senate: "at a location to be selected by the Secretary of Agriculture after full hearings of which reasonable public notice shall be given to those who may reside within twenty-five miles from the island selected." (pp. 8440-1.)

Began debate on H. R. 8370, the supplemental appropriation bill for 1953, which includes items for foreign aid and defense-production activities (pp. 8390-431).

House conferees were appointed on H. R. 7176, the Interior appropriation bill (p. 8390). Senate conferees were appointed June 25.

House conferees were appointed on H. R. 7289, the State, Justice, Commerce appropriation bill (p. 8390). Senate conferees were appointed June 26.

2. **RECLAMATION.** The Interior and Insular Affairs Committee reported with amendment H. R. 7084, the Bosone bill to facilitate the development of small reclamation projects (H. Rept. 2328)(p. 8455).

The Interior and Insular Affairs Committee reported with amendment H. R. 6163, to provide the basis for authorization of irrigation works in connection with Chief Joseph Dam, to provide for financial assistance thereto from power revenues, etc. (H. Rept. 2327)(p. 8455).

3. TRANSPORTATION. The Rules Committee reported a resolution for consideration of S. 2357, to make clear that horticultural commodities are included in the provision of the Interstate Commerce Act which exempts the transportation of agricultural commodities from ICC regulation (p. 8432).
4. FLOOD CONTROL. The Rules Committee reported a resolution for consideration of H. R. 7817, to authorize emergency flood-control work made necessary by the recent floods (pp. 8432-3).
5. EMERGENCY POWERS. Passed without amendment H. J. Res. 490, to continue various emergency powers until July 3, 1952, pending enactment of the regular bill on this subject (p. 8440).
6. DEFENSE PRODUCTION. The conference report on S. 2594, to extend and amend the Defense Production Act, was ordered to be printed as H. Rept. 2350 (p. 8456).
7. TOBACCO ALLOTMENTS. The Agriculture Committee reported with amendment H. R. 8170 to reduce the minimum acreage allotments for burley tobacco (H. Rept. 2349)(p. 8456).
8. INSECT RESEARCH. The Agriculture Committee reported with amendment H. R. 7952, to authorize the combination of the Truck Crop Insect Laboratory and the Citrus Insect Laboratory of the Bureau of Entomology and Plant Quarantine, located at Alhambra and Whittier, Calif., respectively, and to provide for new quarters (H. Rept. 2348)(p. 8456).
9. LAND TRANSFERS. The Agriculture Committee reported without amendment S. 2603, to return to Oregon 2 acres of previously donated land for fish-hatchery use (H. Rept. 2347)(p. 8456).
The Expenditures in the Executive Departments Committee reported without amendment S. 3052, to authorize various property transactions, including transfer to the Navy Department of a tract of land which had previously been used by USDA in connection with an emergency rubber project (H. Rept. 2335)(p. 8455).
10. FARM PROGRAM. Rep. Furcolo commended the accomplishments of the farm program during the last few years (pp. 8444-9).
11. WILDLIFE CONSERVATION. Rep. Staggers urged greater efforts toward conservation of our natural resources, particularly wildlife (pp. 8449-50).

SENATE - June 27

12. IMMIGRATION. By a 57-26 vote, passed over the President's veto H. R. 5678, to revise the immigration and naturalization laws (pp. 8461-76). The bill has now become law.
13. APPROPRIATIONS. Passed with amendments H. R. 7313, the legislative appropriation bill for 1953. Senate conferees were appointed. (pp. 8476-501.)
The Appropriations Committee reported with amendments H. R. 7391, the Defense Department appropriation bill for 1953 (S. Rept. 1861)(p. 8458).
14. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported with amendment S. 2918, to prohibit interstate commerce in articles of wearing

apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals (S. Rept. 1869)(p. 8458).

15. CONSTRUCTION CONTRACTS. The Judiciary Committee reported without recommendation S. 2907, to prescribe policies and procedures to be followed by executive agencies in connection with cost-plus construction contracts (S. Rept. 1969) (p. 8459).
16. FARM PROGRAM. Sen. Ken denied Secretary Brannan's charges that he has voted against things the farmers need (pp. 8518-21).
17. PUERTO RICO. Received the conference report on H. J. Res. 430, approving the Puerto Rican constitution (p. 8515).
18. TAXATION. Sen. George inserted a letter from the Treasury Department recommending various modifications of the provision in the recent tax law relating to the tax treatment of expenses of raising livestock held for draft, breeding, or dairy purposes (pp. 8516-7). He also inserted his letter to the Treasury Department objecting to several Treasury interpretations of the tax law (pp. 8517-8).
19. VETERANS' BENEFITS. H. R. 7856, to provide for education, training, and loan-guarantee benefits for veterans of the Korean conflict, was made the unfinished business (p. 8518).

BILLS INTRODUCED - June 27

20. SOIL CONSERVATION. H. R. 8400, by Rep. Curtis of Nebr., to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, etc.; to Agriculture Committee (p. 8456).
21. FOREIGN AID. H. Con. Res. 228-234, to favor the economic development and improvement of the south Asian subcontinent; to Foreign Affairs Committee (p. 8456).
22. MINERALS. S. 3408, by Sen. Cordon, to permit mineral development of certain lands acquired by the U. S.; to Interior and Insular Affairs Committee (p. 8459).

ITEMS IN APPENDIX - June 27

23. DEFENSE PRODUCTION. Various speeches during debate on S. 2594, to extend and amend the Defense Production Act (pp. A4264, 4267, 4268, 4280-1, 4283, 4285).
24. PERSONNEL. Speech in the House by Rep. Vursell favoring additional restrictions on annual leave (p. A4265).
25. LIVESTOCK. Rep. Harrison inserted various resolutions of the Wyoming Stock Growers Association regarding subsidies, forest administration, expenditures, mineral rights, regional development, etc. (pp. A4257-8).

HOUSE (Continued) - June 27

26. EXTENSION WORK; TOBACCO; LAND TRANSFER. The Agriculture Committee authorized Chairman Cooley to request House concurrence in the Senate amendments to H. R. 6773, to amend the authorizations for extension work in view of the 1950 census; H. R. 3554, to provide that the carry-over of Maryland tobacco for any marketing year shall be the quantity of such tobacco on hand in the U. S. on January 1 of such marketing year; and H. R. 4686, authorizing the transfer of

a tract of land in the Robinson Remount Station, Nebr., to the city of Crawford (p. D657).

27. FORESTRY. The Agriculture Committee agreed to defer further consideration in the current session on H. R. 3491, to abolish the Lakeview Federal sustained-yield forest unit, Oreg. (p. D657).

HOUSE - June 28

28. EXTENSION WORK; TOBACCO; LAND TRANSFER. Agreed to the Senate amendments to the bills mentioned in item 26 above (pp. 8523-4). These bills will now be sent to the President.

29. SUPPLEMENTAL APPROPRIATION BILL, 1953. Passed with amendments this bill, H. R. 8370 (pp. 8526-80).

Agreed to the following amendments:

By Rep. Whitten, to prohibit use of foreign-aid funds "for the purchase of agricultural products or products produced from agricultural products not declared to be in short supply in the United States by the Secretary of Agriculture at less than the prevailing market price for such commodity within the United States or, if obtained from Commodity Credit Corporation stocks, at less than the support price of such commodity including handling and storage costs" (pp. 8560-1). Before action on this amendment, a similar provision in the bill had been stricken on a point of order raised by Rep. Gary (p. 8560).

By Rep. Whitten, to add an item of \$57,130,000 for the Economic Stabilization Agency (p. 8576).

By Rep. Davis, Ga., to reduce economic and technical assistance for Asia and the Pacific from \$118,634,250 to \$67,793,000; by a 124-114 vote (pp. 8548-54).

By Rep. Williams, Miss., to cut the item for multilateral technical cooperation from \$15,708,750 to \$9,171,333; by a 112-96 vote (p. 8556).

By Rep. Keating, to reduce the funds for administrative expenses of foreign aid from \$42,000,000 to \$37,800,000; by a 101-72 vote (pp. 8558-60).

By Rep. Jensen, to limit the filling of personnel vacancies in connection with foreign aid (pp. 8561-2).

Rejected an amendment by Rep. Barrett to appropriate \$16,500,000 additional for the school-lunch program, by a 64-96 vote (pp. 8574-5).

30. DEFENSE PRODUCTION. Agreed, 194-142, to the conference report on S. 2594, to amend and extend the Defense Production Act (pp. 8581-96). The Senate also agreed to the report (pp. 8602-13). This bill will now be sent to the President. The following provisions were agreed to by the conferees: Extending price and wage control through April 1953 and extending the other titles through June 1953; removing consumer credit controls and providing for removal of credit controls on housing under certain conditions; compromising the Wolcott Emergency Court of Appeals amendment; providing that OPS be required to demonstrate the validity of its regulations by "substantial" evidence instead of a "preponderance" of the evidence; to accept the Talle amendment making clear that all food processors are entitled to the Capehart amendment and that all distributors of processed foods are entitled to the Herlong amendment; eliminating the Talle de-control amendment and the Cole amendment which would have applied the historical mark-up to an individual seller; providing for import control as specified in the House provision with an amendment which permits the Secretary of Agriculture to allow imports of a commodity in an



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House of Representatives

The House met at 10 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Infinite and eternal God, humbly and reverently we are again coming unto Thee in the sacred attitude of prayer with our many needs and longings.

Grant that in the midst of the world's struggles and tribulations we may cleave with increasing tenacity of faith and courage to the abiding truth that nothing can ever impede the progress and triumph of Thy Kingdom of reason and righteousness.

We pray that we may labor more earnestly for universal peace and do all within our power to lead the spirit of man out of the bondage of hatred and selfishness into the glorious light of love and brotherhood.

May the day soon come when all nations shall have a clearer vision and understanding of the utter futility and waste and insanity of war and see that war is hell and the brutal destruction of human life and property and nobody can make anything else out of it.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7289. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1953, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. McKELLAR, Mr. EL-

LENDER, Mr. GREEN, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. FERGUSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 5768. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944; and

H. R. 7800. An act to amend title II of the Social Security Act to increase old-age and survivors insurance benefits, to preserve insurance rights of permanently and totally disabled individuals, and to increase the amount of earnings permitted without loss of benefits, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2594) entitled "An act to amend and extend the Defense Production Act of 1950, and the Housing and Rent Act of 1947, and for other purposes"; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. FREAR, Mr. CAPEHART, Mr. BRICKER, and Mr. IVES to be the conferees on the part of the Senate.

AMENDING THE MERCHANT MARINE ACT OF 1936

Mr. HART. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 241) to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American Merchant Marine, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand that a similar bill, but I think probably on a larger scale, passed

the House in the Eightieth Congress, but failed to pass the Senate.

Mr. HART. I would not say that that is exactly so. I have already discussed this matter with the ranking minority member of the Committee on Merchant Marine and Fisheries, and he joins with me in the request. This is a unanimous report.

I will say to the gentleman from Massachusetts that a bill similar to this, for the same general purposes, amending the Merchant Marine Act, passed the House unanimously in the Eightieth Congress, but this is a bill that passed the Senate and which the House has amended in certain particulars and which affects broadly the same general provisions.

Mr. MARTIN of Massachusetts. And this bill has passed the Senate?

Mr. HART. This bill has passed the Senate, but the House has amended it.

Mr. MARTIN of Massachusetts. And it has the unanimous support of the Committee on Merchant Marine and Fisheries?

Mr. HART. Yes.

Mr. McCORMACK. Mr. Speaker, further reserving the right to object, this is what is known as the long-range shipping bill. The committee worked very hard on it during this Congress and they reported out a bill which, in my opinion, is satisfactory. I want to compliment the committee and the gentleman from New Jersey [Mr. HART] for their efforts. The bill has received clearance and is, in my opinion, in very good shape as it came out of the committee.

Mr. HART. I thank the majority leader.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 501 (a) of the Merchant Marine Act, 1936, as amended, is amended to read as follows:

"(a) Any citizen of the United States may make application to the Commission for a construction-differential subsidy to aid in the construction of a new vessel to be used

in the foreign commerce of the United States. No such application shall be approved by the Commission unless it determines that (1) the plans and specifications call for a new vessel which will meet the requirements of the foreign commerce of the United States, will aid in the promotion and development of such commerce, and be suitable for use by the United States for national defense or military purposes in time of war or national emergency; (2) the applicant possesses the ability, experience, financial resources, and other qualifications necessary to enable it to operate and maintain the proposed new vessel, and (3) the granting of the aid applied for is reasonably calculated to replace worn-out or obsolete tonnage with new and modern ships, or otherwise to carry out effectively the purposes and policy of this act. The contract of sale, and the mortgage given to secure the payment of the unpaid balance of the purchase price shall not restrict the lawful or proper use or operation of the vessel except to the extent expressly required by law."

SEC. 2. The first sentence of section 501 (c) of such act is amended to read as follows: "Any citizen of the United States may make application to the Commission for a construction-differential subsidy to aid in reconstructing or reconditioning any vessel that is to be used in the foreign commerce of the United States."

SEC. 3. Section 503 of such act is amended by (1) amending the third sentence to read as follows: "At the time of delivery of the vessel the applicant shall execute and deliver a first-preferred mortgage to the United States to secure payment of any sums due from the applicant in respect to said vessel: *Provided*, That, notwithstanding any other provisions of law, the payment of any sums due in respect to a passenger vessel purchased under section 4 (b) of the Merchant Ship Sales Act of 1946, reconverted or restored for normal operation in commercial services, or in respect to a passenger vessel purchased under title V of this act, which is delivered subsequent to March 8, 1946, and which (i) is of not less than 10,000 gross tons, (ii) has a designed speed approved by the Commission but not less than 18 knots, (iii) has accommodations for not less than 200 passengers, and, (iv) is approved by the Secretary of Defense as being desirable for national defense purposes, may, with the approval of the Commission, be secured only by a first-preferred mortgage on said vessel," and (2) by inserting the following sentences immediately after the third sentence "With the approval of the Commission such preferred mortgage may provide that the sole recourse against the purchaser of such a passenger vessel under such mortgage, and any of the notes secured thereby, shall be limited to repossession of the vessel by the United States and the assignment of insurance claims, if the purchaser shall have complied with all provisions of the mortgage other than those relating to the payment of principal and interest when due, and the obligation of the purchaser shall be satisfied and discharged by the surrender of the vessel, and all right, title, and interest therein to the United States. Such vessel upon surrender shall be (i) free and clear of all liens and encumbrances whatsoever, except the lien of the preferred mortgage, (ii) in class, and (iii) in as good order and condition, ordinary wear and tear excepted, as when acquired by the purchaser, except that any deficiencies with respect to freedom from encumbrances, condition, and class, may, to the extent covered by valid policies of insurance, be satisfied by the assignment to the United States of claims of the purchaser under such policies of insurance."

SEC. 4. The last sentence of section 504 of such act is amended to read as follows: "Such

vessel shall be documented under the laws of the United States as provided in section 503 of this title. The contract of sale, and the mortgage given to secure the payment of the unpaid balance of the purchase price, shall not restrict the lawful or proper use or operation of the vessel, except to the extent expressly required by law."

SEC. 5. Section 507 of such act is amended by inserting therein after the words "foreign trade" the words "or domestic trade."

SEC. 6. Section 509 of such act is amended amending that part of the fourth sentence preceding the proviso to read as follows: "In case the vessel is designed to be of not less than 3,500 gross tons and to be capable of sustained speed of not less than 14 knots, the applicant shall be required to pay the Commission not less than 12½ percent of the cost of such vessel, and in the case of any other vessel the applicant shall be required to pay the Commission not less than 25 percent of the cost of such vessel (excluding from such cost, in either case, the cost of national defense features); and the balance of such purchase price shall be paid by the applicant within 20 years in not to exceed 20 equal annual installments, with interest at 3½ percent per annum, secured by a preferred mortgage on the vessel sold and otherwise secured as the Commission may determine: *Provided*, That, notwithstanding any other provisions of law, the balance of the purchase price of a passenger vessel constructed under this section which is delivered subsequent to March 8, 1946, and which has the tonnage, speed, passenger accommodations, and other characteristics set forth in section 503 of this act, may, with the approval of the Commission, be secured as provided in such section, and the obligation of the purchaser of such a vessel shall be satisfied and discharged as provided in such section: *And provided*,"

SEC. 7. Paragraph (1) of section 510 (a) of such act is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That until June 30, 1958, the term 'obsolete vessel' shall mean a vessel or vessels, each of which (A) is of not less than 1,350 gross tons, (B) is not less than 12 years old, and (C) is owned by a citizen or citizens of the United States and has been owned by such citizen or citizens for at least 3 years immediately prior to the date of acquisition hereunder."

SEC. 8. Section 510 (d) of such act is amended by adding the following sentence at the end thereof: "The rate for the use of the obsolete vessel shall be fixed for the entire period of such use at the time of execution of the contract for the construction of the new vessel."

SEC. 9. Section 511 (b) of such act is amended to read as follows:

"(b) For the purposes of promoting the construction, reconstruction, reconditioning, or acquisition of vessels, or for other purposes authorized in this section, necessary to carrying out the policy set forth in title I of this act, any citizen of the United States who is operating a vessel or vessels in the foreign or domestic commerce of the United States or in the fisheries or owns in whole or in part a vessel or vessels being so operated, or who, at the time of purchase or requisition of the vessel by the Government, was operating a vessel or vessels so engaged or owned in whole or in part a vessel or vessels being so operated or had acquired or was having constructed a vessel or vessels for the purpose of operation in such commerce or in the fisheries, may establish a construction reserve fund, for the construction, reconstruction, reconditioning, or acquisition of new vessels, or for other purposes authorized in this section, to be composed of deposits of proceeds from sales of vessels, indemnities on account of losses of vessels, earnings from the operation of vessels docu-

mented under the laws of the United States and from services incident thereto, and receipts, in the form of interest or otherwise, with respect to amounts previously deposited. Such construction reserve fund shall be established, maintained, expended, and used in accordance with the provisions of this section and rules or regulations to be prescribed jointly by the Commission and the Secretary of the Treasury."

SEC. 10. Section 511 (c) of such act is amended to read as follows:

"(c) (1) In the case of the sale or actual or constructive total loss of a vessel, if the taxpayer deposits an amount equal to the net proceeds of the sale or to the net indemnity with respect to the loss in a construction reserve fund established under subsection (b), then—

"(A) if the taxpayer so elects in his income-tax return for the taxable year in which the gain was realized, or

"(B) in case a vessel is purchased or requisitioned by the United States, or is lost, in any taxable year beginning after December 31, 1939, and the taxpayer receives payment for the vessel so purchased or requisitioned, or receives from the United States indemnity on account of such loss, subsequent to the end of such taxable year, if the taxpayer so elects prior to the expiration of 60 days after the receipt of the payment or indemnity, and in accordance with a form of election to be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury,

no gain shall be recognized to the taxpayer in respect of such sale of indemnification in the computation of net income for the purposes of Federal income or excess-profits taxes. If an election is made under subdivision (B) and if computation or recomputation in accordance with this subsection is otherwise allowable but is prevented, on the date of making such election or within 6 months thereafter, by any statute of limitation, such computation or recomputation nevertheless shall be made notwithstanding such statute if a claim therefor is filed within 6 months after the date of making such election.

"(2) Effective with respect to the taxable years ending after July 31, 1951, earnings or receipts deposited in the construction reserve fund as provided in this section shall be treated as follows for Federal tax purposes:

"(A) Receipts, in the form of interest or otherwise, on amounts representing the net proceeds of sales or losses of vessels shall not be recognized for purposes of Federal income or excess-profits taxes.

"(B) Earnings from the operation of vessels documented under the laws of the United States and from services incident thereto and receipts, in the form of interest or otherwise, with respect to such amounts for the purposes of Federal income or excess profits taxes shall be treated as 'partially tax deferred'. 'Partially tax deferred' earnings shall not be recognized for the purposes of normal tax and surtax on corporations, but shall be recognized for the purposes of excess profits tax imposed upon corporations. 'Partially tax deferred' amounts shall not include capital gains deposited in the construction reserve fund.

"(3) For the purposes of this subsection no amount shall be considered as deposited in a construction reserve fund unless it is deposited within 60 days after it is received by the taxpayer except that in the case of earnings from the operation of vessels documented under the laws of the United States and from services incident thereto in any taxable year, the deposit may be made not later than the prescribed date of filing for the taxpayer's Federal income-tax return for such year, and if such deposit is made on or before such date it shall be consid-

Mr. GREEN and include an address delivered by Mr. KEOGH.

Mr. WILLIAMS of Mississippi and to include an editorial.

Mr. SIEMINSKI in five instances and to include extraneous matter.

Mr. BRYSON and to include an editorial.

Mrs. CHURCH and to include certain extraneous matter.

Mr. ROSS and to include a letter.

Mrs. ROGERS of Massachusetts and to include an address.

Mr. BREHM (at the request of Mr. MARTIN of Massachusetts) and to include an editorial.

Mr. DAVIS of Georgia in two instances and to include extraneous matter.

Mr. McDONOUGH to include extraneous matter in the remarks he made in the Committee of the Whole today.

Mr. MITCHELL (at the request of Mr. HOLIFIELD) and to include a newspaper article.

Mr. HOLIFIELD.

Mr. WIDNALL and to include an article by David Lawrence.

Mr. MAHON and to include a letter in the remarks he made this afternoon.

Mr. WIGGLESWORTH to revise and extend his remarks and include extraneous matter.

ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2421. An act to amend the act of January 12, 1951 (64 Stat. 1257), amending and extending title II of the First War Powers Act of 1941.

BILLS PRESENTED TO THE PRESIDENT

Mr. STANLEY, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6245. An act to amend section 3115, Revised Statutes, as amended;

H. R. 6845. An act to continue until the close of June 30, 1953, the suspension of duties and import taxes on metal scrap, and for other purposes;

H. R. 7594. An act to amend the Tariff Act of 1930 with respect to the importation of the feathers of wild birds, and for other purposes;

H. R. 8234. An act to amend section 5 of the act of June 29, 1888, relating to the office of supervisor of New York Harbor;

H. R. 8271. An act to amend section 457 of the Internal Revenue Code;

H. R. 8315. An act granting the consent of Congress to a supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania concerning the Delaware River Port Authority, formerly the Delaware River Joint Commission, and for other purposes; and

H. R. 8316. An act granting the consent of Congress to a supplemental compact or agreement between the State of New Jersey and the Commonwealth of Pennsylvania, authorizing the Delaware River Joint Commission to construct, finance, operate, maintain, and own a vehicular tunnel or tunnels under, or an additional bridge across, the Delaware River and defining certain functions, powers, and duties of said commission, and for other purposes.

ADJOURNMENT

Mr. FURCOLO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 31 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Saturday, June 28, 1952, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1613. Under clause 2 of rule XXIV, a letter from the chairman, Public Utilities Commission of the District of Columbia, transmitting a report of its official proceedings for the year ended December 31, 1951, with other information relating to the regulation and operation of the public utilities in the District of Columbia, pursuant to paragraph 20 of section 8 of an act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ended June 30, 1914, and for other purposes, approved March 4, 1913, was taken from the Speaker's table and referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LESINSKI: Committee on Post Office and Civil Service. H. R. 6904. A bill to authorize payment of retroactive salary increase for services rendered by postmasters, officers, and employees of the field service of the Post Office Department who died between July 1, 1951, and October 24, 1951; with amendment (Rept. No. 2324). Referred to the Committee of the Whole House on the State of the Union.

Mr. RHODES: Committee on Post Office and Civil Service. H. R. 7444. A bill to amend the act of August 1, 1941, to include Public Health Service officers; with amendment (Rept. No. 2325). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. H. R. 8006. A bill to provide for an adjustment in the compensation of certain employees transferred from the field service of the Post Office Department to the General Services Administration pursuant to Reorganization Plan No. 18 of 1950, and for other purposes; with amendment (Rept. No. 2326). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 6163. A bill to provide the basis for authorization of irrigation works in connection with Chief Joseph Dam, to provide for financial assistance thereto from power revenues, and for other purposes; with amendment (Rept. No. 2327). Referred to the Committee of the Whole House on the State of the Union.

Mrs. BOSCHNE: Committee on Interior and Insular Affairs. H. R. 7084. A bill to facilitate the development of small reclamation projects; with amendment (Rept. No. 2328). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H. R. 168. A bill to extend the statute of limitations with respect to certain suits; without amendment (Rept. No. 2329). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. Seventeenth Intermediate Report of the Committee on Expenditures in the Executive Departments, entitled, "Alameda Medical Supply Test"; without amendment (Rept. No. 2330). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. Seventeenth Intermediate Report of the Committee on Expenditures in the Executive Departments, entitled "Overprogramming for Air Force Dormitory Construction"; without amendment (Rept. No. 2331). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURNSIDE: Committee on Post Office and Civil Service. H. R. 6326. A bill to amend subsections (c) and (d) of section 3 of the Postal Salary Act of July 6, 1945, as amended; with amendment (Rept. No. 2332). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 2043. An act to authorize the transfer of certain property by the Administrator of the General Services Administration to the Secretary of the Interior; without amendment (Rept. No. 2333). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 3051. An act to authorize the Administrator of General Services to transfer to the Department of the Navy, without reimbursement, certain property at Fort Worth, Tex.; without amendment (Rept. No. 2334). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 3052. An act to authorize certain land and other property transactions, and for other purposes; without amendment (Rept. No. 2335). Referred to the Committee of the Whole House on the State of the Union.

Mr. KARSTEN of Missouri: Committee on Post Office and Civil Service. H. R. 7871. A bill to authorize the Postmaster General to grant permission for the use in first- and second-class post offices of special canceling stamps or postmarking dies in order to encourage voting in general elections; with amendment (Rept. No. 2336). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRYSON: Committee on the Judiciary. H. R. 6036. A bill to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to State jurisdiction over offenses committed by or against Indians in the Indian country; with amendment (Rept. No. 2337). Referred to the Committee of the Whole House on the State of the Union.

Mr. JARMAN: Committee on Post Office and Civil Service. H. R. 7721. A bill to extend the benefits of the Veterans' Preference Act of 1944 to persons serving in the Armed Forces of the United States after the termination of the state of war between the United States and the Government of Japan and prior to July 2, 1955; without amendment (Rept. No. 2338). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 689. Resolution to amend House Resolution 95, relating to the authority of the Committee on the Judiciary to investigate matters within its jurisdiction; without amendment (Rept. No. 2339). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 713. Resolution for the consideration of S. 2360, an act to amend the Interstate Commerce Act to increase the amounts of securities issued by motor carriers without requiring approval by the Interstate Commerce Commission; without amendment

(Rept. No. 2340). Referred to the House Calendar.

Mr. COX: Committee on Rules. House Resolution 714. Resolution for the consideration of S. 2357, an act to provide that horticultural commodities shall be included within the terms "agricultural commodities" for the purpose of the agricultural exemption for motor carriers in the Interstate Commerce Act; without amendment (Rept. No. 2341). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 715. Resolution for consideration of H. R. 7817, a bill to provide for emergency flood-control work made necessary by recent floods, and for other purposes; without amendment (Rept. No. 2342). Referred to the House Calendar.

Mr. CANNON: Committee of conference. H. R. 7850. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1952, and for other purposes (Rept. No. 2343). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 710. Resolution for the relief of Mrs. Annie G. Heinmiller, widow of A. W. Heinmiller, late an employee of the House of Representatives; without amendment (Rept. No. 2344). Ordered to be printed.

Mr. STANLEY: Committee on House Administration. House Resolution 688. Resolution to provide for the payment of certain death and burial benefits to the estate of Helen Hogan Comley; without amendment (Rept. No. 2345). Ordered to be printed.

Mr. HART: Committee on Merchant Marine and Fisheries. H. R. 6521. A bill to amend section 4472 of the revised statutes, as amended, to further provide for the safe loading and discharging of explosives in connection with transportation by vessel; with amendment (Rept. No. 2346). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2603. An act to authorize the transfer of certain lands to the State of Oregon; without amendment (Rept. No. 2347). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7952. A bill to authorize the combination of the Truck Crop Insect Laboratory and the Citrus Insect Laboratory of the Bureau of Entomology and Plant Quarantine, located at Alhambra and Whittier, Calif., respectively, and to provide for new quarters; with an amendment (Rept. No. 2348). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 8170. A bill relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended; with an amendment (Rept. No. 2349). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of Conference. S. 2594. An act to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes (Rept. No. 2350). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH:

H. R. 8390. A bill to encourage the establishment of voluntary pension plans by individuals; to the Committee on Ways and Means.

By Mr. REED of New York:

H. R. 8391. A bill to encourage the establishment of voluntary pension plans by in-

dividuals; to the Committee on Ways and Means.

By Mr. ADAIR:

H. R. 8392. A bill to provide for the construction of a post office at Albion, Ind.; to the Committee on Public Works.

By Mr. BEALL:

H. R. 8393. A bill to designate the head and chief of the Metropolitan Police force as "colonel and superintendent"; to the Committee on the District of Columbia.

By Mr. BROWNSON:

H. R. 8394. A bill to incorporate the Board for Fundamental Education; to the Committee on the Judiciary.

By Mr. CLEMENTE:

H. R. 8395. A bill to amend the Uniform Code of Military Justice; to the Committee on Armed Services.

By Mr. MORRISON:

H. R. 8396. A bill to authorize the exemption of officers and employees of the Federal Government and the municipal government of the District of Columbia from compulsory retirement for age; to the Committee on Post Office and Civil Service.

By Mr. PRIEST:

H. R. 8397. A bill to amend the Natural Gas Act of 1938 as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMPSON of Pennsylvania:

H. R. 8398. A bill to amend the Internal Revenue Code with respect to the tax treatment of income derived by domestic corporations from sources within foreign countries; to the Committee on Ways and Means.

By Mr. SMITH of Mississippi:

H. R. 8399. A bill to clarify the status of certain officers heretofore retired and granted retirement pay, and for other purposes; to the Committee on Armed Services.

By Mr. CURTIS of Nebraska:

H. R. 8400. A bill to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation and for other purposes; to the Committee on Agriculture.

By Mr. EDWIN ARTHUR HALL:

H. R. 8401. A bill to restore funds to maintain civilian rifle practice and marksmanship; to the Committee on Appropriations.

By Mr. HALE (by request):

H. J. Res. 489. Joint resolution to amend the pledge of allegiance to the flag of the United States; to the Committee on the Judiciary.

By Mrs. BOLTON:

H. Con. Res. 228. Concurrent resolution to favor the economic development and improvement of the South Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Con. Res. 229. Concurrent resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. JAVITS:

H. Con. Res. 230. Concurrent resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mrs. KELLY of New York:

H. Con. Res. 231. Concurrent resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. MERROW:

H. Con. Res. 232. Concurrent resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. ROOSEVELT:

H. Con. Res. 233. Concurrent resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI:

H. Con. Res. 234. Concurrent resolution to favor the economic development and improvement of the south Asian subcontinent; to the Committee on Foreign Affairs.

By Mr. PICKETT:

H. Con. Res. 235. Concurrent resolution providing that the briefs for the Government and others, and the record filed in the Supreme Court of the United States in the steel seizure case, be printed as a House document; and that additional copies be printed; to the Committee on House Administration.

By Mr. KELLEY of Pennsylvania:

H. Res. 712. Resolution to authorize the Committee on Education and Labor to investigate and study the administration of the "Buy American Act"; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H. R. 8402. A bill for the relief of Dr. Sidney Nevil Milford; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 8403. A bill for the relief of Ettli Zylberfuden, also known as Ettli Zylberfuden, and Becalei Zylberfuden, also known as Robert Zylberfuden, and Michael Zylberfuden, also known as Michal Zylberfuden; to the Committee on the Judiciary.

By Mr. COMBS:

H. R. 8404. A bill for the relief of Betty Ann Finn; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 8405. A bill for the relief of Michael Thiess, Manuela Thiess, and Wilhelmina Huth; to the Committee on the Judiciary.

H. R. 8406. A bill for the relief of Ursula Thiess; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 8407. A bill for the relief of Dweja Shafer and her daughter, Haya Shafer; to the Committee on the Judiciary.

H. R. 8408. A bill for the relief of Leopold Katz and his wife, Lydia Katz; to the Committee on the Judiciary.

H. R. 8409. A bill for the relief of Robert Grunwald; to the Committee on the Judiciary.

H. R. 8410. A bill for the relief of Omar Faruk Baturay and wife, Suad Esin Baturay; to the Committee on the Judiciary.

By Mr. KILDAY:

H. R. 8411. A bill for the relief of Alamo Motor Lines, Inc., and others; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 8412. A bill for the relief of Kurt Erwin Levy; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 8413. A bill for the relief of Patric Dorian Patterson; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 8414. A bill for the relief of Kunibert Franciszek Grabe; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H. R. 8415. A bill for the relief of Sotirios Apostolis; to the Committee on the Judiciary.

By Mr. WILSON of Texas:

H. R. 8416. A bill for the relief of Dr. William Elisha; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

779. By Mr. BEAMER: Petition of 66 persons of Marion, Ind., in support of H. R. 2188 (Bryson bill); to the Committee on Interstate and Foreign Commerce.

780. Also, petition of 45 people from Marion, Ind., in support of H. R. 2188 (Bryson bill); to the Committee on Interstate and Foreign Commerce.

ginia, Bridges, of New Hampshire, King, of Utah, O'Mahoney, of Wyoming, Borah, of Idaho, McCarran, of Nevada, George, of Georgia, Wheeler, of Montana, and Burke, of Nebraska; and in the House, with Pettingill, of Indiana, Summers, of Texas, Drury, of Virginia, Halleck, of Indiana, Ditter, of Pennsylvania, and Cox, of Georgia. Again I say, these men had not agreed on other political and economic questions which had been before the Senate and House for the preceding 30 years, but like old warhorses, hearing the trumpet, arose as one man to defy the most popular President the country had ever seen and to carry on a delaying action until such time as the people of the United States could express themselves on this great constitutional question.

You will recall what happened. The President had to surrender and had to bow to the popular will, and the Supreme Court bill died, as it should have.

No man can take part in such stirring times without feeling a deep humility, so when the time came for me to take my oath of citizenship and to renounce my allegiance to the King of England, I must confess to you gentlemen, that I did not do it joyously but seriously, with the full knowledge of what I was giving up and what I was taking on. I became a citizen in the Federal District Court in Richmond, Va., and I will never forget, when the clerk of the court asked me did I now renounce all allegiance to all princes and potentates and, more especially, to one George the Sixth, by the Grace of God King of England, Ireland, and Dominions Beyond the Seas, I hesitated. I am afraid that my pause was embarrassingly long. The clerk said, "You answer, 'I do,'"—and then I found I couldn't say anything and I looked up and on the courtroom wall saw the pictures of Thomas Jefferson, James Madison, and George Washington, and other great Virginians who had been Presidents of the United States. Suddenly I realized, "Why, I'm not giving up anything. I'm joining other men who took the Anglo-Saxon-Celtic philosophy of free government to a broader and higher and more majestic plane. The reason Thomas Jefferson's picture helped me is that the ancestral home of the Jefferson family is on the brow of one of our Welsh mountains and I realized that Thomas Jefferson, John Adams, James Madison, James Monroe, John Quincy Adams, William H. Harrison, James A. Garfield, and Benjamin Harrison were all men of Welsh blood—that 17 signers of the Declaration of Independence were of Welsh blood—and I remembered Washington's quotation, "Good Welshmen make good Americans" and I took the oath. I have never regretted it.

I made some kind of a record. I became a citizen of the United States on Tuesday and was granted an American passport on Wednesday and left the country for Britain on Thursday.

When I arrived in London, as a guest of the British Ministry of Food, I found that if I was to eat I had to have a ration card. Before I could have a ration card I had to have an alien registration card, so I went to the Bow Street police station, famous in song and story, to make application. I was given a long, green form on which I was asked to give the names of both sets of my grandparents, my father and mother and nationality, my nationality at birth and present nationality, and when and if I had changed it. When I finished, I handed the form to a cockney sergeant, who looked at it and said, "Mr. Dyvies, there's some mistake 'ere. You were born in this long, 'orrible place in Wales (he could not pronounce the name of my village) and you are a British subject and now American since last Tuesday. Mr. Dyvies, you are not an American, you have dual nationality." I pointed out very carefully to the sergeant that the

Treaty of Paris terminating the Revolutionary War, and the Constitution of the United States specifically prohibited dual nationality and that I was an American citizen. He brushed aside my objections, but I insisted upon seeing the inspector, whereupon I was taken to the lower depths of the police station—a bomb-proof shelter—where the majestic inspector—better than six feet tall and carrying the campaign ribbons of the Boer War and the first World War said to the sergeant, "Yiz, what is it Bert?" and Sergeant Bert informed him that I claimed to be an American and that I couldn't possibly be American since I was British up to the beginning of the previous week. The inspector said, "Let me see 'is passport." I turned over to him the green passport of a citizen of the United States. He glanced at it and tossed it on the table in front of Bert and said, "Sorry, Bert, 'e has renounced His Britannic Majesty—'e's nothing but an aylien." The sergeant took me sadly back to the courtroom, gave me my alien identity card with these words of benediction: "Ere you are, Mr. Dyvies, what will your people in Wales think of you? Tut, tut."

I told my two small sons, born in the United States and who, incidentally, through their mother's blood—a Tatum and Hume of Virginia—are eligible to apply for membership in your great society, that the marriage of Wales and America is not something recent but something that took place 250 some years ago.

Last summer, my boys, Mr. Davies, and I went to visit the battlefield of Yorktown. As we came down the road from Williamsburg, after looking at the Welsh slates on the roof of the Governor's Palace, from Precelley Quarry in Wales, the first redoubt of the British Army that we ran into was the Royal Welsh Fusillier redoubt, the old 43rd Regiment of Light Foot. This was the regiment, gentlemen, that at the point of the bayonet took Breeds Hill, otherwise known as Bunker Hill. They were the last regiment to surrender at Yorktown. But, I venture to say, there were just as many Welshman fighting in the Contintal Army as in the British.

I can't pass over the revolutionary period without making this one point. The American Revolution was a revolution in the true sense. I am sure that you all realize that only a minority of the people in the 13 Colonies were interested in the revolution. In the beginning, the vast majority were either uninterested or actively opposed to a change in the status quo. You know that thousands of colonial Americans were interested in the preservation of law and order, of established government and of the established church—in fact, there were 32 regiments of colonial Americans fighting with the British Army—and hoped to keep the colonies a little England beyond the seas. It was not to be, and thank God for that. Out of the smoke and death and flame of the Revolutionary War—the first American civil war, which up to Yorktown it really was, and after the termination of the second American Civil War in 1865, came the culmination of a great dream—"a Nation conceived in liberty and dedicated to the proposition that all men are created equal."

At Gettysburg was uttered the benediction on the work started by your ancestors in the revolution and carried on by their sons' sons in the Civil War.

The battle for free government is never over. What was started at Runnymede was not finished at Philadelphia. The first lap was finished at Philadelphia in 1789. The mere fact that we have amended the Constitution so many times since, without weakening it, is an indication that free government is a living thing and not a dead idea.

The Sons of the American Revolution have a grave responsibility. While cherishing the past, you must look to the future and be as impatient of tyranny and bad government

as your illustrious ancestors were, and to lead your fellow Americans as the rightful heirs to a revolutionary tradition.

Meditating and worshiping a tomb is a fine thing. Building a greater and better monument of the present for the future is more inspiring. When my sons become Sons of the American Revolution, if they can gain the honor, I hope they—while cherishing and honoring the few spots of blood in their veins which they gained from their revolutionary ancestors who fought in the Continental Army—will know and appreciate that their bodies contain a much greater proportion of blood of hundreds of immigrants who came to this great land after the revolution—but who have played their part in making it the land that it is. Let us hope that these sons of ours will build it into a greater and finer Nation in the future.

Defense Production Act Amendments of 1952

SPEECH

OF

HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. KLEIN. Mr. Chairman, I trust that the House will vote to sustain the President's veto. Nothing that I can say here can improve on the very clear and lucid remarks of the President in his veto message. He has once more demonstrated his great statesmanship and his interest in keeping this country great, and in preserving our leadership of the world.

Coming as I do from a district, populated largely by first and second generation Americans, I have been in the forefront of the fight to amend our immigration laws so that they may keep the doors of this great country open to the persecuted and harassed peoples of other countries who seek sanctuary within our borders. The founders of this Nation were in that same category. The continued admission of immigrants has made us the great Nation which we are today. They have brought to our shores many of their skills, in the arts, sciences, and business, and in my opinion, have made us a better Nation, more understanding of the problems of the world; and have helped to bring us to the point where we are in a position of world leadership, and in a position to aid those less fortunate throughout the world.

We have proven, I believe, that democracy in its fullest sense means that people of all religions and racial backgrounds can live together in peace and amity and produce a force which is unbeatable. The bill under consideration which was vetoed, and rightly so, by the President would jeopardize our international relations. It would freeze into law many of the prejudices now contained in

our immigration laws and the policies of the Immigration and Naturalization Service of the Department of Justice. This legislation has been debated at a period when the world is most sensitive to the thinking of the people of the United States. I had hoped that during the past 5 years the new world position of the United States would induce it to take a more humane and democratic attitude toward immigration. The passing of the Displaced Persons Act in 1948 and of its amendments in 1950 contributed to this belief. Our country has offered a haven to nearly 350,000 displaced persons since the beginning of 1949; but now the bill under consideration which contains more inequities than any immigration bill ever passed by Congress, threatens to close our doors tighter than ever.

The strongest criticism that can be leveled at this bill is its injustice to the peoples of southern and eastern Europe. Let us consider what this measure would mean to the people of Italy. It perpetrates against the Italians all the injustices originally included in the Quota Act of 1924 and the National Origins Formula adopted in 1929, really designed to bar people born in southern and eastern Europe. It is no secret that it was then the intention to keep people from southern and eastern Europe out of the stream of United States life due to the prejudices which existed against people from those areas. With regard to the Italians, for the period from 1900 to 1910, Italian immigration amounted to 2,045,877, or an average of over 200,000 a year. By the act of 1921 it was reduced to 42,000 a year. Under the national origins legislation it was further reduced to 5,800 a year. The Walter bill, I believe, would make it difficult to admit even this number; and what is said about Italy might be said with equal truth about Austria, Greece, Hungary, and Yugoslavia and Poland.

As has been so well said in the other body with regard to the different waves of immigration:

Differences do not mean inferiority. I believe that at times America is enriched by the fact that there are differences. Think of the contributions which the southern and eastern Europeans have made in the field of art and music.

The Senator whom I am quoting went on to state:

At each stage in American history the recent comer has been looked down upon by those who were already here * * * The tragedy is that sometimes those who came here and were oppressed when they were new immigrants, once they established themselves, looked down upon the recent immigrant.

All Americans should study the implications of these remarks. All proponents of decent, humane immigration legislation had hoped that new legislation would attempt to eliminate, at least in part, the injustices of the National Origins Act. They had hoped that any new long-term legislation would provide for the pooling of the unused quotas under the National Origins Act, which are largely those of Great Britain and Ireland. The National Origins Act set

the British quota at 65,721, but in no year have the British used more than a third of this number. The Irish quota was set at 17,853, but from 10,000 to 12,000 of this quota has not been used each year.

One proposal included in the Lehman-Humphrey bill would pool the unused quotas of from sixty to seventy thousand among the countries with very low quotas. This provision would be of great importance in the Italian situation. The Lehman-Humphrey bill would base the quotas on the 1950 census instead of the census of 1920. Since the population in this period has increased by 40,000,000, this would mean considerably increased quotas for the various countries. That bill would also include Indians and Negroes in computing the population on which quotas are based. This would have the effect of upping the British quota very greatly and increasing the number of immigrants who could be admitted from 153,000 to 263,000.

I had not intended to speak at such length, due to the fact that these matters have been so fully explained heretofore and have been covered in the President's veto message. It is my hope that if we sustain the President's veto we may still get legislation which will accomplish these very humane purposes.

Retirement of Chester B. McMullen

SPEECH

OF

HON. MONROE M. REDDEN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1952

Mr. REDDEN. Mr. Speaker, one of the most distinguished Members of our body, Hon. CHESTER B. McMULLEN, Representative from the First District of Florida, whose home is in Clearwater, has announced that he will not seek election for another term.

No one will deny that Mr. McMULLEN could have returned to Congress had it been his desire to do so. Knowing the people of his district as I do, I feel that he would have been without opposition had it been his pleasure to continue to serve his district.

CHESTER McMULLEN has been a member of the House Interior and Insular Affairs Committee, of which I am also a member, since he entered Congress in January 1950. While I knew of him before he came to Congress I became more intimately acquainted with him as the days passed and as I watched him in operation before the committee and on the floor of this House.

There is no finer man who ever served in this body. He is conscientious and sincere in all his work and has the greatest respect of his colleagues. The Nation, as well as his district, is sustaining a loss on account of his departure and I regret to see him leave. His record for uprightness, sincerity, and courage, while a Member of this body will long be remembered.

I join the many friends of CHESTER McMULLEN in expressing personal regrets that he is to leave the Halls of Congress and wish for him a life of continued achievement and happiness.

Defense Production Act Amendments of 1952

SPEECH

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. YORTY. Mr. Chairman, my vote against this miscalled price-control bill is a protest against what I regard as a fraud on the people of the United States. This bill as amended by the coalition of Republicans and southern Democrats is no longer a price-control bill. The people should not be misled into thinking that it is a control bill. It is, as it now stands, a decontrol bill. It will remove controls from items which already are so high that people are rightfully complaining. Another price spiral would do untold damage to our economy and perhaps completely wreck our defense effort. Prices which skyrocketed before controls were instituted cost us thousands of planes, tanks, and ships, for which the sums appropriated turned out to be insufficient. We cannot permit this to happen again by passing a watered-down fraudulent price-control bill in our haste to adjourn. We have time to do the job right, and it is our duty to do so.

Mr. Chairman, I detest controls, their bureaucracy, red tape, and all the annoyance that goes with them. But what is the alternative at a time like this? Defense expenditures will be larger during the ensuing months than heretofore. Huge defense payrolls will give consumers more funds, but not more consumer goods. The inflationary pressure on prices which will result must be held down by price control. I wish there were some other way, but there is not. Under these circumstances, this decontrol bill is a threat to our economy. The original bill reported by the committee remains in name only. The gentleman from Massachusetts [Mr. McCORMACK] has described the coalition which riddled this bill by amendments as being "drunk with power." I believe that power has been used against the best interests of the Nation. Perhaps a House-Senate conference committee can repair the damage enough to make the bill workable, but as the bill now stands it is an unjustified attempt to lift the lid and let inflation rob our people of their savings and earnings.

Tax Cases of Frank Costello and Phil Kastel

EXTENSION OF REMARKS OF

HON. JOHN J. WILLIAMS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, June 27, 1952

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "They Can't Be That Stupid," published in the Tampa Sunday Tribune, of Tampa, Fla., on June 22, 1952. The editorial deals with the tax cases of racketeers Frank Costello and Phil Kastel.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY CAN'T BE THAT STUPID

Is there no bottom to the bog of corruption into which the Federal tax collecting system has fallen under the Truman administration?

New evidence of the depth of rotteness comes in separate disclosures at Miami and Washington.

In Miami, a Federal grand jury reported that prosecution in one open-and-shut case had been dropped on the ground the taxpayer's "mental health" prohibited a trial. This considerate decision was reached soon after the head of the Internal Revenue Bureau in Washington and his chief counsel had been lavishly entertained at the Miami Beach home of the taxpayer's lawyer.

Although "many of the Internal Revenue officials of this area" attended a cocktail party given by the defense lawyer, the grand jury said it found no evidence of irregular action on the part of local officials. It laid the blame squarely on Washington.

"It is the centralized control and veil of secrecy surrounding all of the investigations and hearings on income tax matters, until the taxpayer is indicted by a grand jury, that breeds 'influence peddlers,' 'name droppers' and 'proposition men,'" the jury charged. It recommended that United States district attorneys be given direct authority to handle tax fraud cases in their areas instead of taking orders from Washington.

In Washington, fact-digging Senator WILLIAMS, of Delaware, turned up the information that two of the Nation's best-known racketeers, Frank Costello, of New York, and Dandy Phil Kastel, of New Orleans, also had received exceptionally kind treatment from Internal Revenue. Tax claims totaling \$315,000 against Kastel were canceled; a \$25,000 claim against the free-spending Costello was left standing for years and was finally collected in 1944 only because he carelessly lost a \$27,000 bankroll in a taxicab and the money was turned over to New York police.

Senator WILLIAMS contrasted the Federal tax collector's benevolent attitude toward the well-heeled crooks with its hounding of a poor and crippled pensioner in Dallas who owed \$3.90 in taxes. For this debt, he said, Government agents threatened to seize the man's home.

The extraordinary charity shown toward Kastel and Costello can be explained in only one of two ways: (1) Corrupt influence, or (2) utter stupidity. We cannot believe the men who work on the higher levels of the Internal Revenue Bureau are that stupid.

Senator WILLIAMS said the \$315,000 of tax claims canceled in Kastel's case were marked

off during the last 15 years. That could take the case back to 1935.

The Treasury Department's excuse, he said, was that it was unable to find "any assets belonging to Kastel which could be attached for taxes." The same excuse was given for the long failure to collect Costello's overdue debt.

We now quote from the New Orleans section of the third interim report of the Kefauver Crime Investigating Committee of the United States Senate:

"From 1936 to 1946, the successive companies of the transplanted New Yorker, Phil Kastel, and his New York partners, Frank Costello and Jake Lansky, in cooperation with the local gentry such as the narcotics vendor, Carlos Marcella, operated slot machines illegally and openly throughout New Orleans.

"They created a monopolistic arrangement whereby only the machines of their syndicate would be permitted. They built up a business with a profit in the millions. * * *

"The Beverly Club opened in (Jefferson) parish in 1945, just in time to provide Kastel and Costello with a refuge for their New Orleans enterprises. His original partners, Kastel told the committee, were Costello, A. A. Rickefors, Carlos Marcella, and Lansky. When the latter sold his 20-percent interest he received \$100,000 for it. Costello admitted to a 20-percent interest in the club, also received first \$1,000 a month and then \$1,500 a month salary to act as good-will agent and talent scout for its night-club shows."

Thus we see that all the time the Internal Revenue Bureau was canceling Kastel's tax debts and refraining from collecting Costello's because there were "no assets," both tradesmen in crime were stuffing their pockets with profits from clearly visible enterprises in New Orleans.

Not even a blind internal revenue agent could be unaware of what all the law-enforcement officers and underworld characters in New Orleans surely knew.

The Treasury now has set agents to checking the Costello-Kastel returns and has reinstated that smelly Miami case. Internal Revenue's chief counsel at that time has resigned. So have some others in the Bureau.

But we don't think forced confessions of error and official fade-outs will satisfy the American people.

Any favoritism in the collection of taxes is a crime against all citizens who pay their just assessments. When that discrimination reaches the point of forgiving the racketeer's \$315,000 debt while demanding the wage-earner's \$3.90, the crime is compounded a thousandfold. The responsible officials ought not to get away with a hasty resignation; they ought to be prosecuted if sufficient evidence of guilt can be found.

Attorney General McGranery has talked a lot, since his appointment, about proceeding against corruption in Government. If he means it, here is a fine place to start.

Defense Production Act Amendments of 1952

SPEECH

OF

HON. FOSTER FURCOLO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. FURCOLO. Mr. Chairman, of course we must all vote for passage of this bill for one reason: that is the only way it can go to conference where there may be a possibility of getting a better bill. In its present form, the bill is a betrayal of the consumer and the American public.

It is with the greatest reluctance that I shall vote for passage. I must do so only in the hope that the conference committee may change it so we have controls.

In other words, a vote for passage is not a vote for this bill. It is only a vote to send it to conference where a better bill may be worked out. That will give us the opportunity in a couple of days to vote either for or against the conference report.

The Merchant Marine

EXTENSION OF REMARKS

OF

HON. HERBERT R. O'CONOR

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Friday, June 27, 1952

Mr. O'CONOR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article relative to the merchant marine entitled "United States Lines' Head Calls Ship Fruition of a Great Dream," written by Gen. John M. Franklin, president of the United States Lines.

Mr. President, the completion of the new superliner, the steamship *United States*, is an event of such significance alike to the wartime as well as the peacetime interests of our country that it deserves to be brought to the attention of the American people in every possible way. It is for this reason that I am asking unanimous consent to have this article printed in the Appendix of the RECORD.

The United States Lines, which will operate the vessel, and all those American firms which, as General Franklin points out, contributed to its production, deserve the utmost commendation for their foresight and cooperation. This splendid modern vessel not only will serve to uphold the prestige and maritime traditions of our Nation in peacetime, but it will also be a tremendous asset as well to our Armed Forces in event of hostilities in that it is designed for quick conversion for use as a troop transport.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES LINES' HEAD CALLS SHIP FRUITION OF A GREAT DREAM—MANUFACTURERS, SCIENTISTS, ARTISTS DID PIONEER WORK IN BUILDING VESSEL WITHOUT A PEER

(By Gen. John M. Franklin)

Far beyond the natural pride a steamship man has in the possession of a fine liner, we of the United States Lines feel a special kind of satisfaction in knowing that we had an important part in presenting to the people of America, for their use, a ship without a peer anywhere in the world.

It should be stressed that this is strictly a project in which only the pronoun "we" is acceptable. It is definitely a "we" operation.

The steamship *United States* is a superior product in which the qualities that have made our country great shine through in every facet, in her great speed, in her simple but beautiful lines and tasteful decorations and furnishings, in her unparalleled safety and stability.

And because it is an achievement in which so many skilled hands played their roles, it is no part of egotism for us here at the United States Lines to be proud. Every American who sees this ship can be personally proud.

SIGNIFICANCE TO NATION

One reason the United States Lines is entitled to be gratified at the major part we played in the conception and construction of the new liner is the ship's significance to the Nation as a leading world power. For the first time since more than half a century ago when the *St. Louis*, *New York*, *Philadelphia*, and *St. Paul* were among the crack ships on the North Atlantic, an American ship flying the same house flag will compete with the finest and fastest foreign flagships in service.

The merchant marine of this country traditionally has had a history of peaks and valleys, but not even at past zeniths of maritime influence have we been able to match the best of our competitors. We now have a ship that will do that.

Gibbons & Cox, the designers, and the Newport News Shipbuilding and Dry Dock Co., of Virginia, the builders, have performed brilliantly, as everyone who inspects or travels on the *United States* will see. But what the average layman will fail to realize is that scores of American producers, manufacturers, scientists and artists pioneered in the production of this vessel.

They received orders to do what had never been done before. In every department of the liner, we called for production for which there was no precedent. New fabrics and new metals were developed.

It was truly heart-warming to watch, through the years of planning and construction, how the manufacturers took these strange orders, went back to the factories, put technicians to work, experimented, tested, and finally came up with the materials.

This ship is the fruition of a great dream. We have long thought of such a ship. It is almost superfluous to remark, as one looks at the result and watches her perform, that the shipyard executives and their staffs, down to the last man, worked with a sense of pride of achievement. This is their ship, too.

IDEA BORN 6 YEARS AGO

It was more than 6 years ago when our company, in a meeting with the old Maritime Commission, placed before the Government shipping authorities our proposals for a long-range United States Lines program. This program included a new fast transatlantic passenger liner for the north Atlantic. At that time we notified the Government that the company was prepared to expend its own funds to cover the cost of preparing plans for the new ship.

There then began the long years of work in drawing the plans, working out the myriad details, preparing estimates and mapping out the schedule for construction and delivery. Talks were initiated on the question of subsidy.

On April 7, 1949, a contract was signed for the building of the vessel at Newport News. The agreement was signed by myself, Vice Chairman Grenville Mellen, of the Maritime Commission, and J. B. Woodward, Jr., president of the shipyard.

The keel of the ship was laid in February 1950, and we were on our way in a single, tremendous ship construction enterprise without parallel or precedent in this country. I think only those who were present when the first piece of steel went in and who could watch the great structure grow up through a regular forest of shoring timbers to the final moment when, last month, she moved serenely down the waters of Hampton Roads to take her place in the company of great ships, can fully comprehend what has been entailed in this task.

Skill of the highest order, patience and a downright passion for perfection are written indestructibly into this fine example of American know-how and industrial enterprise.

HERE IS YOUR SHIP

It has been said many times in the past that the American merchant marine is far more than an expression of industrial and commercial energy; that it is an invaluable "instrument of foreign policy," and that as such, it much be maintained at full strength. To the American people we can say, "Here is your ship."

She is a symbol of our way of life and of our times. She is an arm of our defense, and how effective she can be as a defense auxiliary is something that must, for the most part, remain one of our official secrets. As an instrument of foreign policy, she will carry the flag and traditions of our Nation nobly; of that we may be sure.

Now it remains for the American people to write the remainder of the story, for it is they who must support this ship, as indeed they should, and must give their allegiance to all of our merchant marine.

Defense Production Act Amendments of 1952

SPEECH OF

HON. CHRISTOPHER C. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. McGRATH. Mr. Chairman, I have long felt that the only answer to inflation is controls. That opinion has been justified by the rising costs of food, clothing, and the necessities of life. These rises have been occasioned because of the limited legislation that we have adopted in our struggle against inflationary prices. The original bill, as reported by the committee, would have been a great factor in stabilizing our economy. However, the many amendments that have been adopted to this measure in the last few days, have merely placed wages in a strait-jacket and given carte blanche to those who have been making profit out of consumers' goods.

Having consistently voted against the crippling amendments to the bill, I now find myself, along with many of my distinguished colleagues, in the position that it is necessary to cast my vote against final passage of the Defense Pro-

duction Act. It is not a control bill, except in name. It, in effect, destroys controls and opens the way to increased living costs.

The provision providing for a wage freeze puts the employee into the position of having his wages remain the same while prices go steadily upward.

Reference to invoking the Taft-Hartley law is further evidence that this bill is, in truth, an antilabor measure. Hence I cannot, and will not, vote for passage of the bill.

Liquor Advertisements

EXTENSION OF REMARKS OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 1952

Mr. BRYSON. Mr. Speaker, I attach hereto a statement from the Trainman News of June 23, 1952, in which Gov. Frank J. Lausche, of Ohio, refers to a liquor advertisement appearing on Father's Day. This is but additional evidence of the disgraceful appeal being made to teach our children to drink intoxicating beverages. I hope that the House Committee on Interstate and Foreign Commerce will soon grant hearings on the bill H. R. 2188, which would prevent such advertisements:

AS YOU LEAD

Gov. Frank J. Lausche, of Ohio, vigorously condemned a recent whisky advertisement which made a special appeal to the father-son relationship. Entitled "As You Lead, He Follows," the ad, obviously timed for Father's Day, portrayed the hand of a small son clasping his father's hand. The whisky sellers give assurance that as the father leads so the son will follow and the son will be "happy to see you reminiscing with old friends over a couple of drinks. * * * When he grows up, he'll borrow many of the ideas in your way of life for his own way of life."

To be sure, the ad urges moderation in drinking as a worthy example, but it also makes it plain that the son should grow up to be a drinker and a customer of the advertiser. Of the advertisement, Governor Lausche said:

"I deplore and decry the type of advertisement sponsored by the House of Seagram in which they impliedly bring a child of tender years into their effort to sell their whisky products."

The Governor stated he was referring the advertisement to the Ohio Board of Liquor Control and the State liquor department. A regulation of the board requires its approval before "portraying pictures of women, children, religious subjects, festive events or similar scenes" in liquor ads.

We agree with the Governor of Ohio in his condemnation of this woefully bad taste in advertising. One need not be a prohibitionist to resent low-moral appeals.

The entire justification for advertising is that it enlarges sales volumes of the products advertised. There is no reason to believe that the purpose of liquor advertisers is different, even though they do use Dad's Day as a means of making a special appeal.

Advertising copywriters have gone hog-wild in their imaginations, which they foist

GREAT HONOR FOR OHIO HERO

These are big days for the "white house on the hill" down in Crooksville, in the southern end of Perry County. Neighbors and friends for miles around are almost as excited as the 12 members of the family of a hero, the 22-year-old Cpl. Ronald Rosser, just back from Korea to receive the Congressional Medal of Honor.

He is the first Ohioan ever to receive the Nation's highest award for military valor in the Korean war. He will be handed the medal at a ceremony in the White House rose garden on Friday by President Truman.

Pfc. Richard Rosser was killed in action in February 1951. After his younger brother's death, Ronnie told his parents, Mr. and Mrs. John M. Rosser:

"This is it! I'm going in and even the score. That's my only way of getting even."

He did, by killing 13 Communist soldiers in Korea in a single-handed carbine and grenade assault in the bitter cold of last January 12.

His job well done, Ronnie landed at San Francisco only a few days ago to learn of the award he is to receive in Washington.

Naturally, Corporal Rosser's return from Korea after avenging his brother's death, the announcement of the ceremonies to be held at the White House, and Ronnie's eventual homecoming were exciting to the Rossers and their many Crooksville friends.

But the excitement is ranging far beyond Crooksville by now. It has covered all Perry County and other southeastern Ohio counties. And well it might, for every Buckeye resident is proud of Corporal Rosser and wants him to know it.

As Ronnie steps up to receive the cherished Congressional Medal of Honor, the hearts of many Ohioans witnessing the ceremony will beat faster. It will be a deserved tribute to this hero from Perry County.

British Helping Out the Enemy

EXTENSION OF REMARKS

OF

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 27, 1952

Mr. WIDNALL. Mr. Speaker, since the recent large-scale air raids by American planes against the major electric power stations in North Korea, we have all been shocked to hear of the criticism in the British House of Commons of that action. It seems inconceivable that the Secretary of State of the United States, Dean Acheson, should feel it necessary to appear before a closed session of the House of Commons to explain an action obviously in the interest of obtaining a quick settlement of the Korean war.

Under leave to revise and extend my remarks in the Appendix of the RECORD, I am including an excellent article by David Lawrence, published in the Washington Evening Star on June 27, 1952. The article points up so well the ridiculous situation in which the United States finds itself in fighting to bring an end to hostilities in Korea.

BRITISH HELPING OUT THE ENEMY—CLASSIFIED MILITARY INFORMATION REVEALED REGULARLY BY CUSTOM OF FREE DEBATE IN HOUSE OF COMMONS

(By David Lawrence)

Suppose in the last few days you were sitting in the high command in Peiping or Moscow and you got a dispatch saying that

American planes had made one of the biggest air raids of the Korean war and had put the electric power stations of North Korea out of commission. Your first concern would be whether this meant the truce talks had ended and whether the United Nations was going to apply its military force to get a decision instead of prolonging the palaver.

But uncertainty as to what the U. N. meant didn't last long. The House of Commons debate conveniently told the enemy all that it wanted to know. If any one had crossed into the Communist military lines from the British battalions fighting in Korea and given the enemy information not to worry about these attacks, for they were not after all a unified Allied decision, he would have been guilty of treason. But under the present custom of free parliamentary debate, classified military information is revealed regularly. It is considered a routine piece of business to use the method of an opposition member's query in the House of Commons to find out from the British government just what is going on in a military way.

This is hardly the way to help an inter-allied command function effectively in the field, but it turns out that the Secretary of State of the United States, Dean Acheson, finds it necessary also to appear before a closed session of the House of Commons in London and apologize because the American military command didn't telegraph ahead of time its intentions about the raid to all the various governments concerned.

One suspects that if a piece of important military information like that had been given to other governments on the diplomatic side in advance, it might have leaked to the enemy in time to permit a rival air force to come out to thwart the attack. Maybe that's the purpose of the controversy raised by the "left wing" in Britain—to make sure that next time all military information about the intentions of the U. N. commanders in Korea is advertised as widely as possible before they take action in the field.

A certain amount of consultation between allies as to broad policies is essential to the partnership which has developed among the 12 nations furnishing troops to fight in Korea. But Secretary Acheson apologized because a specific maneuver was not told to the British in London beforehand. This seems incomprehensible in view of the disclosure that the Labor Government, when it was in power in Britain, had reached an understanding with the United States Government as to the three contingencies in which there would be air bombardment of the electric power stations.

These, according to a British foreign office spokesman, were either a strong Communist attack on U. N. forces, a breakdown of the armistice talks, or a breach of the armistice after its conclusion.

The present situation was certainly a breakdown of the armistice talks, especially since, in the intervening months while the talks were going on, the enemy has built up its air force for a possible strike. This was, broadly speaking, enough consultation on the diplomatic side.

This understanding as to contingencies which could arise to permit bombing of the Yalu River power stations—which were specifically covered in the advance agreement—is all that was really necessary, and it is certainly inexplicable that the American Secretary of State should have allowed the inference to be drawn that conversations on military details will be available in the future to the British Government and presumably to its spokesmen in answering questions of opposition members in the House of Commons.

The hint from Emanuel Shinwell, Defense Minister in the Labor Government, that

Britain was instrumental in bringing about the dismissal of General MacArthur—who, when in command, favored bombing these same power stations a year and a half ago—has resulted in a White House denial. But it is nevertheless a fact that the British were making frequent representations protesting against General MacArthur's military strategy.

Former Prime Minister Attlee told the House of Commons, too, that he thought the big air raid a mistake, as it might lessen the chances of an armistice in Korea and lead to a "general conflagration" in the Far East.

The answer of many Members of Congress is that if Britain wants to determine or dictate military strategy in Korea, she should send troops in numbers equal to those of the United States. For if the Communist build-up continues and U. N. forces are slaughtered in a sudden attack, the casualties will be nine-tenths from the American battalions.

The latest episode suggests that perhaps Socialist members of the House of Commons may some day, if America is called to the defense of Britain and perhaps of the European continent, ask that General Ridgway first tell his military plans each day to the opposition party in the House of Commons.

Josef Stalin First Advocated Civil Rights

EXTENSION OF REMARKS

OF

HON. JOHN BELL WILLIAMS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 27, 1952

Mr. WILLIAMS of Mississippi. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I wish to include herewith an editorial which recently appeared in the McComb (Miss.) Enterprise-Journal. This editorial, written by Editor J. O. Emmerich, is thought-provoking and deserves the attention of all who are sincerely desirous of bettering race relations in our country. It follows:

JOSEF STALIN FIRST ADVOCATED CIVIL RIGHTS

The records reveal that Josef Stalin advocated a civil-rights program and he personally wrote the text of this program which was written into the Soviet Constitution. And where is the American citizen who will argue that such civil rights have helped the average citizen of Russia?

Many people do not understand the reason why the President's so-called civil-rights proposals are dangerous to the Nation. Every now and then the interpretation is made that those opposing these civil rights are opposed to the vast crowd of people who need a helping hand. They feel that States' rights are not concerned with human values or social legislation.

The dangers involved in the civil-rights legislation, as we see it, are as follows:

There are some politicians in the North and East who are not concerned with human values. They care nothing for the Negroes whom they claim they want to help. They care nothing for the security of the Nation. They have but one purpose, and that is to maintain a position of political leadership and to use the channels of politics for personal gain.

Now how do these politicians operate? These politicians are for the most part in the pivotal States of the Nation. By a pivotal State is meant a State with a large electoral vote which can be swung either to

the Democrats or to the Republicans depending upon the vote of an organized minority within the State. For example: in New York State a quarter of a million members of a well-organized minority can swing their full strength to either side and hence throw the full electoral vote of New York into one channel. Being in such a position the political leadership of the country gives these groups unusual consideration because their position is highly significant.

Now the question is this: how can these politicians keep these small minorities well organized? In Harlem, South Chicago and similar places the politicians lambast the people of the South. They recount racial injustices. They do not mention the great progress that is being made by our Negroes. They do not attempt to explain the underlying traditional factors which are the cause of the confusions and injustices of the past. They argue that the way to correct these alleged conditions is to adopt a civil-rights program. So they thrust the civil-rights program into the lap of the higher politicians and the major parties and demand it. In demanding this program they present themselves as crusaders and popularize themselves before their own people.

They say that the elimination of the poll tax will make it easier for the Negro to vote. This is absurd, for any Negro can pay the \$2.00 annual poll tax if he chooses. They say we need an antilynching law which would enable an offender to be tried in some northern State rather than in his home State. Again the evil of lynching is opposed by all good southern people and lynchings are practically a thing of the past. They advocate a break-down of segregation which would in the South handicap both races, particularly the Negro race. They advocate a Federal police force to enforce these civil rights proposals and such a force would be nothing less than a United States gestapo such as we fought to destroy in Germany. The proposals would destroy the very rights that all of our people want to maintain, for the manner of enforcing the laws is unconstitutional. The Negroes and whites would suffer alike should such laws be enacted. But the advocates of these laws are not concerned with the basic liberties of the American people. They want to maintain leadership and control in their own areas and this is the sole consideration. It makes no difference how many people are misled or what happens ultimately to the country.

The sad fact is that many a good person, white and colored, feels that the opponents to the so-called civil rights are opposed to racial advancement or human considerations. The opposite is true. The lack of human considerations rests in the men and women who seek to establish the misnamed civil-rights laws in the Nation.

Paradoxically the least consideration to human values, social advancement, and particularly to racial improvement in particular, is shown by such men as Harry Truman, who join with the lower echelon of politicians to force a civil-rights program on the American people—a civil-rights program patterned after the program written by Josef Stalin into the Soviet constitution.

Warning the Politicians

EXTENSION OF REMARKS

OF

HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my re-

marks in the RECORD, I include the following letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 27, 1952.

DEAR MRS. BAXTER: To you and thousands of other warm friends, I am grateful for your wonderful support.

We can win if the election is honest and the bosses keep their hands off the paper ballots.

I am taking every precaution to prevent irregularities and short counts and I will be ready for any emergency.

Woe be unto the politicians fighting HALL if they try to steal our votes.

Keep your eyes open.

With kindest regards, I remain,

Your Congressman,

EDWIN ARTHUR HALL.

Seattle City Light Cuts Rates

EXTENSION OF REMARKS

OF

HON. HUGH B. MITCHELL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1952

Mr. MITCHELL. Mr. Speaker, at a time when the organized opposition to public power is using terms such as "a huge Federal Government electric power empire" to describe public power and when this same opposition is spending the ratepayers' money in a costly nationwide ad campaign to mislead the public it is good to see and report the progress of Seattle City Light in serving the people.

The article below, reporting a \$1,000,000 a year rate cut for residential and commercial electric users in Seattle is a most realistic refutation of the claims of the antipublic power propagandists:

SEATTLE MAKES \$1,000,000 RATE CUT—ALL RESIDENTIAL AND COMMERCIAL CUSTOMERS BENEFIT

Effective July 1 the 200,000 residential and commercial customers of Seattle City Light will enjoy a saving of \$1,000,000 each year in their electric bills.

This rate cut is the result of municipal ownership of the electric utility and is in contrast to the dozens of rate increases demanded by private utility corporations throughout the country.

Even before the rate cut Seattle City Light had been listed by the Federal Power Commission as having the second lowest rate for 500 kilowatt-hours per month for residential use for cities of 50,000 population and over. The old Seattle rate for 500 kilowatt-hours was \$5.70. The lowest rate in the United States for large cities is that of Tacoma at \$5.35. The new Seattle rate will also be \$5.35. Thus the "all electric" residence in Seattle will save an additional \$4.20 per year. The "all electric" rate will now provide 450 kilowatt-hours for \$5, then 7 mills for the next 2,050 kilowatt-hours, and 9 mills thereafter.

Seattle Councilman Bob Jones, who is also a trustee of the Northwest Public Power Association, pointed out that the purpose of the rate cut is threefold: To pass on to consumers the results in operating economies, to simplify rates, and to encourage consistent use of electricity throughout the year.

Commercial users will save \$250,000 a year in addition to receiving free range and water heater repair service.

Seattle City Light is also paying an additional half-million dollars in taxes more than was paid by the city and P. S. P. & L. prior to the consolidation.

One of the significant sidelights on the million dollar rate cut made by Seattle City Light is the fact that this comes in the midst of an \$85,000,000 construction program. Many private utilities in demanding rate increases use the argument that such increases are necessary to enable them to finance expansion programs. Seattle might be described as expanding. Within 12 months it will double its generation capacity by adding 270,000 kilowatts at Ross Dam.

Disapproval of Defense Production Act Provisions

EXTENSION OF REMARKS

OF

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 27, 1952

Mr. HOLIFIELD. Mr. Speaker, last week I indicated my disapproval of action taken by the House of Representatives in the Committee of the Whole on amendments to H. R. 8210, the bill extending the Defense Production Act. Yesterday on the roll calls I again voted against amendments destroying the price-control program and replacing the present Wage Stabilization Board with a weak and impractical administrative arrangement.

In my opinion, a responsible Congressman must at this time support continuation of a reasonable price control, wage control, rent control, allocation of scarce and strategic materials, and other phases of the controls program which will enable our economy to reach a high level of defense mobilization without catastrophic effects upon civilian production and consumption.

Although I do not personally believe that all the provisions of the bill S. 2594, the defense production legislation approved by the Senate, are the most desirable, I do believe that the Senate came much closer to meeting its responsibility on this matter than the House. In the conference I sincerely hope that the provisions of the Senate bill on price, rent, and wage control will be retained. It was with that hope I voted for final passage of the House bill, H. R. 8210, in spite of my disagreement with most of its provisions. The House bill did at least continue allocation of scarce and strategic materials. This program is essential to maintain defense production and to provide fair distribution of those materials not required for defense among civilian users. Without allocation many small businesses would be forced to shut down because of their inability to compete for materials with large manufacturers.

Passage of the House bill gives the conference committee an opportunity to place the best features of both bills in the compromise legislation and to present this for final approval before, or only a few days after the present law expires. However, if the conference bill does not meet the needs of the country

better than the House bill, I shall feel obliged to vote against it. If the conference bill does not provide at least a minimum workable controls and allocation program, Congress should remain in session as long as necessary to write and pass a better bill.

Hon. Richard B. Russell of Georgia: A National Candidate

**EXTENSION OF REMARKS
OF**

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, June 27, 1952

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Russell Looms As Strong Contender," written by Roscoe Drummond, chief, Washington news bureau of the Christian Science Monitor. It is a thought-provoking article on the presidential chances of our distinguished and able colleague, the Senator from Georgia [Mr. RUSSELL].

In the article Mr. Drummond analyzes the belief held in some quarters that a southern Democrat cannot be elected President of the United States. He comes to the conclusion that this belief may be little more than a fable—especially where Senator RUSSELL is concerned.

Because this article is such an excellent summary of the services performed by Senator RUSSELL, not only for his party but for his Nation, I am asking unanimous consent that it be inserted in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE OF THE NATION
(By Roscoe Drummond)

RUSSELL LOOMS AS STRONG CONTENDER

WASHINGTON.—Senator RICHARD RUSSELL, of Georgia, wonders if the time hasn't come to disprove the fable that a southern Democrat cannot be elected President of the United States.

And when Senator RUSSELL thinks of a southern Democrat to do the disproving he is thinking of Senator RUSSELL—not Senator ROBERT KERR, of Oklahoma, or Senator ESTES KEFAUVER, of Tennessee.

He believes he can be nominated. He is convinced that he can be elected—whether his opponent is Senator TAFT or General Eisenhower.

The arguments which gives the basis for Senator RUSSELL's view of his own prospects are not to be lightly put aside. In his 9-page interview in the U. S. News magazine he put the case for his elective strength in these terms:

Question. "Could Eisenhower be beaten?"
Answer: "Oh, yes; I think he can be defeated."

Question. "Can you beat him?"

Answer. "There is no question about it in my mind. I happen to be, I think, the only Democrat who is absolutely sure he can defeat General Eisenhower. The polls—we know they are not always accurate, but they do reflect public thinking to some extent—the polls that have been taken in 13 contiguous (southern and border) States, with

148 electoral votes—show that I am the only Democrat who can carry all of these States against General Eisenhower. I lead with a ratio of about 54 to 46 percent, or something like that."

The same polls showed that General Eisenhower led Senator KEFAUVER by approximately the same percentage that I led the general. I would only have to get 120 electoral votes out of the 35 remaining States, and there is no doubt in my mind I can get them—so I'm the one Democratic candidate who can beat General Eisenhower.

Since General Eisenhower has shown more popular strength in the South than Senator TAFT, it is Senator RUSSELL's contention that it would be even easier for him to defeat the Republicans if Senator TAFT were the nominee.

As a factor at the oncoming Democratic convention Senator RUSSELL has not received the national attention his candidacy deserves on its merits. He is certainly much more than a sectional candidate, and at a time when it may prove essential that the Democratic Party hold the South if it is to win—and the South no longer can be taken for granted by the Democrats—it can well be a political asset that Senator RUSSELL is stronger in the South than any other probable nominee.

As a Senator and as a Democratic leader of national stature, Senator RUSSELL never has yielded to the pressure or to the temptation to bolt the Democratic Party. His party loyalty has been harshly tested and always has resisted the strain.

He was just starting his political career in his own State when Alfred E. Smith became the Democratic presidential nominee in 1928. There was great resistance to Mr. Smith in many parts of the country and within the Democratic Party. Senator RUSSELL gave Mr. Smith his wholehearted support and helped him carry the State of Georgia.

In 1948, Senator RUSSELL declined to join the Dixiecrats, stood by the Democratic Party when it appeared to have little chance of winning, and backed President Truman despite his disagreement with some parts of the party platform.

Senator RUSSELL believes he has a chance to win the Democratic presidential nomination this year, but he is not threatening to back or even support any southern Democratic revolt if he fails or if the platform is not satisfactory to him at all points.

"Believe me, I am proud of being a southerner," says Senator RUSSELL, "but I am not running for the Presidency as a southerner, I am running as an American."

Senator RUSSELL counts himself "a middle-of-the-road Democrat." He points out that he played an active part in enacting a good deal of legislation during the Roosevelt administrations. He supported social security. He handled much of the farm legislation and he favored TVA. He opposes the Brannan farm plan and the Truman compulsory national health-insurance program.

He is against a compulsory Federal FEPC, but so are all the other Democratic presidential contenders except Averell Harriman.

He is a strong internationalist, a long-time supporter of the Marshall plan, the North Atlantic Alliance, and the Mutual Security Program. He believes that it is vital that America help and muster "all of the resources and capabilities of the free world to resist any aggression of the godless and degrading forces of communism and its conspiracy."

Senator RUSSELL is by no means the least formidable contender for the Democratic nomination and he certainly would not be the least formidable Democratic nominee. Senator KEFAUVER has won a handful of primaries, but he lost to Senator RUSSELL in Florida and he lost to Mr. Harriman in the District of Columbia.

Senator RUSSELL is certainly in the running.

**Sanctity of International Contracts and
Protection of Investments**

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, June 27, 1952

Mr. WILEY. Mr. President, I have spoken on several occasions on the importance of protecting private investments in foreign countries and fulfillment of the Anglo-Saxon concept of the sanctity of a private contract. Too often in the past there has been the disease of what might be called cancellation-itis—that is, unilateral cancellation of contracts.

I have before me two interesting items on this issue. The first is a policy resolution adopted by the International Chamber of Commerce as forwarded to me by Mr. George A. Sloan, of the United States Council of the ICC. This policy resolution was adopted at the regular board of directors meeting in Paris.

The second consists of a news article from the June 25, 1952, issue of the Christian Science Monitor with regard to the arrangements being worked out by the Mutual Security Agency to encourage the investing of American capital abroad through agreements providing for protection from various types of business dangers.

I ask unanimous consent that both these items be printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

UNITED STATES COUNCIL OF THE INTERNATIONAL CHAMBER OF COMMERCE, INC.,
New York, N. Y., June 6, 1952.

GOVERNMENT FUNDS ARE NOT A SUBSTITUTE FOR PRIVATE INVESTMENT—A POLICY RESOLUTION BY THE INTERNATIONAL CHAMBER OF COMMERCE

Private risk capital is undoubtedly needed by underdeveloped countries. It will not flow there, nor is it reasonable to expect that it should, unless the governments of the countries concerned are willing to create the favorable "climate" in which such capital can operate. Private lending has great advantages in many cases over intergovernmental loans, insofar as private lending will more readily combine the provision of capital with both technological and managerial skills.

There are growing indications in recent years, however, that many underdeveloped countries prefer to secure foreign capital for the development of industry generally through intergovernmental rather than through private channels. There are also indications that governments of some of these countries do far less than is in their power to attract private capital because of their confident expectation that they will be able to secure an adequate volume of foreign capital from public sources. Hence principles of fair treatment of private foreign investors, such as are formulated in the ICC's Code (Brochure 129) are being continually disregarded. The result is a far smaller flow of capital throughout the world than would be the case if private investors were given every legitimate encouragement by governments of both investee and investor countries to engage in foreign ventures.

In November 1951 the Council of the ICC gave a powerful endorsement to the principle of sanctity of contracts in international relations. Today it wishes to draw the attention of the governments of capital-exporting and capital-importing countries alike to the fact that public funds should not normally be regarded as a substitute for private investment. There are particular fields of economic development where inter-governmental loans may have a major role to play. A far wider scope, however, is that of private business investment which has a dynamic quality which cannot be equalled by any other form of investment.

No other practical measure could, in the opinion of the ICC, help more at this time to improve the atmosphere and pave the way for a revival of private capital movements than a clear statement on the part of governments of capital-exporting countries (1) that they do not regard government loans or grants as a substitute for private capital, and (2) that in the allocation of such public funds as they may make available to foreign countries, preference will be given to countries whose governments strictly adhere to general principles of fair treatment of private foreign investment.

[From the Christian Science Monitor of June 25, 1952]

CAPITAL INVESTED ABROAD SET FOR UNITED STATES PROTECTION

WASHINGTON.—The Government is out to make foreign investment attractive to American industrial concerns.

Through agreements with various European and Asian countries, American firms are now protected from various business dangers—expropriations and currency inconvertibility in particular—that have kept them from investing much American capital abroad.

Agreements have now been reached with six nations—Austria, Denmark, Greece, France, Italy, and Norway—permitting the issuance of guaranties against investment loss from expropriation. Agreements covering both convertibility and expropriation have been negotiated with Belgium, the Nationalist Chinese on Formosa, West Germany, and the Philippine Republic. Convertibility guaranties also have been issued covering United States investments in the Netherlands, Turkey, and the United Kingdom.

RISE IN PRODUCTIVITY

In explaining these incentives to foreign investment, Mutual Security Agency spokesmen point out that the whole scheme is to get private productive forces to fill a vital and a natural role in American foreign policy.

The purpose is to help America's allies increase their productive power and productivity so that there can be a substantial cut-back in American foreign-assistance spending. But since private enterprise has generally been unwilling to venture abroad, frequently because of these above-mentioned dangers, the Government is prepared to assume these two major risks—expropriation and inconvertibility—to a considerable degree.

The investment-guaranty program first showed up in the 1948 ECA program. It provided that the Government could guarantee new investors abroad, or old investors who expanded their activities abroad, and that new capital investment and earnings up to 175 percent of their investments could be converted into United States dollars.

REASONABLE SAFEGUARDS

The expropriation provision was added to the guaranty program in 1950. It provided such investors insurance against the risk of expropriation by foreign governments. However, it is pointed out, the Government does not assume these guarantor risks without reasonable safeguards.

Before guarantees will be issued, an international agreement must be reached with the various countries dealing with the treatment to be accorded currency and claims acquired by the United States.

If a convertibility guarantee is invoked, the United States would acquire the investor's blocked currency—whether in francs, pesos, marks, etc. If an expropriation guarantee is invoked, the United States would take over claims for compensation made by an investor against the foreign government because of expropriation, and would receive any compensation awarded the investor.

These agreements provide that claims thus acquired may be handled on a diplomatic level rather than litigated through national judicial or administrative tribunals.

COMPANIES LISTED

Some of the American companies that have taken advantage of this investment guarantee program are, in France: The Ford Motor Co., the Singer Manufacturing Co.; in Germany: the Otis Elevator Co., the Firestone Tire & Rubber Co.; in Italy: the Caltex Oil Products Co., the National Aluminate Corp., the Standard Oil Co., New Jersey; in the Netherlands: H. H. Sonnenberg; in Turkey: E. R. Squibb & Sons; in Britain: the Dictaphone Corp., the Euclid Road Machinery Co., McGraw-Hill Publishers, Standard Brands, Inc., and Pocket Books, Inc.

To date some 40 guarantees have been issued on a total value of over \$35,000,000.

The MSA is prepared to try to write guarantee agreements with any of the 57 countries eligible to receive MSA aid. However, it does not initiate negotiations until some investor interest develops for a particular country.

The Chicago Battle

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. BENDER. Mr. Speaker, those folks who think we do not take our politics seriously in America ought to be in Chicago during Republican convention week. Thousands of men and women who have no more prospect of getting into the Convention Hall itself than they have of walking across Lake Michigan will constitute the biggest sidewalk parade through the Chicago Loop in American history. Neither rain nor heat will deter them from coming from every corner of these great United States.

On the eve of the convention, Senator ROBERT A. TAFT has more delegates pledged to his candidacy than any other candidate except an incumbent President in the Nation's history. General Eisenhower's supporters, anything but confident, are clutching at straws in their hope that the number will fall short of the required majority on the first or second ballots. Dark-horse hopefuls sit by in the wings, waiting for the lightning to strike, in the greatest show on earth.

Nowhere in the world is there any spectacle to rival this in importance or human interest. Here our Republic works at its best, with losers accepting the majority judgment in the American tradition, and all sober-minded people

rallying to the common cause which transcends the personalities involved.

Air Power

EXTENSION OF REMARKS

OF

HON. L. GARY CLEMENTE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1952

Mr. CLEMENTE. Mr. Speaker, the lack of a superior force of air power is quite a determinate factor in the tide of victory or defeat. It is obvious that superiority in the air can in a great measure affect the value of our troops on the ground. Are we by allowing this terrific cut in the Air Force appropriation clipping the wings of the Air Force?

I sincerely hope that the Senate will restore a great portion of this money that has been taken from the Air Force.

The following article that appeared in the Long Island Daily Press of Thursday, June 26, 1952, points out the danger that confronts us if our air program is jeopardized by these cuts:

SENSELESS AND RECKLESS

Is our country on the verge of a reckless and terribly costly mistake at the expense of our Air Force? It would seem so, unless we wake up and save the day.

The House of Representatives has taken two steps that threaten to undermine our air program, and the Senate will either concur in the House errors or put up a fight to save our air program. We hope the Senate will persuade the House, through a joint conference committee, to do the right thing.

The strange thing about the actions of the House is that they are in sharp conflict with the policies of both major political parties and the major factions of both parties.

The House has voted to cut the Air Force appropriation by substantially more than a billion and a half dollars. This is on top of a cut already made by the President of nearly three-fourths of a billion dollars.

The appropriation proposed by Secretary Finletter of the Air Force was \$21,400,000,000. This was a tight, minimum budget to provide for 143 air groups by June of 1954; this program was set with the known facts of Russian air strength in mind. The President cut this request in keeping with his stretch-out policy, thereby putting off the date of completion of the 143 group Air Force to the end of 1955; the House's additional cut would put the date off until June 30, 1957.

What do these cuts accomplish? For a total bookkeeping saving of little more than 10 percent, we would be putting off the date of our air security by 3½ years. Is that prudent? We think it is reckless.

The layman may wonder why so small a percentage cut in funds should mean so long a postponement of air strength. The answer lies in the high degree of interdependence of factors in air organization. A shortage or delay in any one factor holds up the whole program. It just isn't possible to cut an air program the way you slice a loaf of bread; when you cut an air program, you cut many many factors, including personnel training and tooling as well as the highly complex assortment of production items. The whole program is inevitably slowed down by the degree of the largest cut in any one item, and it is simply not possible to apply the cuts evenly throughout.

How serious the cuts would be may be understood in the light of the tightness with which the original Air Force budget was devised. To illustrate, while the program provided an increase from 95 air groups to 143, an increase of more than 50 percent, it allowed for an increase of only 14 percent in personnel.

Secretary Finletter has observed that the Air Force is paying the penalty for insisting upon presenting Congress with an efficient, toughly economical budget.

The House has taken still another action that threatens to be catastrophic in its effect. The House has passed the Smith-Coudert amendment, which limits the amount to be spent on defense in the 1953 fiscal year to \$46,000,000,000.

This strait-jacket limitation could have the effect of compelling the shut-down of aircraft plants just when they are approaching a full production schedule. Since the Air Force actually pays for its planes on their delivery, sometimes several years after they are planned and ordered, the Smith-Coudert amendment would make orderly, long-range air planning impossible.

The shocking and incredible aspect of all this is that virtually no one of any national standing opposes the Air Force program that these two House steps would delay and possibly strangle.

The administration obviously is committed to the 143 air group program. The Republican Party is just as committed. Indeed, Senator Tamm has gone so far as to demand a much bigger Air Force than the administration has sponsored. General Eisenhower has also stressed the urgency of acquiring our expanded Air Force in the fastest possible time.

Why, then, should obstructive and delaying steps be taken in the House? There is no sane reason. There is every reason why the Senate should restore the appropriation to \$20,700,000,000 and knock out the Smith-Coudert amendment.

The Senate Appropriations Committee will be considering this terribly vital matter this week or next week. The people should be heard from.

An Inside Job for Labor

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. BENDER. Mr. Speaker, the American Civil Liberties Union has recently completed a survey of practices within labor unions, and their conclusions should be required reading for all union leaders. Today, with the tremendous growth of union membership and the mounting trend toward compulsory membership by employees within their respective trades, it is all the more imperative that the unions themselves assure fairness of operation to their members.

In recent years there have been many cases called to the attention of the general public in which labor organizations have arbitrarily refused to permit individuals to speak their minds at union meetings without intimidation. Those who have dared to challenge their local leadership have frequently found themselves on the blacklist, unable to get jobs, or otherwise prejudiced in their personal

affairs. Lawsuits have occasionally been filed to change union decisions affecting individual rights.

The Civil Liberties Union suggests that independent appeals boards be set up to hear grievances after the usual methods have been exhausted inside the union locals. Undemocratic union methods are a danger in a time when union membership may become the key to family livelihoods. Labor has shown signs of maturity in many ways. This is an important test.

Defense Production Act Amendments of 1952

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. WOLVERTON. Mr. Speaker, the status of price, rent, and wage controls, as a result of the action of the House, has been left in a very unsatisfactory condition.

The bill as it came before the House for final action was an inflationary-control bill in name only. The amendments adopted in the Committee of the Whole House left no doubt of a desire and a determination to end all controls except those holding down wages. It was in effect a decontrol bill. The effect would be to take off controls affecting consumer goods and articles. Granting that there may be some justification for removal with respect to some, yet to remove all controls in the manner and to the extent provided in the bill could result most disastrously to the consumer.

The force of inflation, arising as a result of the immense Government expenditures for defense, creates an ever-present danger of rising prices. I favor control measures that will protect the consumer against the possibility of rising prices.

I realize that the effectiveness of control legislation depends not only on the kind of legislation adopted by Congress, but, also upon the kind of administration that is given to the law. I am inclined to believe that the attitude of the House in adopting the amendments that had the effect of decontrolling to such a large extent the existing price and rent controls was the result of dissatisfaction with the inefficient and ineffective way the law passed by Congress 2 years ago has been administered. The failure of controls has not been the fault of Congress, but of the administration. Congress gave it a good law 2 years ago. The administration failed, refused, and neglected to put it into effect for upwards of 4 months after its passage. During that time prices rose over 8 percent. In some instances they have reached peaks far beyond anything previously experienced. If controls had been used more promptly at the beginning, and, more efficiently since then, we would not be experiencing the high prices that prevail today. The

result is general dissatisfaction on the part of consumer, producer, and businessman. While the vote of the House can be, in some measure at least, understandable upon the above basis, yet is it wise?

The greatest injustice in the whole bill is the way labor was treated. The bill as passed by the House is very unfair to labor because it in effect decontrols the prices that could be charged for the commodities that the worker and his family must use but continues existing controls over the wages he is to receive. If existing control over prices and rent is to be removed, or even curtailed as the House bill contemplates, then, in all justice to the worker the law that controls his wages should be likewise removed or changed accordingly. In other words, if prices of commodities and rents are decontrolled, then wages should be decontrolled. As long as wages are controlled prices should be controlled.

I am hopeful that the bill that will finally come before Congress, as the result of the conference between the Senate and House, will remove the objectionable feature appearing in the House bill and give us a bill that will be more equitable as between consumer and producer.

A Deserving Tribute to an Outstanding American

EXTENSION OF REMARKS

OF

HON. SIDNEY A. FINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. FINE. Mr. Speaker, under unanimous leave granted me to extend my remarks, I am including herein an account of the award presented to Roy M. Cohn, confidential assistant to the United States district attorney in New York on June 18, 1952, for his outstanding work in the prosecutions of subversives in our country, with Mr. Cohn's acceptance speech and editorials from the New York Journal-American and the New York World-Telegram and Sun expressing the sentiments of the people of the city of New York in regard to the record of Mr. Cohn and heartily approving the presentation of the award to him.

The matters follow:

AWARD TO ROY M. COHN

On June 18, 1952, at ceremonies held at the Hotel Astor in New York City, Roy M. Cohn, the confidential assistant to the United States District Attorney in New York, was presented with an award for outstanding Americanism and Judaism by the American Jewish League against communism.

Mr. Cohn, 25 years old, is a lifelong resident of New York. He entered the office of the United States Attorney before he was old enough to take the Bar examination after graduation from Columbia Law School. He rose from the position of Law Clerk to that of Assistant United States Attorney by appointment of the then United States Attorney, now Federal Judge John F. X. McGohey. He was appointed to the top post

of Confidential Assistant by United States Attorney Irving H. Saypol, now a Justice of the State Supreme Court. He was reappointed to this post by the incumbent United States attorney, Myles J. Lane.

During his association in this important office, Mr. Cohn has been a guiding spirit in the most famous and important prosecutions of subversives in our country in modern times. Beginning by assisting Judge McGohey in the trial of the 11 convicted members of the National Board of the Communist Party, he became a trial counsel in the successful prosecutions of Julius and Ethel Rosenberg, convicted as atom-bomb spies; William W. Remington; Frederick Vanderbilt Field; Abraham Brothman and Miriam Moscovitz; Gus Hall, and others. His work has won wide recognition, and has been alluded to on the floor of the Senate by the distinguished senior Senator from Wisconsin, Honorable ALEXANDER WILEY.

Present at the ceremonies were such distinguished jurists as Judge Stanley H. Fuld, of the New York Court of Appeals; Federal Judges Irving R. Kaufman and Gregory F. Noonan; State Supreme Court Justices Irving H. Saypol and Martin M. Frank; and other official and business representatives.

The inscription on the plaque is: "Presented to Roy M. Cohn by the American Jewish League Against Communism, for outstanding accomplishment in the cause of Americanism and for noteworthy devotion to the principles of Judaism, New York, June 18, 1952."

MR. COHN'S ACCEPTANCE SPEECH

I deeply appreciate this award. I accept it with pleasure, with gratitude, and with deep humility.

I must refrain from discussing the many topics of mutual interest to you because of the pendency of the Smith Act trial of 16 persons down at Foley Square. As a member of the prosecution staff, I should like to make it clear that nothing I say here today has any relationship whatsoever to this case, as the issue there must be determined on the basis of evidence in the courtroom and not any outside statement by any of those involved.

In accepting this award I realize I must abide by the customary code for the recipient of an award in making his acceptance speech. He must modestly disclaim any right to the award and try to persuade the committee that they have the wrong man. But he must do so in such an intelligent and unpersuasive way that the committee is more than ever intrigued into believing that they have acted wisely in making their selection. I can make the disclaimer with complete honesty—it is the second part of this code which gives me much trouble.

But I take particular pride in the fact that this award comes from your organization. I believe as you do, that there is no religious group in this country which owes more to the United States of America than those who adhere to the Jewish faith. It is in this land as in no other place in the world that we have found a home full of good neighbors and abounding in freedom of speech, freedom of thought, and freedom of opportunity. Those who would do anything to injure this country and destroy the system under which we live are the particular enemies of Americans who adhere to Judaism.

No group has a monopoly on the defense of our democratic way of life. It is a common cause in which we take our stand along with Americans of all religions, races, and creeds.

I sincerely feel that this award is not rightly mine. It belongs to those people and groups who have labored so long and so hard to bring about some of the results with which you credit me. I want first of all to pay tribute to United States Attorney Myles J. Lane, who in all of these endeavors has been

my constant supporter and given me full encouragement and full confidence. The same is true for Judge John F. X. McGohey, who prosecuted the 11 Communist leaders in the first Smith Act case when United States Attorney, and who appointed me to the office originally, and also for Supreme Court Justice Irving H. Saypol, with whom I was associated in so many major prosecutions.

Equally deserving of credit are my associates in the office of the United States Attorney who know no limits of time and energy in working for the common end we seek to achieve.

We have by and large received splendid support from the press of this city and of the Nation. They have done so much to bring to the attention of the public the true facts concerning the work in which we have been engaged and to me, personally, they have always been more than generous.

Great praise is due to various Members of both Houses of Congress and congressional committees. Many of them have intelligently and courageously done pioneering work in exposing those who would strike against our democratic institution.

Finally, the greatest tribute of all should go to that unique organization which has on the one hand preserved all the American traditions of freedom and fair play and, on the other hand, has been easily the most powerful weapon against every ideology that has attacked this country in modern times. I refer, of course, to the Federal Bureau of Investigation. Under the guiding genius of J. Edgar Hoover, one of the great Americans of our time—and the able leadership of Edward Scheidt here in New York, this organization quietly but with devastating effectiveness has led the fight against those who violate our most sacred laws, and strike at the heart of our democratic system. These men, and the thousands of FBI agents who work without acknowledgment, without receiving public credit for what they do, labor day and night in the service of the people of this country and have been doing so years before any of us had the foresight to see just what we were up against on this issue which concerns us all so much today.

These are the people and groups who deserve this award. I accept it merely in a representative capacity. But I do so with sincere appreciation and with the realization that it must serve as an inspiration for more courageous action in the days to come.

Mr. Speaker, the presentation of the award to Mr. Cohn as an outstanding and deserving public official received praiseworthy editorial comment from the New York Journal-American of June 19, 1952, and the New York World-Telegram and Sun of June 25, 1952. Both editorials follow:

[From the New York Journal-American of June 19, 1952]

CONGRATULATIONS TO COHN

Roy M. Cohn, young, aggressive assistant to United States Attorney Myles J. Lane, received yesterday the annual award of the American Jewish League Against Communism for "outstanding Americanism and Judaism." Cohn's brilliant courtroom and trial work played a major part in the convictions of A-bomb spies Ethel and Julius Rosenberg and in other big-name cases. The award was well-given, well-earned.

[From New York World-Telegram and Sun, June 25, 1952]

WELL DESERVED

The American Jewish League Against Communism has bestowed a special plaque for "outstanding Americanism and Judaism" on Roy M. Cohn, confidential assistant to United States Attorney Myles Lane. Since Mr. Cohn joined the Federal attorney's staff in 1948, he has had an important part in most of

the cases here involving communism and espionage. What makes the distinction unusual is that Mr. Cohn won it in his first job. He went directly from law school to work in the Federal Building and now is only 25 years old.

Fight for Power in Northwest

EXTENSION OF REMARKS

OF

HON. CHET HOLIFIELD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 27, 1952

Mr. HOLIFIELD. Mr. Speaker, the newspaper Labor, recognized the fight being made for full development of the Columbia River system by the gentleman from Washington [Mr. MITCHELL].

In view of the importance of this fight to national production needed for both peace and defense, I insert in the Record:

MITCHELL HITS FLIPFLOP ON NORTHWEST PROJECT

A great fight for another vast Federal electric power and irrigation development in the "juice hungry" Pacific Northwest is being made in the House by Congressman HUGH B. MITCHELL, Democrat, of Washington, against the power trust and the governors of Washington and Idaho.

MITCHELL strongly called for action on legislation authorizing construction of the big Hells Canyon dam on the Snake River. The project is backed by Members of both Houses of Congress from the Northwest, as well as by many from other areas.

The Washington Congressman said the project would not only help remedy the growing power shortage in the Northwest and aid flood control, but would benefit the entire Nation as well. It would generate more than 1,000,000 kilowatts of electric energy a year.

MITCHELL hit the recent about-face on the proposition by Washington's Republican Governor, Arthur B. Langlie, and the "half truths and untruths" in the testimony of his "power consultant" before a congressional committee. Langlie "loaned" the "consultant" to the Governor of Idaho, Len Jordan, a Republican, for the purpose of appearing before the committee.

Langlie, MITCHELL charged, is playing the game of the Idaho Power Co., a Maine corporation, which wants to kill the Hells Canyon project. The corporation claims it has plans for a dam of its own.

If this dam were ever built the power capacity would be only a drop in the bucket compared with the Federal project and, further, it would be of little value for flood control, MITCHELL pointed out.

Question of the Week

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

Mr. BENDER. Mr. Speaker, anyone have an extra seat for the convention? Is your TV set in good shape?

Defense Production Act Amendments of 1952

SPEECH
OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. JUDD. Mr. Chairman, if the Talle amendment had been limited to its first half, decontrolling any material that has been selling below ceiling price for 3 months, I would have voted for it. There ought to be specific rules laid down requiring orderly decontrol by OPS when the criteria are met—and that is a fair and reasonable one.

But the second yardstick in the Talle amendment, namely, mandatory suspension of ceiling price for any material in adequate or surplus supply, and judged to be in adequate or surplus supply if not rationed—is unwise, in my opinion. It would either compel rationing, which I do not favor, or permit prices to rise above ceilings without limit. This is a price control bill, and while I support amendments to make sure that the ceilings OPS establishes are fair and will not discourage production because production is the main answer to rising prices, I believe it is unwise to remove ceilings entirely except when the ceiling was proved unnecessary by the material selling below the ceiling.

So I am compelled to vote against the Talle amendment in its present form because of the second criterion established. If the amendment is adopted, I hope it will be revised in conference.

LAWS AND RULES FOR PUBLICATION OF THE CONGRESSIONAL RECORD

CODE OF LAWS OF THE UNITED STATES

TITLE 44, SECTION 181. CONGRESSIONAL RECORD; ARRANGEMENT, STYLE, CONTENTS, AND INDEXES.—The Joint Committee on Printing shall have control of the arrangement and style of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of proceedings shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the sessions of Congress and at the close thereof. (Jan. 12, 1895, c. 23, § 13, 28 Stat. 603.)

TITLE 44, SECTION 182b. SAME; ILLUSTRATIONS, MAPS, DIAGRAMS.—No maps, diagrams, or illustrations may be inserted in the RECORD without the approval of the Joint Committee on Printing. (June 20, 1936, c. 630, § 2, 49 Stat. 1546.)

Pursuant to the foregoing statute and in order to provide for the prompt publication and delivery of the CONGRESSIONAL RECORD the Joint Committee on Printing has adopted the following rules, to which the attention of Senators, Representatives, and Delegates is respectfully invited:

1. *Arrangement of the daily Record.*—The Public Printer will arrange the contents of the daily RECORD as follows: First, the Senate proceedings; second, the House proceedings; third, the Appendix: *Provided*, That when the proceedings of the Senate are not received in time to follow this arrangement, the Public Printer may begin the RECORD with the House proceedings. The proceedings of each House and the Appendix shall each begin a new page, with appropriate headings centered thereon.

2. *Type and style.*—The Public Printer shall print the report of the proceedings and debates of the Senate and House of Representatives, as furnished by the official reporters of the CONGRESSIONAL RECORD, in 7½-point type; and all matter included in the remarks or speeches of Members of Congress, other than their own words, and all reports, documents, and other matter authorized to be inserted in the RECORD shall be printed in 6½-point type; and all roll calls shall be printed in 6-point type. No italic or black type nor words in capitals or small capitals shall be used for emphasis or prominence; nor will unusual indentions be permitted. These restrictions do not apply to the printing of or quotations from historical, official, or legal documents or papers of which a literal reproduction is necessary.

3. *Return of manuscript.*—When manuscript is submitted to Members for revision it should be returned to the Government Printing Office not later than 9 o'clock p. m., in order to insure publication in the RECORD issued on the following morning; and if all of said manuscript is not furnished at the time specified, the Public Printer is authorized to withhold it from the RECORD for 1 day. In no case will a speech be printed in the RECORD of the day of its delivery if the manuscript is furnished later than 12 o'clock midnight.

4. *Tabular matter.*—The manuscript of speeches containing tabular statements to be published in the RECORD shall be in the hands of the Public Printer not later than 7 o'clock p. m., to insure publication the following morning.

5. *Proof furnished.*—Proofs of "leave to print" and advance speeches will not be furnished the day the manuscript is received but will be submitted the following day, whenever possible to do so without causing delay in the publication of the regular proceedings of Congress. Advance speeches shall be set in the RECORD style of type, and not more than six sets of proofs may be furnished to Members without charge.

6. *Notation of withheld remarks.*—If manuscript or proofs have not been returned in time for publication in the proceedings, the Public Printer will insert the words "Mr. _____ addressed the Senate (House or Committee). His remarks will appear hereafter in the Appendix," and proceed with the printing of the RECORD.

7. *Thirty-day limit.*—The Public Printer shall not publish in the CONGRESSIONAL RECORD any speech or extension of remarks which has been withheld for a period exceeding 30 calendar days from the date when its printing was authorized: *Provided*, That at the expiration of each session of Congress the time limit herein fixed shall be 10 days, unless otherwise ordered by the committee.

8. *Appendix to daily Record.*—When either House has granted leave to print (1) a speech not delivered in either House, (2) a newspaper or magazine article, or (3) any other matter not germane to the proceedings, the same shall be published in the Appendix, but this rule shall not apply to quotations which form part of a speech of a Member, or to an authorized extension of his own remarks: *Provided*, That no address, speech, or article delivered or released subsequently to the final adjournment of a session of Congress may be printed in the CONGRESSIONAL RECORD.

9. *Official reporters.*—The official reporters of each House shall indicate on the manuscript and prepare headings for all matter to be printed in the Appendix, and shall make suitable reference thereto at the proper place in the proceedings.

10. *Estimate of cost.*—No extraneous matter in excess of two pages in any one instance may be printed in the CONGRESSIONAL RECORD by a Member under leave to print or to extend his remarks unless the manuscript is accompanied by an estimate in writing from the Public Printer of the probable cost of publishing the same, which estimate of cost must be announced by the Member when such leave is requested; but this restriction shall not apply to excerpts from letters, telegrams, or articles presented in connection with a speech delivered in the course of debate or to communications from State legislatures, addresses or articles by the President and the members of his Cabinet, the Vice President, or a Member of Congress. The Public Printer or the official reporters of the House or Senate shall return to the Member of the respective House any matter submitted for the CONGRESSIONAL RECORD which is in contravention of this paragraph.

11. *Illustrations.*—Pursuant to section 182b, title 44, United States Code (as shown above), requests for authority to insert an illustration in the RECORD should be submitted to the Joint Committee on Printing through the chairman of the Committee on Printing of the respective House in which the speech desired to be illustrated may be delivered. Illustrations shall not exceed in size a page of the RECORD and shall be line cuts only. Copy for illustrations must be furnished to the Public Printer not later than 12:30 o'clock p. m. of the day preceding publication.

12. *Corrections.*—The permanent RECORD is made up for printing and binding 30 days before all corrections must be sent to the Public after each daily publication is issued; there-Printer within that time: *Provided*, That upon the final adjournment of each session of Congress the time limit shall be 10 days, unless otherwise ordered by the committee: *Provided further*, That no Member of Congress shall be entitled to make more than one revision. Any revision shall consist only of corrections of the original copy and shall not include deletions of correct material, substitutions for correct material, or additions of new subject matter.

13. *Appendix to permanent Record.*—The Public Printer shall publish an Appendix to the permanent RECORD, which shall contain all extraneous matter not germane to the proceedings.

14. The Public Printer shall not publish in the CONGRESSIONAL RECORD Appendix the full report or print of any committee or subcommittee when said report or print has been previously printed.

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DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

JUNE 28, 1952.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 2594]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Defense Production Act Amendments of 1952"*.

TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: "Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; not shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: Provided, That nothing in this Act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products."

SEC. 102. Section 101 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "101.", and by adding at the end of such section the following new subsection:

"(b) When all requirements for the national security, for the stock-piling of critical and strategic materials, and for military assistance to any foreign nation authorized by any Act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No agreement shall be entered into by the United States limiting total United States consumption of any material unless such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country. Nothing contained in this Act shall impair the authority of the President under this Act to exercise allocation and priorities controls over materials (both domestically produced and imported) and facilities through the controlled materials plan or other methods of allocation."

SEC. 103. Section 104 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"*SEC. 104.* Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program: Provided, however, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in the section, not to exceed 15 per centum of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise the authority and powers conferred by this section."

SEC. 104. The first sentence of section 302 of the Defense Production Act of 1950, as amended, is amended by inserting before the period at the end thereof the following: ", and manufacture of newsprint".

SEC. 105. Paragraph (2) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting after the first sentence thereof the following new sentence: "No regulation or order shall be issued or remain in effect under this title which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less."

SEC. 106. (a) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting in the fifth sentence thereof after "(1) the Agricultural Act of 1949," the

following: "except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 per centum of the parity price, or such higher level as may be established under section 402 of that Act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas,".

(b) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, shall be established or maintained in any agricultural marketing area at levels which deny to any processor of such products the cost adjustments provided in paragraph (4) of this subsection and which deny to any distributor or seller of such products the customary margin or charge provided in subsection (k) of this section. Where a State regulatory body is authorized to establish minimum and/or maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be: And provided further, That in the case of prices of milk established by any State regulatory body, with respect to which prices, parties may be deemed to contract, no ceiling price may be maintained under this title which is less than the price so established. No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form."

SEC. 107. Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "The provisions of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section."

SEC. 108. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale."

SEC. 109. (a) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding after the word "profession" in paragraph (ii) thereof the following: "; wages, salaries, and other compensation paid to professional engineers employed in a professional capacity; wages, salaries, and other compensation paid to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession".

(b) Paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) (1) Rates and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended, and including compensation for the use by others of a common carrier's cars or other

transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (2) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services: Provided, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase, unless it first gives thirty days' notice to the President, or such agency as he may designate, and consents to timely intervention by such agency before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase: And provided further, That the Office of Price Stabilization shall not intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except as provided in the preceding proviso;".

(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraphs:

"(viii) Rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing.

"(ix) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: Provided, however, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.

"(x) Prices charged and wages paid by bowling alleys.

"(xi) Wages paid for agricultural labor."

SEC. 110. The first sentence of section 402 (k) of the Defense Production Act of 1950, as amended, is amended to read as follows: "No rule, regulation, order, or amendment thereto shall be issued or remain in effect under this title, which shall deny sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question: Provided, however, That if the antitrust

laws of any State have been construed to prohibit adherence by sellers of materials at wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth".

SEC. 111. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsections:

"(l) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law.

"(m) No rule, regulation, order, or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, or to any wholesaler so affiliated but whose affiliation does not amount to an interest or equity of more than 50 per centum, the same ceiling price or prices for meat accorded to hotel supply houses, combination distributors, or wholesalers which are not so affiliated.

"(n) Notwithstanding any other provision of this Act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this Act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit."

SEC. 112. Section 403 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "403." and by adding at the end thereof the following new subsections:

"(b) (1) There is hereby created, in the present Economic Stabilization Agency, or any successor agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.

"(2) The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall terminate on May 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses

in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

“(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

“(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

“(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this Act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress.

“(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted. After June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.

“(c) Notwithstanding any other provision of this section, the stabilization of the salaries and other compensation of persons (not represented in their relationships or eligible to be so represented with their employer by duly certified or recognized labor organizations) employed as outside salesmen or in bona fide executive, administrative, or professional capacities, as such terms are defined in the regulations issued in pursuance of section 13 (a) (1) of the Fair Labor Standards Act of 1938, as amended, or as supervisors, as defined by the Labor Management Relations Act, 1947, as amended, shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency, or any successor agency, subject to the supervision and direction of the Economic Stabilization Administrator.

“(d) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages.”

SEC. 113. (a) (1) The first sentence of subsection (a) of section 407 of the Defense Production Act of 1950, as amended, is amended by

striking out "relating to price controls under this title" and inserting in lieu thereof "relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended"; and by striking out "relating to price controls" after "any such regulation or order".

(2) Subsection (b) of section 407 of the Defense Production Act of 1950, as amended, is amended by inserting after "this title" the following: "and the Housing and Rent Act of 1947, as amended,"; and by inserting after "section 705 of this Act" the following: ", or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be".

(b) Section 408 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part, the regulation or order or the amendment of or supplement to the regulation or order protested; to make and enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: Provided, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to deci-

sion the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this Act, as amended, of which this title is a part and with respect to this title, or under the Housing and Rent Act of 1947, as amended. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

“(c) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order issued under this title, or under the Housing and Rent Act of 1947, as amended. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title, or the Housing and Rent Act of 1947, as amended, authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

“(d) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

“(2) In any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

“(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

“(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

“(iii) during the pending of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of the Act or section 206 (b) of the Housing and Rent Act of 1947, as amended, the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.”

SEC. 114. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new sections:

“SEC. 411. In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices.

“SUSPENSION OF CONTROLS

“SEC. 412. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist

in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension."

SEC. 115. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: "It is the sense of the Congress that, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress therefore requests the President to invoke immediately the national emergency provisions (sections 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage."

SEC. 116. (a) Section 601 of the Defense Production Act of 1950, as amended, is hereby repealed. The heading of title VI of the Defense Production Act of 1950, as amended, is amended to read as follows: "TITLE VI— CONTROL OF REAL ESTATE CREDIT", and the subheading of such title is amended to read as follows: "This title authorizes the regulation of real estate construction credit only". The table of contents in the first section of the Defense Production Act of 1950, as amended, is amended by striking out "consumer and".

(b) Title VI of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"SEC. 607. Notwithstanding the provisions of sections 602 and 605 of this title, the authority of the President which is derived from said sections to impose credit regulations relative to residential property shall not be exercised with respect to extensions of credit made during any 'period of residential credit control relaxation', as that term is herein defined, in such manner as to impose any down payment requirement in excess of 5 per centum of the transaction price. The President shall cause to be made estimates of the number of permanent, non-farm, family dwelling units, the construction of which has been started during each calendar month and, on the basis of such estimates, he shall cause to be made estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. If for any three consecutive months the annual rate of construction starts so found for each of the three months falls to a level below an annual rate of 1,200,000 starts per year, the President shall cause to be published in the Federal Register an announcement of the beginning of a 'period of residential credit control relaxation', which period shall begin not later than the first day of the second calendar month following such three consecutive months. Each such relaxation period may be terminated by the President at any time after the annual rate of construction starts thereafter estimated for each of any three consecutive months exceeds the level referred to in the preceding sentence."

(c) Section 708 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section."

SEC. 117. Section 705 of the Defense Production Act of 1950, as amended, is amended by adding thereto the following new subsection:

"(f) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

SEC. 118. The first sentence of section 707 of the Defense Production Act of 1950, as amended, is amended by striking out the word "his".

SEC. 119. Subsection (b) of section 712 of the Defense Production Act of 1950, as amended, is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "It shall be the function of the Committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration thereof."

SEC. 120. Section 717 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(d) No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection."

SEC. 121. (a) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out "1952" and inserting in lieu thereof "1953".

(b) Section 717 (a) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(a) Titles I, II, III, VI, and VII of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this Act and all authority conferred thereunder shall terminate at the close of April 30, 1953."

TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

SEC. 201. (a) Subsection (e) of section 4 of the Housing and Rent Act of 1947, as amended, is amended by striking out "June 30, 1952" and inserting in lieu thereof "April 30, 1953".

(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

“(f) (1) The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of April 30, 1953—

“(A) in any area which prior to or subsequent to September 30, 1952, is certified under subsection (1) of section 204 of this Act as a critical defense housing area;

“(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of federal rent control in such city, town, or village; and

“(C) in any unincorporated locality in a defense rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

“(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

“(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

“(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph.”

SEC. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new subsections:

“(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any defense-rental area, including any community owned and operated by the Federal Government, which has previously been decontrolled under this Act until a public hearing, after thirty days' notice, has been held in such area.

“(q) Consistent with the other provisions of this Act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget: Provided however, That the provisions of this subsection shall not apply to housing units under the jurisdiction of the Atomic Energy Commission where Federal Rent Control is now in effect.”

SEC. 203. The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by section 204 (l) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area

to be a critical defense housing area. Any committee so appointed shall consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and House Finance Agency, and the Office of Rent Stabilization. Any Federal Agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such Committee may request from time to time relevant to its operations.

TITLE III—MISCELLANEOUS

PUBLIC CONTRACTS

SEC. 301. The Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (41 U. S. C. 35-45), is amended (1) by redesignating sections 10 and 11 as sections 11 and 12, respectively, and (2) by inserting immediately following section 9 a new section 10 as follows:

"SEC. 10. (a) Notwithstanding any provision of section 4 of the Administrative Procedure Act, such Act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this Act.

"(b) All wage determinations under section 1 (b) of this Act shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination, may be had within ninety days after such determination is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

"(c) Notwithstanding the inclusion of any stipulations required by any provision of this Act in any contract subject to this Act, any interested person shall have the right of judicial review of any legal question which might otherwise be raised, including, but not limited to, wage determinations and the interpretation of the terms 'locality', 'regular dealer', 'manufacturer', and 'open market'."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

BURNET R. MAYBANK,
J. W. FULBRIGHT,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
J. ALLEN FREAR, Jr.
JOHN W. BRICKER,
IRVING M. IVES,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

DEFENSE PRODUCTION ACT

IMPORTATION AND USE OF MATERIALS

Section 101 of the act authorizes the President to allocate materials and facilities to promote the national defense. The Senate bill included a provision which would amend section 101 so as to prohibit restrictions or other limitations under title I of the act upon a person purchasing a commodity abroad and importing and using it in the United States if the domestic production thereof exceeds allocations for defense, stockpiling, and foreign military assistance purposes. The provision would also prohibit all restrictions or other limitations under title I of the act if the domestic production of any commodity is sufficient for all civilian domestic, defense, stockpiling, and foreign military assistance requirements. The Senate bill also contained a provision which would add a new section 105 to title I of the act. Under the authority of the new section the President could participate in the International Materials Conference through Senate-confirmed representatives and, notwithstanding any other provision of title I to the contrary, after an appropriate public hearing and finding, could use his powers under the act to carry out International Materials Conference recommendations. The President, subject to the provisions of the section and without other impairment of his authority under the act, could exercise allocation and priorities controls over materials both domestically produced and imported and facilities through the controlled materials plan or other methods of allocation.

The House amendment provided for the adding of certain provisions to section 101 of the act. One of these would provide that when all requirements of the national defense, stockpiling and foreign military assistance programs had been met through allocations and priorities it would be the declared policy of the United States to encourage the maximum supply of raw materials for the civilian economy and thus increase employment opportunities and minimize inflationary pressures. It further would be provided that no authority granted under

the Act could be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference.

The conference substitute retains the declaration of policy provision contained in the House amendment with respect to encouraging the maximum supply of raw materials for the civilian economy. In addition it provides that no agreement shall be entered into by the United States limiting the total United States consumption of any material unless the agreement authorizes domestic consumers to purchase the unused quantities allocated to other countries. The conference substitute also makes clear that allocations and priorities controls may be applied to materials (both domestically produced and imported) and facilities through the Controlled Materials Plan or other methods of allocation. With respect to domestic users purchasing materials allocated to another country but not used by that country, it is the intention of the committee of conference that adequate steps shall be taken by our Government in agreement with the government of such country in order that information concerning the amount of any unused allocation will be made available to domestic users as quickly as possible in order that such users may have the opportunity to purchase such quantities.

IMPORT LIMITATIONS

The House amendment contained a provision which would amend section 101 of the act in a manner which would require that when priorities or allocations of any raw material operate to limit the production of articles or products produced in the United States, the President by proclamation would have to limit imports of any article or product using such raw material upon the request of a substantial portion of American producers of such article or product or an article or product competitive therewith provided the Secretary of Defense has not certified to the President that American production of such article or product is insufficient to supply the essential needs therefor. The import limitation for an article or product would be set at 100 percent of the average annual imports of such article or product during the calendar years 1947 through 1949, except that, if the Secretary of Defense certifies that American production of such article or product is insufficient to supply essential needs, imports would be limited to such quantity as the Secretary of Defense certifies as necessary, in excess of American production, to meet essential defense needs. Provision would be made for appropriate hearings before the Tariff Commission and for reports by the Tariff Commission to the President. The President would be required to proclaim the appropriate import limitation within thirty days of his receipt of the report from the Tariff Commission. No similar provision was included in the Senate bill and it is not included in the conference substitute.

IMPORT CONTROLS OVER FATS AND OILS

Section 104 of the Act prohibits imports of fats and oils, peanuts, butter, cheese and other dairy products, and rice and rice products which would (a) impair or reduce domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in

view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program.

The Senate bill rewrote section 104 so that it would provide that, for the purpose of exercising import controls over fats and oils, peanuts, butter, cheese and other dairy products, and rice and rice products, the provisions with respect thereto of title III of the Second War Powers Act would be revived and continued in force. Under this authority such import controls could be exercised only if they are found (a) essential to the acquisition or distribution of products in world short supply, or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government.

The House amendment, while retaining the criteria of existing law for the exercise of such import control authority, added provisions which (1) would specifically provide that such import controls could be exercised with respect to types and varieties of a commodity or product and (2) would authorize the Secretary of Agriculture to increase the import limitations established under section 104 up to an additional 10 percent for each type or variety which he might deem necessary, taking into consideration the broad effects on international relationships and trade.

The conference substitute retains the provisions of the House amendment except that the figure of 15 percent is substituted for the figure of 10 percent in the proviso.

The committee of conference desires to make it clear that this authority is not to be exercised with respect to types of cheeses, such as Roquefort and Switzerland Swiss, which, because of their United States selling price, are clearly not competitive with domestically produced cheeses.

APPLICATION OF SECTION 402 (D) (4)

The Senate bill contained a provision which was not included in the House Amendment which specifically would make the provisions of section 402 (d) (4) of the act (which provides for adjustment of price ceilings to reflect reasonable cost increases up to July 26, 1951) inapplicable to a seller of a material at retail or wholesale within the meaning of section 402 (k) of the act (which generally provides that price ceilings may not be imposed which deny distributors customary margins over costs). The conference substitute retains this provision of the Senate bill.

CEILINGS ON PRODUCTS PROCESSED FROM AGRICULTURAL COMMODITIES

The House amendment included a provision amending section 402 (d) (3) of the act which would require that ceiling prices in any agricultural marketing area for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, reflect the cost adjustments provided for in section 402 (d) (4) and the customary distributing and selling margin or charge over costs provided for in section 402 (k) of the act. The Senate bill did not contain a provision similarly amending section 402 (d) (3) of the act.

The conference substitute retains this provision with modifications. The substitute language provides that any manufacturer or processor of an agricultural commodity has the same right to an individual adjustment of his ceiling prices under the third section of section 402 (d) (4) as does a manufacturer or processor of non-agricultural commodities. Wholesalers and retailers of processed agricultural commodities shall be afforded the same treatment under section 402 (k) as other wholesalers and retailers of materials.

The provisions of section 402 (k), in the case of distribution of processed agricultural commodities, apply on a marketing area basis in the case of a commodity like milk, which traditionally is priced on that basis.

The provisions of the substitute are designed to make clear that under existing law that the provisions of section 402 (d) (4) are applicable to a processor of agricultural commodities and the provisions of section 402 (k) to wholesalers and retailers of processed agricultural commodities.

While under section 402 (d) food processors are entitled to individual adjustments under section 402 (k) food distributors are not entitled to individual margins or charges. This provision does not change the rights accruing under either section. It is merely designed to make it clear that food processors and distributors have the same rights as other processors and distributors.

PRICE CONTROL AND RATIONING

The House amendment contained a provision which would add a new paragraph (5) to section 402 (d) of the act. The new paragraph would require suspension of the price ceiling on any material as long as (1) the material is selling below the ceiling price and has so sold for a period of 3 months; or (2) the material is in adequate or surplus supply and has been so for a period of 3 months. For this purpose a material would be in adequate or surplus supply whenever it is not being allocated for civilian use, or in the case of an agricultural commodity or product processed in whole or substantial part therefrom, is not being rationed at the retail level of consumer goods for household and personal use, under title I of the act. The Senate bill did not contain a similar provision and neither does the conference substitute.

PRICE CEILINGS FOR CERTAIN SALES TO ULTIMATE USERS

The House amendment provided for the addition of a new paragraph (6) to section 402 (d) of the act. The new paragraph (6), effective as of the date of issuance of the General Price Ceiling Regulation, would provide that any sale of fertilizer to the ultimate user by a person who acquired it for resale would be considered a retail sale for the purpose of determining the applicable price ceiling under the General Price Ceiling Regulation. The Senate bill did not contain a similar provision. The conference substitute retains this provision of the House amendment, except that it takes effect upon enactment instead of as of January 26, 1951.

ENGINEERS, ARCHITECTS, ACCOUNTANTS

The Senate bill contained a provision which would amend the exemption from wage controls in section 402 (e) (ii) of the act by adding to those compensations which are exempted the wages, salaries, and other compensation paid: to professional engineers employed in a professional capacity; to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of that profession; and to certified public accountants licensed to practice as such, employed in a professional capacity by a certified public accountant or firm of such accountants engaged in the practice of that profession. The House amendment contained no similar provision. The conference substitute includes this provision of the Senate bill.

EXEMPTION OF WAGES OF PUBLICATION AND INFORMATION
ENTERPRISES

The second part of section 402 (e) (iii) of the act presently exempts from price control rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting or television station, a motion picture or other theater enterprise, or outdoor advertising facilities. The House amendment contained a provision which would broaden this paragraph to exempt from wage control, wages paid to employees engaged in such businesses. The Senate bill contained no similar provision. The conference substitute does not include this provision of the House amendment.

EXEMPTION OF MARINE TERMINALS AND CERTAIN COMMON CARRIER
CHARGES

Paragraph (v) of section 402 (e) of the act exempts rates charged by any common carrier or other public utility from price control, but in a proviso grants limited intervention rights to the President, or such agency as he may designate, in proceedings for rate increases before appropriate regulatory bodies.

The Senate bill contained a provision which would, declaratory of existing law, include rates charged by marine terminals in the exemption in section 402 (e) (v). This change would be made by exempting "rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Cong.), as amended." The Senate provision would also, declaratory of existing law, include in the exemption of common carrier rates and charges (a) compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, charges for repairing cars or other transportation equipment owned by others, charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (b) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local

transfer services. The Senate bill would retain the limited intervention authority of the proviso referred to in the preceding paragraph.

The House amendment contained a provision which would extend the exemption presently granted in 402 (e) (v) to include rates charged by marine terminals, and would have taken away the limited authority to intervene by deleting the proviso.

The conference substitute retains the provision of the Senate bill except that (1) the statement that the exemption is declaratory of existing law has been deleted and (2) a further proviso is added to the paragraph which forbids the Office of Price Stabilization to intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except in accordance with the limited intervention right now granted in the first proviso of the paragraph. The exemptions provided for in this provision merely spell out the original intention of Congress as it is the understanding of the committee that the new matters covered in this exemption are generally subject to regulatory supervision.

EXEMPTION OF STATE SALES

The Senate bill made provision for the addition of a new paragraph (viii) to section 402 (e) of the act. The new paragraph would exempt from price controls rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing. The House amendment provided for a more limited exemption in that it ran only to sales of surplus materials made by the above enumerated governmental units. The conference substitute retains the broader provisions of the Senate bill.

CUSTOMARY DISTRIBUTOR MARGINS

The Senate bill contained a provision which would rewrite the first sentence of section 402 (k) of the act so that it would be applicable to OPS regulations issued before as well as after that section was enacted last year.

The House amendment contained provisions which would (1) make the subsection applicable to sellers of services as well as sellers of materials, (2) make clear that the subsection is applicable to sellers whether their customary margins over costs are calculated on a percentage mark-up basis or on a dollars-and-cents basis, (3) make the subsection applicable on an individual basis only, and (4) forbid the maintenance in effect of rules, regulations, orders, or amendments thereto, whether issued before or after the enactment of the amendment, unless they meet the requirements of the subsection. This amendment of section 402 (k) would take effect 60 days after its enactment.

The conference substitute retains the provisions of the House amendment except those contained in clauses 1 and 3 of the preceding paragraph, and the changes made by the conference amendment would take effect upon enactment instead of 60 days later. The language of the conference substitute is thus the same as the corresponding

provision of H. R. 8210, as reported by the House Banking and Currency Committee.

The Office of Price Stabilization, as a matter of discretion may use individual markups in fields where they are appropriate, a practice which it now follows in many of those regulations. However, under the conference substitute, the Office of Price Stabilization is not required by law to use individual markups for any seller.

STATE MINIMUM PRICES

The Senate bill contained a provision which would add a new subsection (l) to section 402 of the act under which no price ceiling for any material could be set in any State below the minimum sales price of such material fixed "by the State law (other than any so-called 'fair trade law') or regulation now in effect." The House amendment contained a generally similar provision which, however, in place of the language included in the above quotation marks would substitute "by any State law other than any so-called fair-trade law enacted prior to July 1, 1952 or by regulation issued pursuant to such law." The conference substitute retains the provision but in place of the quoted language above substitutes "by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law."

It was the intent of the conferees that this provision apply only to State minimum price laws which are presently enforced and in effect, and not to State minimum price laws which are not now enforced or which are dormant.

MEAT PRICE CEILINGS OF AFFILIATED HOTEL SUPPLY HOUSES

The House amendment contained a provision which would add a new subsection (m) to section 402 of the act. The new subsection would not permit the imposition of meat price ceilings for any hotel supply house or combination distributor which is affiliated with a slaughterer or slaughtering establishment, lower than those accorded hotel supply houses or combination distributors not so affiliated. The Senate bill did not contain a similar provision. The conference substitute retains the provisions of the House amendment, but further provides that the subsection applies to any wholesaler affiliated with a slaughterer or slaughtering establishment, whose affiliation does not amount to an interest or equity greater than 50 percent.

CEILING ON AGRICULTURAL COMMODITIES AND MARGIN CONTROLS

The Senate bill in section 110 would provide that notwithstanding any other provision of the act, whenever price ceilings are imposed on any agricultural commodity at the farm level, margin controls simultaneously would have to be imposed on processors, wholesalers, and retailers allowing them normal markups as provided in the act but not greater than their normal margins of profit. No similar provision was contained in the House amendment. The conference substitute retains this provision of the Senate bill.

ESA DUTY TO COORDINATE

The Senate bill contained a provision which would add a new subsection to section 402 of the act. This subsection would make it the express duty of the Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages. The House amendment contained no similar provision. The conference substitute retains this provision of the Senate bill.

ADMINISTRATION OF SALARY STABILIZATION

The House amendment contained a provision which would amend section 403 of the Act through the addition of two new sentences. These would provide that notwithstanding the other provisions of the section, administration of salary stabilization for executive, administrative, supervisory, and professional personnel would be under the jurisdiction of the Bureau of Internal Revenue under stabilization policies promulgated by the Economic Stabilization Administrator. The meaning of the above enumerated personnel classifications would be the same as defined in the Labor-Management Relations Act, 1947 and in existing regulations under the Fair Labor Standards Act. The Senate bill did not contain a similar provision.

The conference substitute provides that stabilization of salaries and other compensation of persons employed as outside salesmen, in bona fide executive, administrative or professional capacities, or as supervisors shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency or any successor agency subject to the supervision and direction of the Economic Stabilization Administration.

SUSPENSION OF CEILINGS AND REPORTING

The Senate bill contained a provision which would add a new section to title III of the act. The new section would declare it to be a policy of the Congress that general control of wages and prices should be terminated as rapidly as possible consistent with the policies and purpose of the act and that pending such termination, controls over wages or prices should be suspended whenever possible, consistent with specified stabilization considerations, to avoid burdensome and unnecessary reporting and record keeping. Provision would be made to revoke any such suspension actions whenever it would be necessary to effectuate the purposes of the act.

The House amendment also contained a provision which would add a new section to title IV of the act. The new section would provide for relief from the burden of furnishing reports or other information to the OPS with respect to sales of materials or services at prices which are below the applicable ceiling prices if the seller certifies to the President that such sales were made at such prices. Thus a simple certification would replace a substantial volume of price reporting for sales made at prices which are below ceiling. The relief from the burden of furnishing reports would not, of course, deny the right of

investigation under section 705. Under this provision existing price ceilings would not be suspended and would remain in effect as a stopping point should prices of a commodity go back to the ceiling.

The conference substitute contains both of these provisions which are added as new sections 411 and 412 of the act.

LIMITATION ON NATURAL GAS EXEMPTION

Section 704 of the act now provides that no rule, regulation, or order issued under the act which restricts the use of natural gas shall apply in any State in which a public regulatory agency has authority to restrict the use of natural gas and certifies to the President that it is exercising that authority to the extent necessary to accomplish the objectives of the act. The House amendment contained a provision which would qualify this exemption by requiring that in addition to meeting the other criteria, the public regulatory agency must make provision for natural gas for house heating to amputee veterans, other hardship cases, and totally disabled individuals. The Senate bill did not contain a similar provision.

The conference substitute does not contain this provision of the House amendment. It is the opinion of the committee of conference, however, that State regulatory bodies should make appropriate provision allowing for the use of natural gas for house heating for amputee veterans, totally disabled individuals, and other hardship cases.

COMPETITIVE POSITION OF BUSINESS CONSIDERED IN ALLOCATING MATERIALS

Section 701 (c) of the act provides in part that in allocating materials the President shall, among other things, make available for business and segments thereof a fair share of the available civilian supply based on the normal share received by such business during a representative period preceding June 24, 1950, and having due regard to the current competitive position of established business. The House amendment contained a provision which would specify that the current competitive position of established business referred to in the subsection is the position during such representative period preceding June 24, 1950. The Senate bill did not contain a similar provision, and neither does the conference substitute.

WAGE STABILIZATION BOARD

Both the Senate bill and the House amendment provided for the addition of a new subsection (b) to section 403 of the act under which the present Wage Stabilization Board would be abolished and replaced with a new Wage Stabilization Board created in the Economic Stabilization Agency. The new Board would be composed of members representative of the general public, labor, and business and industry. The number of members would be determined by the President and all members would be appointed by the President. Public members would be paid \$15,000 per year and could not engage in other employment; other members would receive compensation for service of \$50 per day plus statutory allowances for necessary travel and subsistence expenses. The President would designate the Chairman and Vice

Chairman from among the public members. The Board would be under the supervision and direction of the Economic Stabilization Administrator and would recommend to him general policies and general regulations relating to prescribing maximum limits on wages, salaries, and other compensation. The Board upon request of interested parties would advise on interpretation and application of such policies and regulations promulgated by the Economic Stabilization Administrator.

The Senate bill and the House amendment however, contained different proposals with respect to composition of the Board, confirmation of its members, term of office of its members and duties of the Board.

Under the Senate bill the Board would be composed of an equal number of members representing the public, labor, and industry and management, while under the House amendment the number of public members would have to exceed the aggregate of labor, and business and industry members. The House amendment would have provided further that labor, and business and industry would have equal representation on the Board and that among labor members, at least one would have to be a person who is not a representative of any organization affiliated with either of the two major labor organizations.

Under the Senate bill appointment of all of the Board members would be subject to Senate confirmation while under the House amendment appointment of only the public members would have to be so confirmed.

Under the Senate bill the terms of office of the members of the Board would terminate on March 1, 1953, while under the House amendment such termination date would be June 30, 1953.

Under the Senate bill the Board, or a proportionate panel of the Board, could undertake to mediate and/or arbitrate wage, salary, and other compensation labor disputes if the Director of the Federal Mediation and Conciliation Service certifies to the Administrator of the Economic Stabilization Agency that all remedies available to the Service have been exhausted, and (a) the parties themselves ask the Board to mediate and/or arbitrate, or (b) the President asks the Board to mediate and/or arbitrate and the parties consent. The House amendment did not provide similar limited disputes authority for the Board and in fact specifically provided that aside from its advice on and interpretative duties with respect to regulations issued by the Economic Stabilization Administrator covering wages, salaries and other compensation, the Board would have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. It was further specifically provided that labor disputes, so far as governmental action is concerned, if dealt with at all would be dealt with only in accordance with statutes which have been enacted or may be enacted by the Congress.

The conference substitute follows the provisions of the Senate bill with reference to the composition of the new Wage Stabilization Board, namely, that it would consist of an equal number of members representing the public, labor, and business and industry and Senate confirmation would be required for all members appointed to the Board. With respect to powers and duties of the Board, the conference substitute follows the provisions of the House amendment and does not grant any authority to mediate or arbitrate, and in addition

the term of office of the Board members would terminate on May 1, 1953. The conference substitute further provides that after June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.

The conference substitute is not intended to preclude the Board from, as at present, enforcing wage stabilization regulations and policies.

CREDIT CONTROLS

The Senate bill continued title VI of the act which provides authorities for the control of consumer and real estate credit. The House amendment included a provision repealing title VI of the act and amending section 708 of the act so that hereafter no voluntary program or agreement for the control of credit could be approved or carried out under that section.

The conference substitute revokes the authority to impose consumer credit controls under the Defense Production Act (regulation W) and to approve or carry out any voluntary program or agreement for the control of credit. Provision is made, however, for continuing and limiting the authority of the President to exercise real estate construction credit control (regulation X and related programs in connection with government aided housing). Whenever for any consecutive three months the annual rate of starts of permanent, non-farm, family dwelling units falls below 1,200,000 units, the President is to publish in the Federal Register an announcement of the beginning of a period of residential credit control relaxation. Such period shall start by the first day of the second calendar month following the three consecutive months during which the annual rate of starts has dropped below 1,200,000. During the relaxation period, credit regulations cannot require more than a 5 percent down payment on the transaction price of residential property subject to such regulations. The relaxation period may be ended by the President whenever the annual rate of starts for any three consecutive months exceeds 1,200,000. He then may impose credit controls within the limits of the authority granted him by title VI of the act, as amended, during periods which are not periods of residential credit control relaxation. The conference substitute as to title VI is prospective in nature and the procedures prescribed therein begin to operate on the effective date of the Defense Production Act Amendments of 1952.

REVIEW OF PRICE AND RENT ORDERS AND REGULATIONS

Section 407 of the act now provides for a procedure whereby any person subject to a regulation or order relating to price controls may file a protest with the President objecting to the regulation or order. Section 408 of the act now provides for review of such regulations and orders in the Emergency Court of Appeals.

The House amendment would amend section 407 so as to make available to persons subject to regulations and orders relating to rent controls the same protest procedure now available under section 407 with respect to regulations and orders relating to price controls, and to provide for review of regulations and orders relating to rent controls by the Emergency Court of Appeals. In addition, the House

amendment would rewrite section 408 of the act so as to make several changes with respect to review by the Emergency Court of Appeals of regulations and orders relating to both price controls and rent controls. The amendment would permit the court to "grant such temporary relief or restraining order as it deems just and proper"; and would eliminate the existing provision forbidding the court to issue such temporary orders. The amendment would eliminate the existing provision as to the scope of review by the court and would provide, instead, that "The findings of the President with respect to questions of fact, if supported by a preponderance of the evidence on the record shall be conclusive." The amendment also would eliminate the existing provision which stays for thirty days the effectiveness of any court order enjoining or setting aside a regulation or order.

The Senate bill did not contain a similar provision.

The conference substitute retains the provisions of the House amendment except for the following change. In lieu of "if supported by a preponderance of the evidence on the record" the conference substitute provides "if supported by substantial evidence on the record considered as a whole". This change was adopted to bring this provision into conformity with the provisions of section 10 (e) of the Administrative Procedure Act.

In removing the provision which prohibits the court from granting temporary relief it is the intention of the committee of conference that the court grant such relief only in accordance with the applicable principles of equity, and giving due consideration to the effect which such action would have upon the stabilization objectives of the act.

With respect to removing the existing provision which stays for 30 days the effectiveness of any order of the court enjoining or setting aside regulations or orders, the committee of conference desires to emphasize the fact that it does not intend by this action to prevent the court from granting such stays of its orders as it deems desirable in order that the agency may make the required changes in the affected regulations or orders in order to conform to the judgment of the court. It is the opinion of the committee of conference that the court should give due consideration to the granting of stays of its orders so that the agency concerned may have an opportunity to bring its regulations and orders in conformity to the judgment of the court. The committee has full confidence that the court will use its authority to grant stays of the effectiveness of its orders where it is necessary to give the agency time in which to correct its regulations or orders so that the objectives of this act can be achieved.

EXTENSION OF DEFENSE PRODUCTION ACT

The Senate bill contained provisions which would extend titles I, II, III, VI, and VII of the act to the close of June 30, 1953. The House amendment contained provisions which would extend all titles of the Act, except title VI, to the close of June 30, 1953. Title VI would be repealed.

The conference substitute provides that titles I, II, III, VI, and VII of this act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this act and all authority conferred thereunder shall terminate at the close of April 30, 1953.

HOUSING AND RENT ACT

EXTENSION OF THE ACT

The Senate bill provided for the extension of the Housing and Rent Act of 1947, as amended, to February 28, 1953. The House amendment contained a provision amending section 204 (f) of the Housing and Rent Act of 1947, as amended. The amendment would extend that act to September 30, 1952, except that the act would continue in effect until the close of March 31, 1953, (a) in any area which prior to or subsequent to September 30, 1952, is certified under section 204 (l) of the act as a critical defense housing area and (b) in any incorporated city, town, or village where rent control is in effect, and prior to September 30, 1952, declares by resolution of its local governing body or by popular referendum that a substantial shortage of housing exists requiring continuance of Federal rent control in such locality. Rent control would be continued for a like period in any unincorporated locality in a defense-rental area in which one or more of the incorporated localities, constituting the major portion of the defense rental area, retains rent control. The other provisions of section 204 (f) would be retained unchanged. Veteran preferences in the rental or purchase of new housing accommodations would be extended to June 30, 1953.

The conference substitute retains the provisions of the House amendment, except that the date April 30, 1953, is substituted for March 31, 1953, as the final termination date for rent control. Veterans preferences in the rental or purchase of new housing accommodations are likewise extended to April 30, 1953.

RECONTROL IN DECONTROLLED DEFENSE-RENTAL AREAS

The Senate bill contained a provision which would add a new subsection (p) to section 204 of the act. Except in the case of local option recontrol under section 204 (k), the new subsection would prevent the recontrol of rents in a previously decontrolled defense-rental area, including any community owned and operated by the Federal Government, until a public hearing, after thirty days' notice, has been held in such area. The House amendment did not contain a similar provision. The conference substitute contains the Senate provision.

CRITICAL DEFENSE HOUSING AREAS

The present law in section 204 (l) contains three criteria for the certification of a critical defense housing area. These criteria are met if specified conditions as to defense installations, in-migration shortage of housing, and rents either exist, or are impending or threatening. The House amendment would provide that the criteria are met only if these conditions are actually in existence at the time. The Senate bill did not contain a similar provision.

The conference substitute does not contain the provisions of the House amendment.

WALSH-HEALEY ACT

Section 301 of the Senate bill amends the Walsh-Healey Act by adding thereto a new section 10.

Subsection (a) of section 10 makes the provisions of the Administrative Procedure Act applicable to sections 1 to 5 and 7 to 9 of the Walsh-Healey Act. Section 4 of the Administrative Procedure Act now excepts matters relating to public contracts from the requirements of the act pertaining to rule making. The effect of the amendment made by subsection (a) is to make rules (as defined in the Administrative Procedure Act) which are promulgated by the Secretary of Labor in the administration of sections 1 to 5 and 7 to 9 of the Walsh-Healey Act subject to certain minimum procedural requirements applicable to agencies generally in exercising rule making powers. Such requirements include (1) adequate notice of the proposed rule making with a clear statement of the terms or substance of the proposed rule, (2) opportunity for interested persons to participate in the proposed rule making by submission of views or arguments, and (3) the right of interested persons to petition for the issuance, amendment, or repeal of a rule. It is to be noted that compliance with the procedural requirements of the Administrative Procedure Act is not required in the case of rules promulgated under section 6 of the Walsh-Healey Act. Section 6 provides statutory authority for the Secretary of Labor to make exceptions under certain conditions with respect to contracts which would otherwise be subject to the provisions of the act.

Subsection (b) of section 10 provides that all wage determinations by the Secretary of Labor under section 1 (b) of the Walsh-Healey Act shall be made on the record after opportunity for an agency hearing. The effect of this language is to compel compliance by the Secretary of Labor with the requirements of sections 7 and 8 of the Administrative Procedure Act (relating to hearings and decisions) as a prerequisite to the making of a determination of the prevailing minimum wages in an industry. The full force of the procedural safeguards contained in the Administrative Procedure Act is thereby brought into play insofar as these controversial determinations are concerned. The subsection further assures the right to obtain judicial review of these determinations in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles, or equipment purchased or to be purchased by the Government from any source, who is in any industry to which the wage determination is applicable. The language assuring judicial review makes it clear that the court may consider the applicability of the wage determination to any person as well as the amount arrived at by the Secretary of Labor. Any such review may be sought, however, only by a proceeding instituted within 90 days after the determination is made.

Subsection (c) of section 10 is designed to permit any Government contractor whose contract contains stipulations required by the Walsh-Healey Act to obtain a judicial determination in any appropriate proceeding of any legal question (including the applicability of the act) to the same extent as any such question could be raised if the stipulations were not contained in the contract. Without the lan-

guage contained in subsection (c) there would be some doubt as to whether any Government contractor who had signed a contract containing "Walsh-Healey stipulations" could later in any legal proceeding raise questions concerning (1) the applicability of the act to his particular contract, or (2) the legality of any such stipulation. Under subsection (c) the court and not the Secretary of Labor may ultimately decide whether, in respect to any particular Government contract, the Walsh-Healey Act is being properly applied. The House amendment did not contain a similar provision. The conference substitute contains the provisions of the Senate bill.

ADDITIONAL COMMITTEE COMMENT

GRADING AND GRADE MARKING OF MEAT AND MEAT PRODUCTS

It is the understanding of the committee of conference that the proviso contained in section 101a of the conference report does not grant any additional authority not now contained in the act but rather is designed to insure continuance of existing Office of Price Stabilization grading and grade marking of meat and meat products including the necessary requirements as to related records and record keeping.

CERTAIN TECHNICAL VIOLATIONS

The committee of conference has received several complaints concerning the general ceiling price regulation affecting lumber distributors in southern areas with respect to which the committee believes relief must be afforded. The general ceiling price regulation was issued in January 1951 shortly after the general price freeze. The provisions of the regulation as it affected such distributors was ambiguous in many respects, and attempts were immediately made to bring this to the attention of the agency. However, a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of. During this period it is the understanding of the committee there were some technical violations of the general ceiling price regulation of a nonwillful character. Such technical violations would not be violations of the order now in effect and but for the long period of time it took to issue the current order would probably never have occurred. It is not the intention of the committee to condone willful violations of any price regulation or order in this instance or any other. But in view of the circumstances of these cases it is the opinion of the committee that there should be no prosecution of technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals (S. Rept. 1869)(p. 8458).

15. CONSTRUCTION CONTRACTS. The Judiciary Committee reported without recommendation S. 2907, to prescribe policies and procedures to be followed by executive agencies in connection with cost-plus construction contracts (S. Rept. 1969) (p. 8459).
16. FARM PROGRAM. Sen. Ken denied Secretary Brannan's charges that he has voted against things the farmers need (pp. 8518-21).
17. PUERTO RICO. Received the conference report on H. J. Res. 430, approving the Puerto Rican constitution (p. 8515).
18. TAXATION. Sen. George inserted a letter from the Treasury Department recommending various modifications of the provision in the recent tax law relating to the tax treatment of expenses of raising livestock held for draft, breeding, or dairy purposes (pp. 8516-7). He also inserted his letter to the Treasury Department objecting to several Treasury interpretations of the tax law (pp. 8517-8).
19. VETERANS' BENEFITS. H. R. 7656, to provide for education, training, and loan-guarantee benefits for veterans of the Korean conflict, was made the unfinished business (p. 8518).

BILLS INTRODUCED - June 27

20. SOIL CONSERVATION. H. R. 8400, by Rep. Curtis of Nebr., to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, etc.; to Agriculture Committee (p. 8456).
21. FOREIGN AID. H. Con. Res. 228-234, to favor the economic development and improvement of the south Asian subcontinent; to Foreign Affairs Committee (p. 8456).
22. MINERALS. S. 3408, by Sen. Cordon, to permit mineral development of certain lands acquired by the U. S.; to Interior and Insular Affairs Committee (p. 8459).

ITEMS IN APPENDIX - June 27

23. DEFENSE PRODUCTION. Various speeches during debate on S. 2594, to extend and amend the Defense Production Act (pp. A4264, 4267, 4268, 4280-1, 4283, 4285).
24. PERSONNEL. Speech in the House by Rep. Vursell favoring additional restrictions on annual leave (p. A4265).
25. LIVESTOCK. Rep. Harrison inserted various resolutions of the Wyoming Stock Growers Association regarding subsidies, forest administration, expenditures, mineral rights, regional development, etc. (pp. A4257-8).

HOUSE (Continued) - June 27

26. EXTENSION WORK; TOBACCO; LAND TRANSFER. The Agriculture Committee authorized Chairman Cooley to request House concurrence in the Senate amendments to H. R. 6773, to amend the authorizations for extension work in view of the 1950 census; H. R. 3554, to provide that the carry-over of Maryland tobacco for any marketing year shall be the quantity of such tobacco on hand in the U. S. on January 1 of such marketing year; and H. R. 4686, authorizing the transfer of

a tract of land in the Robinson Remount Station, Nebr., to the city of Crawford (p. D657).

27. FORESTRY. The Agriculture Committee agreed to defer further consideration in the current session on H. R. 3491, to abolish the Lakeview Federal sustained-yield forest unit, Oreg. (p. D657).

HOUSE - June 28

28. EXTENSION WORK; TOBACCO; LAND TRANSFER. Agreed to the Senate amendments to the bills mentioned in item 26 above (pp. 8523-4). These bills will now be sent to the President.
29. SUPPLEMENTAL APPROPRIATION BILL, 1953. Passed with amendments this bill, H. R. 8370 (pp. 8526-80).

Agreed to the following amendments:

- By Rep. Whitten, to prohibit use of foreign-aid funds "for the purchase of agricultural products or products produced from agricultural products not declared to be in short supply in the United States by the Secretary of Agriculture at less than the prevailing market price for such commodity within the United States or, if obtained from Commodity Credit Corporation stocks, at less than the support price of such commodity including handling and storage costs" (pp. 8560-1). Before action on this amendment, a similar provision in the bill had been stricken on a point of order raised by Rep. Gary (p. 8560).
- By Rep. Whitten, to add an item of \$57,130,000 for the Economic Stabilization Agency (p. 8576).
- By Rep. Davis, Ga., to reduce economic and technical assistance for Asia and the Pacific from \$118,634,250 to \$67,793,000; by a 124-114 vote (pp. 8548-54).
- By Rep. Williams, Miss., to cut the item for multilateral technical cooperation from \$15,708,750 to \$9,171,333; by a 112-96 vote (p. 8556).
- By Rep. Keating, to reduce the funds for administrative expenses of foreign aid from \$42,000,000 to \$37,800,000; by a 101-72 vote (pp. 8558-60).
- By Rep. Jensen, to limit the filling of personnel vacancies in connection with foreign aid (pp. 8561-2).

Rejected an amendment by Rep. Barrett to appropriate \$16,500,000 additional for the school-lunch program, by a 64-96 vote (pp. 8574-5).

30. DEFENSE PRODUCTION. Agreed, 194-142, to the conference report on S. 2594, to amend and extend the Defense Production Act (pp. 8581-96). The Senate also agreed to the report (pp. 8602-13). This bill will now be sent to the President. The following provisions were agreed to by the conferees: Extending price and wage control through April 1953 and extending the other titles through June 1953; removing consumer credit controls and providing for removal of credit controls on housing under certain conditions; compromising the Wolcott Emergency Court of Appeals amendment; providing that OPS be required to demonstrate the validity of its regulations by "substantial" evidence instead of a "preponderance" of the evidence; to accept the Talle amendment making clear that all food processors are entitled to the Capehart amendment and that all distributors of processed foods are entitled to the Herlong amendment; eliminating the Talle de-control amendment and the Cole amendment which would have applied the historical mark-up to an individual seller; providing for import control as specified in the House provision with an amendment which permits the Secretary of Agriculture to allow imports of a commodity in an

amount 15% over the quotas where necessary so as not to affect adversely international relationships and trade (conferees emphasized that these restrictions are not intended to apply to cheese which is not competitive with domestic products); exempting processed fruits and vegetables from price control; restricting jurisdiction of the Wage Stabilization Board to wage matters; modified provision regarding allocation of materials internationally; providing for temporary continuation of 90%-of-parity loans on basic agricultural commodities; providing for an increase in fertilizer prices; etc.

31. PUERTO RICO. Received the conference report on H. J. Res. 430, approving the Puerto Rican constitution (pp. 8525-6).

32. ADJOURNED until Mon., June 30 (p. 8598).

SENATE - June 28

33. FOOT-AND-MOUTH DISEASE APPROPRIATIONS. Agreed to the conference report on H.R. 7860, urgent deficiency appropriation bill for 1952 (pp. 8613-5). This bill will now be sent to the President.

34. VETERANS' BENEFITS. Passed with amendments H. R. 7656, authorizing educational training, and loan-guarantee benefits to Korean veterans. Conferees were appointed. (pp. 8602, 8616-28.) The amendments included a Ferguson amendment providing for unemployment compensation for Korean veterans (p. 8624).

35. CONSUMERS. The Rules and Administration Committee reported with amendments S. Res. 169, creating a Select Committee on Consumer Interests (S. Rept. 1982) (p. 8600).

36. MILK. Sen. Wiley inserted a Wisconsin Milk Dealers Association telegram urging the dropping of price-controls on milk and its products (p. 8600).

37. EMERGENCY POWERS. Passed without amendment H. J. Res. 490, continuing certain statutory provisions until July 3, 1952 (p. 8615). This bill will now be sent to the President.

38. FOREIGN TRADE. Sen. Malone claimed that the International Materials Conference is a continuing attempt of the State Department to "average the level of the standard of living of this nation with the world," and discussed the American trade program to prove this point (pp. 8647-64).

39. DEFENSE APPROPRIATIONS BILL, 1953. Began debate on this bill, H. R. 7391 (pp. 8628, 8629-47).

RECESSED until Mon., June 30 (p. 8665).

40. LEGISLATIVE PROGRAM. The Majority Leader stated that the defense appropriation bill would be continued today, and that the German Treaties and the fair-trade bill would, he hoped, be considered before adjournment (pp. 8628-30).

BILLS INTRODUCED - June 28

41. WATER UTILIZATION. S. 3423, by Sen. Malone, to increase the limitation of expenditures for projects for the development of facilities for water storage and utilization in arid and semiarid areas of the United States under the Act of August 28, 1937; to Interior and Insular Affairs Committee (p. 8600).

S. 3424, by Sen. Malone, to change the date for the beginning of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska, from the first day of July to the first day of October; to Interior and Insular Affairs Committee (p. 8600).

S. 3425, by Sen. Malone, authorizing the construction, operation, and maintenance of works diverting water from the main stream of the Colorado River above Davis Dam, together with certain appurtenant pumping plants and canals; to Interior and Insular Affairs Committee (p. 8600).

ITEMS IN APPENDIX

42. **FOOD.** Rep. Wier inserted Dr. R. S. Harris' (professor, Mass. Inst. of Technology) article, "There Is No Indispensable Food," which reports some scientific investigations regarding the nutritional quality of foods eaten in Mexico (pp. A4289-90).
43. **WOOL.** Rep. Harrison inserted a newspaper editorial praising the appointment of J. Bryson Wilson to be Chairman, board of directors, Wool Bureau; the Wool Bureau is a British-American international organization for the promotion of wool (pp. A4290-1).
44. **ANTHRAX; IMPORT CONTROLS.** Rep. Miller (Nebr.) inserted the text of USDA's new regulation to prevent the spread of anthrax into this country through imports of bone and bone meal products used as feed or fertilizer by requiring that these products be heated to a minimum of 20 pounds of steam pressure for at least an hour at a temperature of not less than 250 degrees F (pp. A4298-9).
45. **MINERALS.** Extension of remarks by Rep. Berry urging the development of domestic mineral deposits and claiming that the Government's policy of buying "everything possible in foreign countries in order to get exchange dollars abroad," and by purchasing minerals only from large producers in this country has blocked such development (pp. A4310-1).
46. **INFLATION; DEFENSE PRODUCTION.** Extension of remarks by Rep. Price opposing House action in amending the Defense Production Act which he claimed would cause inflation, and he inserted a Bureau of Labor Statistics report of living costs of the average family of four in 34 large cities (pp. A4299-4301).
- Rep. Rodino inserted a Newark Evening News editorial criticizing House amendments to the Defense Production Act which would practically eliminate price controls as a "deplorable exhibition of reckless disregard for the public interest" (p. A4308).
- Speech in the House by Rep. Donohue opposing recent amendments to the defense production bill, and claiming the elimination of economic controls would cause inflation, greater Federal expenditures requiring increased taxation, and a reduced standard of living in this country (pp. A4316-7).

COMMITTEE HEARINGS RELEASED BY GPO

47. **RUBBER.** Extension of the Rubber Act of 1948, H. R. 6787. S. Armed Services Com.
48. **APPROPRIATIONS.** Department of Defense Appropriations for 1953, H. R. 7391. S. Appropriations Committee.
- The Supplemental Appropriation Bill for 1953, Part 2 (Appendix of Emergency Agencies), H. R. 8370. H. Appropriations Committee.
49. **TRANSPORTATION.** Washington Metropolitan Area Transit Problem, S. 1868 and S. J. Res. 135. S. Interstate and Foreign Commerce Committee.

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COMMITTEE HEARING ANNOUNCEMENTS for June 30: Conference on Agricultural appropriation bill (ex). Supplemental appropriation bill, S. Appropriations (ex).

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"(b) The Under Secretary of Defense shall receive basic compensation at the rate of \$19,000 per annum.

"SUPPLY MANAGEMENT

"SEC. 637. (a) The Under Secretary of Defense shall advise and assist the Secretary of Defense in preparation and execution of a comprehensive program to integrate supply and service activities within and among the military departments, and shall perform such other duties as are prescribed by this title.

"(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary shall—

"(1) develop standardized procedures and forms for supply and service functions;

"(2) eliminate duplication and overlapping within and among the supply activities of the military departments in the fields of production, procurement, warehousing, and distribution;

"(3) establish and operate depots for common items and other common supply and service installations throughout the United States;

"(4) develop unified logistics organizations overseas;

"(5) establish and operate a program to systematize scrap recovery, redistribution of excess materials, and surplus disposal, and coordinate such program within the Department of Defense and with those of other departments and agencies of the Government having responsibilities in these fields; and

"(6) develop plans for recruitment and training of a professional corps of supply personnel within the Department of Defense.

"TRANSFER OF FUNCTIONS

"SEC. 638. (a) There are hereby transferred to the Secretary of Defense—

"(1) all functions with respect to supply, including production, procurement, warehousing, and distribution, which are now or may hereafter be vested by law in any office, officer, board, bureau, service, commission, military department, or other organizational unit in or under any of the military departments;

"(2) all functions of the Munitions Board created by section 213 of this act, as amended; and

"(3) all functions of the Joint Chiefs of Staff created by section 211 of this act, as amended, with respect to procurement, production, warehousing, and distribution of supplies, including the duty of assigning logistic responsibilities to the military services.

"(b) Except as may be otherwise permitted under regulations issued pursuant to section 504 (c) of this title, the Secretary of Defense shall exercise the functions conveyed upon him by this title through the Under Secretary of Defense.

"APPROPRIATIONS FOR SUPPLY MANAGEMENT

"SEC. 639. (a) There are authorized to be appropriated to the Department of Defense such sums as may be necessary to carry out the provisions of this title, including the carrying out of functions transferred to the Secretary of Defense by this title.

"(b) During the fiscal year in which this title is enacted and for two fiscal years thereafter, the Secretary of Defense is authorized (1) to establish, under the jurisdiction of the Under Secretary of Defense, such new appropriation account or accounts as may be necessary to carry out the purposes of this title, and (2), with the approval of the President, to transfer to such new account or accounts such sums as may be necessary therefor from appropriations available to the military departments and other agencies of the Department of Defense for carrying out logistic, supply, and service functions: *Provided*, That no funds transferred pursuant

to this authority shall be available for any purposes other than those specified in the act appropriating such funds, and no funds so transferred shall be available for any period beyond that provided by the act appropriating such funds.

"(c) After the effective date of this section, and notwithstanding any other provision of law, no funds shall be obligated by any military department, agency, or officer in or under the Department of Defense, except the Under Secretary of Defense, to carry out any function transferred to the Secretary of Defense by this title: *Provided*, That the Under Secretary of Defense, with the approval of the Secretary of Defense, may issue regulations assigning responsibility for the performance of any such function to any military department or other agency or organizational unit in or under the Department of Defense, and the prohibition of this section shall not apply to the obligation of funds to carry out any function so assigned. Any such regulation shall be published in the Federal Register and a copy thereof shall be furnished to the General Accounting Office, and the appropriate committees of the Congress.

"SUPPLY PERSONNEL

"SEC. 640. (a) The Secretary of Defense is authorized and directed to transfer from the military departments and other agencies of the Department of Defense to the Under Secretary of Defense such civilian personnel as may be necessary to carry out the purposes of this title.

"(b) The Secretary of Defense is authorized and directed to detail to the Under Secretary of Defense such military personnel as may be necessary to carry out the purposes of this title.

"ABOLITION OF MUNITIONS BOARD

"SEC. 641. The Munitions Board, and the position of Chairman thereof, created by section 213 of this act, as amended, are hereby abolished, and such personnel and funds of the Board as the Secretary of Defense shall determine to be necessary to carry out the purposes of this title shall be transferred to the Under Secretary of Defense.

"EFFECTIVE DATES

"SEC. 642. (a) Sections 503 and 504 of this title shall take effect on the sixtieth day after the date of enactment of this act.

"(b) Except as provided in subsection (a), the provisions of this title shall take effect on the date of enactment of this act.

"REPORTS TO CONGRESS

"SEC. 643. (a) In addition to any other reports required by this act, the Secretary of Defense shall submit annually to the Congress and to the President a report of the progress made by the Department of Defense in the integration, as required by this title, of common supply and service activities within and among the military departments.

"(b) In addition to the reports required by subsection (a), the Secretary of Defense shall, not later than January 15, 1953, submit to the Congress and to the President a special report with respect to the progress made by the Under Secretary of Defense in developing plans for recruitment and training of a professional corps of supply personnel within the Department of Defense, as required by subsection 502 (b) (6) of this title, accompanied by such recommendations as he may deem appropriate for any further legislation necessary to permit the functioning of such a corps on a permanent basis.

"REPEALING AND SAVING PROVISIONS

"SEC. 644. All laws, orders, and regulations inconsistent with the provisions of this title are repealed insofar as they are consistent with the powers, duties, and responsibilities enacted hereby: *Provided*, That the powers, duties, and responsibilities of the Secretary

of Defense under this title shall be administered in conformance with the policy and requirements for administration of budgetary and fiscal and supply management and property utilization matters in the Government generally, including accounting and financial reporting, and that nothing in this title shall be construed as eliminating or modifying the powers, duties, and responsibilities of any other department, agency, or officer of the Government in connection with such matters, but no such department, agency, or officer shall exercise any such powers, duties, or responsibilities in a manner that will render ineffective the provisions of this title."

Renumber the succeeding sections.

Mr. DOUGLAS also submitted an amendment intended to be proposed by him to the bill (H. R. 7391) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1953, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

SUPPLEMENTAL APPROPRIATIONS, 1953—AMENDMENT

Mr. MARTIN submitted an amendment intended to be proposed by him to the bill (H. R. 8370) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing the nomination of Arthur E. Carstens to be postmaster at Hilbert, Wis., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Executive Q (82d Cong., 2d sess.), a convention on relations between the Three Powers and the Federal Republic of Germany, signed by the United Kingdom, the French Republic, the United States, and the Federal Republic of Germany at Bonn on May 26, 1952; with an interpretation; and Executive R (82d Cong., 2d sess.), a protocol to the North Atlantic Treaty, covering security guaranties to the members of the European Defense Community by the parties to the North Atlantic Treaty, signed at Paris on May 27, 1952 (Exec. Rept. No. 16).

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the Appendix, as follows:

By Mr. HUNT:

Address entitled "The Legislative 'How' of Small Business," delivered by Senator SPARKMAN at the convention of the National Association of Master Plumbers, in Atlantic City, N. J., on June 3, 1952.

By Mr. BRICKER:

Address delivered by Charles L. Hardy, president of the General Association of Alumni, Dartmouth College, at a meeting of the Dartmouth Alumni Association on June 7, 1952.

By Mr. MARTIN:

Editorial entitled "Report the Port Bill for Early Passage," published in the Philadelphia Inquirer on June 14, 1952, discussing the proposed Delaware River Port Authority bill.

By Mr. MALONE:

Transcript of debate on the subject "Should Our Foreign Policy Be Changed?" participated in by Senator MALONE and Robert Aura Smith, editorial writer for the New York Times.

VETERANS' READJUSTMENT ASSISTANCE ACT OF 1952

The Senate resumed the consideration of the bill (H. R. 7656) to provide vocational readjustment and to restore lost educational opportunities to certain persons who served in the Armed Forces on or after June 27, 1950, and prior to such date as shall be fixed by the President or the Congress, and for other purposes.

Mr. HILL. Mr. President, the unfinished business of the Senate is H. R. 7656, the Veterans' readjustment assistance bill, which makes provisions for GI Korean veterans. Mr. Oliver E. Meadows, staff director of the House Select Committee on the GI Bill, has given a great deal of time and attention to the drafting of the bill, which has been under consideration in the House for many weeks. I ask unanimous consent that I may be permitted to have Mr. Meadows on the floor of the Senate during the consideration of the bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

TAXATION OF LIFE INSURANCE COMPANIES

Mr. GEORGE. Mr. President, I am directed by the Committee on Finance to ask for immediate consideration and approval of H. R. 7876. I shall be glad to explain precisely what is provided by the bill.

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 7876) relating to the taxation of life insurance companies, which was read twice by its title.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. GEORGE. Mr. President, the bill simply extends for an additional year the formula for taxation of life insurance companies, which was included in the 1951 Tax Act. Since the bill deals only with that matter, which was thoroughly

considered, the Committee on Finance has instructed me to ask that the bill not be referred to the committee, but that it be acted upon by the Senate.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952—CONFERENCE REPORT

Mr. MAYBANK. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes. I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of today's RECORD.)

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

Mr. BRIDGES. Mr. President, I have heard of the long hours into the night the distinguished Senator from South Carolina and his colleagues have worked on the bill. They are to be commended for the work they have done in reaching an agreement. However, a number of Senators vitally concerned with the subject have requested an opportunity to study the conference report—at least, to see it in printed form, so that they will know what has been done.

I am wondering what the distinguished Senator from South Carolina has planned with respect to the conference report. Will he tell us?

Mr. MAYBANK. I shall be only too glad to advise my distinguished friend, the Senator from New Hampshire. The conference bill was sent to the Printing Office at 4 o'clock this morning. An agreement has been reached between the House and the Senate as the result of a compromise on provisions adopted by the House and those of the Senate. Of course, in some respects the bill is not so strong as that which was passed by the Senate. We finally agreed on a bill after working from 10 o'clock yesterday morning until 2 o'clock this morning.

I shall be glad to answer any questions, or I shall be glad to follow any procedure the Senator from New Hampshire desires me to.

There was a yea-and-nay vote a few days ago on the Senate bill, and the bill was passed, as the Senator knows, rather overwhelmingly. I do not mean to boast about that; but I think more Senators voted against the Senate bill than will vote against the conference report.

Mr. BRIDGES. Would it be agreeable to the distinguished Senator from South Carolina and to the majority leader to

have the printed reports distributed, if they are available?

Mr. McFARLAND. Certainly.

Mr. MAYBANK. That is agreeable to me, of course.

Mr. BRIDGES. Also, would it be agreeable to have a quorum called, so that Senators may be notified?

Mr. MAYBANK. I would not object. I desired to submit the conference report, which, of course, is a privileged matter, so that it might be considered by the Senate.

Mr. McFARLAND. It is very important that the conference report be adopted because the time is almost at hand when the present law will expire.

The unfinished business is the GI bill for Korean veterans, and it should not take long to dispose of it.

The distinguished chairman of the Committee on Appropriations, who is now presiding over the Senate, is to be commended for the manner in which he has pushed forward and expedited the consideration of the appropriations bills by his committee. He is very anxious that the Senate take up the defense appropriation bill and do as much work on it today as possible. I shall determine today whether Senators interested in the bill will be willing to waive objection to the requirement of 3 days' notice and permit us to proceed as far as we can today with consideration of that measure.

Mr. FERGUSON. Mr. President, there is one other matter to which I wish to call attention, and I shall ask unanimous consent that it be considered. Yesterday I entered a motion to suspend the rule so that one particular amendment could be considered.

I might explain what the amendment is. Under present law, the Federal Government in making certain purchases of automobiles and other equipment has to pay to the Federal Government a sales tax. I felt that that should not be required. We should not use money out of appropriations for military purposes to pay a sales tax to the Government itself. So if I might ask unanimous consent—

Mr. McFARLAND. When we take up the appropriation bill, we can go into that question. I see no reason why the time element should not be waived in connection with the Senator's motion also.

Mr. FERGUSON. I am anxious to proceed with the consideration of that bill today.

Mr. McFARLAND. Mr. President, I know that Senators will wish to be present for the consideration of the conference report on the Defense Production Act amendments. The Speaker of the House has asked that the report be messaged over to the House as soon as possible. However, I feel that we should have a quorum call. I therefore suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hennings	McKellar
Bennett	Hickenlooper	Monroney
Bricker	Hill	Moody
Bridges	Hoey	Morse
Butler, Nebr.	Holland	Mundt
Byrd	Humphrey	Murray
Capehart	Hunt	O'Connor
Case	Ives	O'Mahoney
Clements	Johnson, Colo.	Pastore
Connally	Johnson, Tex.	Robertson
Dirksen	Johnston, S. C.	Schoeppel
Douglas	Kem	Seaton
Dworshak	Kilgore	Smathers
Eastland	Knowland	Smith, N. J.
Ecton	Lehman	Smith, N. C.
Ellender	Long	Sparkman
Ferguson	Magnuson	Stennis
Frear	Malone	Taft
Fulbright	Martin	Thye
George	Maybank	Watkins
Gillette	McCarran	Welker
Green	McCarthy	Wiley
Hayden	McClellan	Williams
Hendrickson	McFarland	Young

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. BENTON], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. O'CONNOR], and the Senator from Kentucky [Mr. UNDERWOOD] are absent on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Oklahoma [Mr. KERR], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] is absent because of illness.

Mr. BRIDGES. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Kansas [Mr. CARLSON], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. LODGE], and the Senator from California [Mr. NIXON] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The Senator from Washington [Mr. CAIN], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Massachusetts [Mr. SALTONSTALL] are absent by leave of the Senate.

The Senator from Maine [Mrs. SMITH] and the Senator from New Hampshire [Mr. TOBEY] are absent because of illness in their respective families.

I also announce that the Senator from Oregon [Mr. CORDON], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The PRESIDENT pro tempore. A quorum is present.

Mr. MAYBANK. Mr. President, I understand that some Senators desire to discuss the conference report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BRIDGES. Mr. President, I would be very appreciative if the distinguished chairman of the Banking and Currency Committee, the able Senator from South Carolina [Mr. MAYBANK] could give us a bird's-eye view of the conference report

which we have on our desks, so as to high light it to the Senate before we act upon it. Will the Senator do that?

Mr. MAYBANK. Mr. President, I shall be very glad to do so.

I am very happy to be able to report back to the Senate a bill on which we agreed with the House in free conference early this morning. As the Senate knows, the House completed its action on the Defense Production Act amendments on Thursday evening. Because the House was holding a late session that evening it was impossible for us to meet in conference at that time. We did meet, however, on Friday morning and we sat in conference from 11 a. m. until 2 a. m. In view of the wide differences between the House bill and the Senate bill and the sharp controversies concerning the issues involved, I think the Senate will agree that no conference committee could have acted more expeditiously, nor worked more diligently in bringing about a satisfactory and workable compromise.

I am happy to report that on all the major issues involved, except one, the House receded from its position and the Senate conferees successfully insisted on the Senate provisions or managed to work out a good compromise.

The most important issue before the conferees was the Talle decontrol amendment, which provided that price controls could be effective on a material only if that material were rationed. For all practical purposes this would have meant the end of price controls. The House receded and accepted the Senate's provisions with respect to the suspension of controls.

The Senate accepted a House provision which would permit the suspension of reporting on those materials and services which have been selling below ceilings.

The Senate successfully resisted the so-called Cole amendment to the Herlong amendment which would have applied the historical mark-up to an individual seller rather than to all sellers as the present act provides. While the OPS may permit retailers and wholesalers in some trades to use individual margins, it is not required to in any trade. The OPS will thus be able to maintain dollar and cent ceilings on meat and uniform mark-ups on dry groceries.

The Senate conferees also managed to effect a compromise on the Wolcott Emergency Court of Appeals amendment so as to make it workable and satisfactory. The House conferees agreed to a change in the provision requiring the OPS to demonstrate the validity of its regulations by a preponderance of the evidence, by accepting instead the requirement of substantial evidence.

With respect to the provision in the Wolcott amendment permitting a temporary restraining order, it was the view and intent of the conference committee that the change in the present language of the law should not prevent the Emergency Court of Appeals from granting a stay, in its discretion.

The Senate conferees also managed to persuade the House to accept the Talle food processing amendment, an amendment which would have the effect

of making it perfectly clear that all food processors would be entitled to the benefit of the Capehart amendment, and that all distributors of processed foods would be entitled to the Herlong provision of the act. The House had received some complaints particularly from dairies selling at retail that OPS was not giving them the benefits of the Capehart or Herlong amendment. This was contrary to our intent when we originally passed these amendments. We agreed that dairies and other food processors are entitled to the same treatment as other manufacturers, and food distributors the same treatment as other distributors. This provision merely makes that clear. Each food processor is entitled to apply for a price increase under the third sentence of the Capehart amendment. Food retailer like other retailers are entitled to their customary margins. They are not entitled to any more and the amendment does not give them any additional rights. For example, since the Cole amendment was not agreed to, retailers are not entitled to individual mark-ups and neither are food retailers. Everybody is treated alike.

I notice that the distinguished chairman of the Committee on Agriculture is in the Chamber. We exempted from wage control all farm labor, because we thought it should be exempted. I do not know how he feels about it. We also have in the conference bill the 90 percent of parity figure which I brought up on the floor and said I was going to try to maintain.

The Senate conferees receded on both the Ferguson and Fulbright amendments dealing with the IMC, and accepted an amendment to the Sadlak amendment which the House had adopted.

This amendment stated the policy of the United States to encourage a maximum supply of raw materials for the civilian economy, after filling requirements for the national security, including stockpiling and authorized military assistance to foreign nations, in order to increase employment opportunities and to minimize inflationary pressures.

The amendment provides that no agreement shall be entered into which limits total United States consumption of a material, unless it authorizes domestic users in the United States to buy such parts of the material allocated by IMC to any other IMC member, as are unused. This provision for the benefit of the United States users of materials was considered by the conferees to eliminate the objection to United States participation in IMC. Under this provision, when another country participating in the IMC finds that it will not use the material allocated to it, United States users of the material will have an opportunity to buy the unused supply. The authority of the Government to impose restrictions on the use of the material in this country is continued, in order to prevent improper uses, and the authority to put price ceilings on the foreign purchases is also continued, in order to prevent bidding up the world markets.

The Senate conferees refused to accept the Ramsey amendment, which

would have severely limited imports of products made from materials under allocation in the United States, in the belief that the limitations which this would have imposed on shipments to this country from our associates in the free world would have impeded the common defense effort.

The Senate conferees also refused to accept the Wolcott amendment to section 701 (c) of the act which would have changed the present interpretation of the executive department as to the meaning of "current competitive position" of established business. As a result of this action, the present interpretation of the executive department will continue in effect, rather than require a measure of competitive position at a pre-Korean level.

The Senate conferees yielded to the House on the provision relating to imports of fats and oils, but with an amendment to the House provision. This provision in the bill differs from the present section 104 by permitting the Secretary of Agriculture to allow imports of a commodity in an amount 15 percent over the quotas fixed for the commodity, where necessary, so as not to affect adversely international relationships and trade. The conferees wished to make it clear that the restrictions of section 104 were not intended to apply to types and varieties of commodities which are not competitive with domestic products.

It is not my intention at this time to discuss in any detail the numerous provisions of the Senate bill which the House accepted or the many amendments which the Senate accepted or the numerous compromises on which the House and Senate concurred. Unfortunately, the Senate conferees could not expect to persuade the House to agree with the Senate views on every major issue; therefore, it was necessary for us finally to recede to the so-called Harrison amendment, which exempts processed fruits and vegetables from price control. I am hopeful, however, that because of the large inventories existing and the relatively plentiful supply, prices on such processed fruits and vegetables will not go beyond their present levels.

The Senate conferees were also forced to agree to the so-called Wheeler amendment on rent control which provides that rent control shall not be continued in noncritical defense areas unless affirmative action is taken by the local governments involved prior to September 30, 1952. It is my fervent hope that the local governing officials will have the patriotic and political fortitude to secure such affirmative action in those cities and communities where rent control is still necessary.

The so-called Ayers amendment, which would change the definition by which a critical defense area is certified as critical, was not accepted by the Senate conferees. The effect of this amendment would have been to prevent areas from being declared critical until the immigration and defense impact had already taken effect, rather than in anticipation of such impact.

However, we retained the provision which the distinguished President pro tempore urged so strongly upon me with reference to Federal rent control in certain localities, such as Oak Ridge, Tenn. This was intended to have the effect of preventing any further rent increase for the housing accommodations owned by the Government in that locality.

The House removed completely the provisions relating to credit control, whereas the Senate retained the present provisions of title VI. The compromise finally agreed upon completely removes authority in this act for credit controls on consumer goods—regulation W—but provides for the removal of credit controls on housing—regulation X—if the rate of housing starts falls below 1,200,000 per annum, to be calculated on a 3-month period.

With respect to the termination of the various titles of the bill, the House and Senate conferees agreed on a compromise which would extend the life of titles IV and V and the rent-control provisions through April 30, 1953, and extends the other titles of the Defense Production Act through June 30, 1953. The Senate bill contained the termination date of March 1 for price, wage, and rent controls, and the House bill contained the termination date of June 1, 1953. We compromised on April 30. In other words, the Senate yielded 2 months to arrive at a compromise date of April 30.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MAYBANK. Of course I will yield.

Mr. BRIDGES. With respect to Representative Talle's amendment, just how does it appear in the bill now? It prescribes a formula for decontrol, as I understand.

Mr. MAYBANK. The Talle decontrol amendment was stricken in conference. I would prefer to read the exact language on suspension of controls to which the conference agreed to the Senator.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I shall be very glad to yield to the Senator from New York.

Mr. IVES. In the first place—

Mr. MAYBANK. If the Senator is going to inquire with reference to the Herlong and Capehart amendments, I want him to understand—

Mr. IVES. I am not going into those amendments at the present time. I should like to refer an amendment in which I am particularly interested.

Mr. MAYBANK. If the Senator from New York will permit me first to read a section of the committee print to the Senator from New Hampshire, I would appreciate it.

Mr. IVES. Very well.

Mr. MAYBANK. I read from page 22, beginning at line 21:

SUSPENSION OF CONTROLS

SEC. 412. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the gen-

eral control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, it is necessary in order to effectuate the purposes of this act, he shall by regulation or order terminate the suspension.

Mr. BRIDGES. I have sent to my office for the many telegrams and letters which I have received this morning. There are one or two other sections of the bill which I should like to have clarified in the light of the telegrams and letters which I have received today.

Mr. MAYBANK. As the Senator from New Hampshire knows, we have studied this subject for a long time. I have no intention to rush matters along. The only thought I had was that perhaps we could dispose of the conference report promptly so that it could be sent to the House this afternoon.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. MAYBANK. I am glad to yield.

Mr. MUNDT. I should like to invite the chairman's attention to section 104, dealing with import controls on fats and oils, peanuts, butter, cheese, and other commodities.

Mr. MAYBANK. I should like to say to the Senator from South Dakota that with respect to that section we took the House version and added a provision allowing, in cases where necessary, imports of a commodity in an amount 15 percent over the quotas fixed for it. We had quite a lengthy debate on that point. We voted 3 or 4 times on that section when it was before the Senate. I may say that a majority of the House conferees agreed to the 15 percent provision. I do not believe that any of the House conferees were opposed to it.

Mr. MUNDT. I should like to inquire about the 15-percent escape clause, primarily for the purpose of making the legislative history clear, as it refers to butter, cheese, peanuts, dairy products, rice, and other commodities. Until the escape clause of 15 percent is reached, the amendment reads rather well.

I should like to have the chairman's version as to how this escape formula is to be operated. Does it mean that the Secretary of Agriculture will be able arbitrarily to permit additional imports to the extent of 15 percent of the import limitation with respect to each type and variety, even though it would embarrass or reduce the domestic production and even though it would interfere with

orderly domestic storing, and even though it would result in an unnecessary burden on expenditures under a price-support program; or is the Secretary's discretion in that case to be limited to permitting such an increase in imports when he finds that a 15-percent increase in imports will not adversely operate in conjunction with those three criteria?

Mr. MAYBANK. I should like to inform my friend, the Senator from South Dakota, exactly how I understand that provision of the conference report. Whenever the Secretary of Agriculture believes that the international situation might be helped, for instance, as regards Switzerland, Belgium, or other countries, he can permit additional imports of not to exceed 15 percent of the import limitation in the case of the products the Senator from South Dakota has named, even though there is an excess supply in the United States.

Mr. MUNDT. Let us pin this down precisely. Will the Secretary of Agriculture be able to permit such additional imports—

Mr. MAYBANK. He will be able to permit additional imports to the extent of not to exceed 15 percent of the import limitation, if he believes and finds and has reason to believe, and makes such a statement, that to do so is in the interest of the international trade of the United States.

The Senator from South Dakota must always remember that the United States is an exporting country; we export much more than we import. We export, among other things, wheat, cotton, and tobacco. If we are to be able to make exports, we must also permit some imports to be made.

Under the provisions set forth in the conference report, the Secretary of Agriculture will have a right to permit additional imports to the extent of not to exceed 15 percent of the import limitation with respect to the commodities the distinguished Senator from South Dakota has mentioned, and that may be done without regard to the crop production in the United States.

Mr. MUNDT. Then, do I correctly understand that the Secretary of Agriculture will be able to permit additional imports up to 15 percent of the import limitation in the case of the specific products referred to, even though such additional importations would impair or reduce the domestic production in the United States?

Mr. MAYBANK. The Senator from South Dakota is absolutely correct.

Mr. MUNDT. And that would be true even though the additional imports would interfere with the orderly domestic storing of such commodities in the United States; is that correct?

Mr. MAYBANK. The Senator from South Dakota is absolutely correct. However, the Secretary of Agriculture will be able to do that only in the interest of international trade.

I repeat that for every dollars' worth of goods imported into the United States, we export a number of dollars' worth from the United States, in the form of cotton, wheat, tobacco, fruits, and other commodities.

Mr. MUNDT. However, I do not believe that the chairman of the committee will hold that because of a—

Mr. MAYBANK. Let me say to my good friend, the Senator from South Dakota, that the conference report is a compromise agreement. It is not based on any amendment of mine, as the Senator from South Dakota well knows.

Mr. MUNDT. I understand that, but it seems to me that in this conference report we would comprise altogether too far in the direction of the interests of a foreign country, at the expense of United States producers of certain of these products.

Mr. MAYBANK. On page 3, in line 16, we maintain the criterion now in section 104 as proposed by the House.

Mr. MUNDT. It is written in on page 3, but the conference report would erase it on page 4.

Mr. MAYBANK. I did not do that; the Senator from South Dakota knows that this conference report is no measure of mine. It is a conference report upon which we agreed at 2 o'clock this morning.

I wish to be frank with my distinguished colleague from South Dakota. Under the conference report the Secretary of Agriculture will have a right to permit additional imports of commodities, not to exceed 15 percent of the import limitation on such commodities, even if to do so would impair certain domestic situations, provided that such additional imports will be in the interest of international affairs.

The Senator from South Dakota also knows that the United States depends upon making exports of agricultural commodities.

Mr. MUNDT. It seems to me that by such action the conference report—

Mr. MAYBANK. Of course, I simply acted as chairman of the conference committee.

Mr. MUNDT. I understand that precisely. I think that by such action the conference committee threw the American farmer a life preserver, but at the same time tied a heavy anchor to it.

Mr. MAYBANK. In the conference report a great deal is done for the farmer. It removes all ceilings on the wages of agricultural workers, and retains the provision for 90 percent of parity. It includes the amendment of the Senator from Delaware [Mr. WILLIAMS]. That was done with the aid of our distinguished friend, the Senator from Delaware. In the conference report much is done for the farmer.

Mr. HUMPHREY. Mr. President, will the Senator from South Carolina yield to me.

Mr. MAYBANK. I yield.

Mr. HUMPHREY. As I understand this provision of the conference report, it gives the Secretary of Agriculture the right to have leeway to the extent of 15 percent.

Mr. MAYBANK. Yes; the Senate conferees agreed to that.

Mr. HUMPHREY. The amendment of the Senator from Vermont [Mr. AIKEN], on which there was a tie vote, provided for 10 percent.

Mr. MAYBANK. That is correct.

Mr. HUMPHREY. So, do I correctly understand that the principle of the amendment of the Senator from Vermont has been written into this conference report?

Mr. MAYBANK. That is my understanding. The House conferees agreed to it, and merely raised the percentage from 10 to 15.

Mr. HUMPHREY. Is there anything in this section of the report which in any way would restrict the application of other law, such as section 22?

Mr. MAYBANK. Oh, no; the entire conference bill is temporary legislation. If there is any permanent legislation in the conference bill, I do not know of it, except in the case of the agreement which was made in regard to the Walsh-Healey Act, which was agreed upon, as I understood, by the Secretary of Agriculture himself.

Mr. HUMPHREY. That is correct.

Let me ask one other question: Of course, certain commodities produced in foreign countries are in open competition with American farm commodities. But if there is a noncompetitive item, will its importation be restricted under the provisions of this conference report?

Mr. MAYBANK. It will not be restricted. The motion of the Senator from Arkansas [Mr. FULBRIGHT] prevailed to have such a provision included in the report of the managers on the part of the House.

Mr. YOUNG. Mr. President, will the Senator from South Carolina yield to me?

Mr. MAYBANK. I yield to the Senator from North Dakota.

Mr. YOUNG. I have not yet had an opportunity to read the conference report; but I understand that the bill as passed by the House contained a provision extending farm price supports at 90 percent of parity under certain conditions. Does anything in the conference report affect farm prices?

Mr. MAYBANK. I rose on the floor of the Senate and said I would include such a provision, unless someone objected. No one objected. We accepted the House version to assure the farmers of support at 90 percent or more of parity.

Mr. YOUNG. Will the Senator from South Carolina explain what that provision of the conference report means?

Mr. MAYBANK. If the Senator from North Dakota will turn to page 4, section 106, in line 21, he will find the following:

"(1) the Agricultural Act of 1949," the following: "except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 percent of the parity price, or such higher level as may be established under section 402."

I may say to the distinguished Senator from North Dakota—for I know how hard he works for the farmers and how grateful the farmers are for what he has done as a member of the Committee on Agriculture and Forestry—that this conference report will not be permanent legislation. It is only temporary legislation. This particular provision will be in effect for less than 1 year.

All of us are familiar with the formula about variable parity, which was worked out some time ago. On the other hand, this provision in the conference report will apply for less than 1 year. Under the provisions of the conference report, the farmers will receive 90 percent of parity or more.

Mr. YOUNG. Will the conference report continue the use of the dual parity formula in determining price supports?

Mr. MAYBANK. It will.

Mr. YOUNG. When will the provisions of the conference report expire?

Mr. MAYBANK. On April 30, as to this particular provision.

Mr. YOUNG. April 30 of 1953?

Mr. MAYBANK. Yes.

Mr. YOUNG. I understand that the provisions of the conference report are about the same as those of the pending Young-Russell bill; is that correct?

Mr. MAYBANK. Yes. Of course the Senator from North Dakota knows that I have always cooperated with the distinguished junior Senator from Georgia [Mr. RUSSELL] in regard to agricultural matters. Nothing in this conference report will hurt any farmer; I can assure the Senator from North Dakota of that. It is possible that a few producers of cheese might be hurt, but I doubt it very much.

Mr. YOUNG. May I express my appreciation for your kind remarks concerning my work for agriculture. The conference report, if agreed to, will still make necessary the enactment of the Young-Russell bill; will it not?

Mr. MAYBANK. Yes; and I point out that the conference report provides for 90 percent of parity or more.

Mr. YOUNG. The conference report will be in effect only until next April, as I understand.

Mr. MAYBANK. Yes; it is only temporary legislation. We would never attempt to provide permanent legislation of this sort in a temporary bill.

Mr. DOUGLAS. Mr. President, will the Senator from South Carolina yield to me, to permit me to ask a question in regard to the rent-control provisions appearing on page 29 of the conference report?

Mr. MAYBANK. I shall be very glad to do so. Let me say that I am sure the Senator from Illinois knows that I battled as long as I could in connection with those provisions of the report, as well as other provisions; but in the conference last night we reached a position where we no longer could hold out. The Senator from Illinois knows that we have fought these battles for the benefit of Chicago, New York, and other cities.

In the conference we agreed to include in the report a provision requiring that positive action would have to be taken by September 30, if rent controls were to be retained in areas not designated as critical defense housing areas.

I know of the unfortunate situation in Illinois, because Governor Stevenson testified some time ago before the committee, in the presence of the distinguished Senator from Illinois, about the constitutional requirements in Illinois.

Mr. DOUGLAS. First, let me congratulate the distinguished chairman of

the committee for the very hard work and devoted service he has given to this measure. I know of the terrific strain under which the conference committee has been operating. So I wish both to thank and congratulate the chairman of the committee for his efforts in behalf of the public.

Mr. MAYBANK. I thank the distinguished Senator from Illinois. I should like to say to him that, as he knows, Governor Stevenson came here last year. If there were anything I could say for the benefit of the cities of the Nation—although I come from a rural State—I would always be glad to say it.

Mr. DOUGLAS. That is certainly true. I should like to ask the distinguished Senator's interpretation of the language in subclause (B) of (f) (1) on page 29 of the proposed conference substitute for Senate bill 2594. Perhaps I should first make a brief explanatory statement, before I ask the question.

Mr. MAYBANK. I think the Senator should do so, for the RECORD, because I know what is going to happen—or at least I think I know.

Mr. DOUGLAS. The constitution of my State and, I believe, the constitutions of certain other States forbid, or at least do not permit, the city councils and local boards of aldermen to pass substantive law on this subject of rent control without prior authorization by the State legislature. No such prior authorization has been granted in my State, or in a number of others. The question I should like to raise is this: Is it the understanding of the distinguished chairman that under this subclause (B) a finding of fact by the local city council that a substantial shortage of housing accommodations exists and that Federal rent control is, therefore, necessary—is it his understanding that such a finding of fact by the local governing body prior to September 30, 1952, would be sufficient to justify the Federal Government in then continuing rent control under the Housing and Rent Act of 1947 until the termination of that act itself, on April 30, 1953?

Mr. MAYBANK. I may say to the distinguished Senator that that is in accordance with my understanding. I raised the point in conference, because I knew something about the laws of the State of Illinois and also because I knew something about the constitution of that State. We provided clearly and simply that all that the local governing body had to do was to declare that a substantial shortage of housing exists, which condition would require the continuance of rent control. The local government simply makes a declaration of fact and rent control is continued by virtue of this act.

It is purely a local matter. I may say the Senator from Illinois has joined me upon many occasions in respect to local and community rights, as well as on rent control, although it is true we have been apart on certain other legislation.

Mr. DOUGLAS. In other words, the city council would not have to act as a legislative body and pass an ordinance.

Mr. MAYBANK. I would not

Mr. DOUGLAS. But it would act by resolution, as a body authorized under this act, to give an opinion upon the local situation and make a finding and declaration of fact; and that finding of fact would then be accepted by the United States Government, and this act would, under those conditions, continue rent controls for that area through April 30, 1953. Am I correct?

Mr. MAYBANK. The Senator is entirely and absolutely correct.

Mr. DOUGLAS. With that understanding, I shall withdraw any objection which I might have had to the conference report, and congratulate the chairman upon his work.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. MAYBANK. I yield.

Mr. PASTORE. May I ask, along the line of the questions raised by the distinguished Senator from Illinois, whether there will therefore be no requirement of permissive legislation on the part of the localities by their State legislatures.

Mr. MAYBANK. There will be no such requirement. They can make declarations such as I referred to above by themselves. This is a grant of power to the local community, to the city council by the Federal Government in this statute as to this matter.

Mr. PASTORE. And it is without any action on the part of the State legislature. Am I correct?

Mr. MAYBANK. The Senator is correct.

Mr. SCHOEPEL. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield to the Senator from Kansas.

Mr. SCHOEPEL. Turning to page 28, I should like to inquire of the distinguished chairman with reference to section 122. The question I desire to ask is whether the section would affect trading on the Board of Trade in commodities which might be below ceiling prices?

Mr. MAYBANK. My information on that matter came from the two distinguished Senators from Delaware. The junior Senator from Delaware [Mr. FREAR] was in the conference and answered those specific questions, because he was on the conference committee, whereas my good friend, the senior Senator from Delaware [Mr. WILLIAMS] was not. Answering the question of the Senator from Kansas, in my opinion section 122 would not affect the matter of which he speaks.

Mr. FREAR. That is true. This is the exact language that was adopted by the Senate.

Mr. SCHOEPEL. And there were no changes in it. Is that correct?

Mr. FREAR. That is correct. There were no changes.

Mr. WILLIAMS. I may say to the distinguished Senator from Kansas that in the consideration of the amendment, I was advised that it would in no way affect the operation of the law in that respect.

Mr. SCHOEPEL. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from New York.

Mr. LEHMAN. What disposition was made of the provision affecting the International Materials Conference?

Mr. MAYBANK. We have a very good amendment which was proposed by Representative SADLAK, which, in my judgment, and in the judgment of the Senator from Arkansas [Mr. FULBRIGHT], and possibly other Senators, will be as good as the Senate provision.

Mr. LEHMAN. Do I correctly understand that it is closely similar to the Fulbright amendment?

Mr. MAYBANK. That is correct. It is a combination of the amendments proposed by the Senator from Michigan, Representative SADLAK, and the Senator from Arkansas.

Mr. LEHMAN. May I ask whether it was approved by the Senator from Arkansas [Mr. FULBRIGHT]?

Mr. MAYBANK. It was.

Mr. FERGUSON. Mr. President, I desire to take the time of the Senate to speak briefly on section 102, as submitted in connection with the conference report, because I think we should know exactly what we are doing.

Mr. MAYBANK. Certainly that is what we should do.

Mr. FERGUSON. The Senate should know.

Mr. MAYBANK. The Senator from New York [Mr. LEHMAN] phrased a question as to that provision a while ago.

Mr. FERGUSON. Mr. President, I think section 102 represents a departure from the policy of the United States, and of the people of the United States. The American people feel differently about monopolies, cartels, and trusts than do the people of other countries. We have, I think, done something for the free enterprise or individual enterprise system, by passing antimonopoly laws and antitrust laws. We have not always enforced those laws, and by our failure to enforce them we have done harm to the individual enterprise system. However, that is a matter of administration. This country has recognized that monopoly, whether it be governmental or corporate or individual, is in conflict with our republican principles and the institutions of America.

It is in regard to that subject that section 102, in the opinion of the Senator from Michigan, is at variance with the long history of this Republic. If the intent of Congress is to change the principles upon which this Nation was founded, we should do it understandingly, we should do it after we know exactly what we are proposing to do. It is to that subject that I desire to speak today.

I realize that we are nearing the close of this session. I believe this matter is of vital importance to the farmer, to the working man, and to all other Americans. Are we to depart from our historic American principles relative to monopolies and cartels, and to adopt the socialistic principles of other nations, who believe in such principles and who have set aside the principles of the individual enterprise system? Are we to go down the road to socialism, domesti-

cally, or, as here proposed, go down the road internationally along the same line?

Let us consider what has been done by the conference committee. I recognize the hard work that members of the conference have done. I also recognize the philosophy of the State Department of the United States. I may question whether the conference committee understood what the State Department had caused to be written into this measure. It is to that aspect that I desire to address myself.

When this matter came before the committee of the Senate, the State Department issued a prospective order, announcing its intention to allow American industry to buy in the open markets. That order, however, was never really put into effect. After the measure came to the floor of the Senate, the State Department apparently felt it was unnecessary to put the order into effect. Two days ago, as this bill was being sent to conference, what did the State Department do? It announced its intention of allowing American industry to go into the free market so far as copper was concerned and pay the price set upon copper by any other country. I am curious to know why trial balloons of this sort are released on the eve of congressional action upon some of these very vital principles.

Mr. DWORSHAK. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. Does the Senator mean that processors in this country will be permitted to charge higher prices under OPS on products processed from foreign copper, than on products processed from domestic copper, which has a price ceiling of 24½ cents a pound, while there is no ceiling on foreign copper?

Mr. FERGUSON. No.

Mr. BRICKER. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. BRICKER. Is it not a fact that the increased price can be passed on to the consumer?

Mr. FERGUSON. Eighty percent, but not the total amount.

Mr. President, let us ascertain what we are doing today. To section 101 of the Defense Production Act of 1950 we are about to add the following:

(b) When all requirements for the national security, for the stockpiling of critical and strategic materials, and for military assistance to any foreign nation authorized by any act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures.

Those are good words, Mr. President. If those words were to become the law, it would be all right, because that is all the Senator from Michigan wants. In effect, that is all the distinguished Representative from Connecticut, Mr. SADLAK, wanted. I talked to the distinguished Representative from Connecticut. He does not want this language to have his name attached to it. This is not what he desired. The Senator from Michigan

certainly does not want the amendment to bear his name, because this is not what he desired.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MAYBANK. If there is any misunderstanding, I would apologize to my distinguished friend from Michigan if I said it was his amendment. I was talking about the Ferguson amendment, the Sadlak amendment, and the Fulbright amendment. We considered all three amendments together, and out of those three amendments came this amendment. The Senator from Michigan had no part in it, nor did the Senator from Delaware.

Mr. FERGUSON. I speak also for the Representative from Connecticut, and I want to deny parentage.

Mr. MAYBANK. I do not blame the Senator, and I did not want him to think that I was suggesting any such thing.

Mr. FERGUSON. I desire to refer to line 18, on page 2. By the United States Government entering into an agreement to control all the raw materials of the world an international cartel is created. If that is what we are about to do, we should so understand, and do it knowingly.

Mr. MAYBANK. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. MAYBANK. In reference to this amendment, a motion was made that the chairman—and, unfortunately, I happened to be the chairman—appoint a subcommittee to go into the matter. The subcommittee consisted of the Senator from Arkansas [Mr. FULBRIGHT], Representative WOLCOTT, and Representative BROWN. Those gentlemen constituted a subcommittee appointed to work out the details of this particular amendment. If I am wrong, I hope the Senator from Delaware [Mr. FREAR] will correct me. I appointed the Senator from Virginia [Mr. ROBERTSON], but he said he could not serve.

Mr. FERGUSON. Mr. President, it is not a personal matter about which I am speaking; it is a matter of principle. It is not a question of whose language the amendment contains. It is a question of what we are about to do.

In line 18 there is a provision about what the United States of America can do in relation to entering into a cartel controlling as to price, allocation, and consumption, raw materials all over the world, those from America as well as those from other nations. Here is what is said:

No agreement shall be entered into by the United States limiting total United States consumption of any material, unless—

And I underscore the word "unless," Mr. President—

such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference—

And here are the all-important words—
and not used by any such participating country.

In other words, Mr. President, that part of this provision authorizes the United States of America to enter into a cartel with other countries and to control the allotment and price of all raw materials, including those coming from the mines, the forests, and the pastures of America, wool among others. It gives absolute power to say that no individual in the United States has any right to purchase outside of this country any material in the world, unless other countries do not want to use it and it is not used by other participating countries.

Do Senators believe there is any other country that will not buy when we give them the money to buy and permit them to pay 50 or 60 cents a pound when our people are allowed to pay only 27½ cents a pound, and no one but the Government itself is authorized to purchase? If ever there was a cartel, if ever there was a monopoly, I would say that one is being created by the Congress of the United States at this time.

Mr. HICKENLOOPER. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. HICKENLOOPER. I am very much interested in the very clear explanation of this provision by the Senator from Michigan, but I am also interested in his comment, which I assume he will get around to in a little while, relative to the next sentence, beginning in line 24, which is as follows:

Nothing contained in this act shall impair the authority of the President under this act to exercise allocation and priorities controls over materials both domestically produced and imported and facilitates through the controlled materials plan or other methods of allocation.

It seems to me that puts in the President the entire control to avoid any beneficial safeguards the act may have through his complete power to control and allocate, and it would nullify the first part of the amendment which the Senator from Michigan approves. The last sentence would nullify it.

Mr. FERGUSON. I think that is true, but I do not think that was intended.

Mr. HICKENLOOPER. I wanted to hear the Senator's comments on that point.

Mr. FERGUSON. I do not think it was ever intended absolutely to place in the hands of the President complete cartel power. What was sought to be done, as I understand, was to allow the President to exercise unit control. For instance, in the case of automobiles, he could say that in a given quarter so many thousands of cars could be manufactured. It was not the intent to give the President absolute control over the cartel.

Mr. HICKENLOOPER. Would not that be what this provision would result in?

Mr. FERGUSON. I think so.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BRICKER. There is another very important implication in the last sentence, as noted by the Senator from Iowa, namely, recognition of the author-

ity of the President under the international cartel, authority which, in the judgment of the Senator from Ohio, the President does not have under the Defense Production Act. It is purely an assumption of authority, an expansion of certain allocation authority exercised under the Defense Production Act.

Mr. FERGUSON. But this would give him absolute power.

Mr. BRICKER. Indirectly, because the President claims such power, and what the Senate states is the purpose of the amendment.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. FREAR. I am sure the Senator from Michigan realizes the position which the junior Senator from Delaware has taken in the matter. I say to the Senator from Michigan, and to other Senators, that I do not like the amendment. I did not vote for it. As the Senator said, he does not wish to bring personalities into the discussion; but the provision was based on the wording of three amendments, that is, the Sadlak amendment, the Fulbright amendment, and, I believe, that of the Senator from Indiana, who last year was one of the prime movers of an amendment to the Defense Production Act and also had some suggestions to make in connection with the pending measure. I do not want him to have undue credit in connection with this at all, and perhaps he does not desire his name attached to any of it, but I think the language in the second paragraph, at the bottom of page 2, about which the Senator from Michigan has been speaking, was not intended to accomplish what the Senator from Michigan says he thinks it will do. I think there was a difference of opinion with respect to that.

I am opposed to it, as the Senator very well knows, but I can hardly go along with what the Senator has said regarding what he believes that part of the bill will do.

Mr. FERGUSON. I appreciate the Senator's statement, and I hope it was not the intention of the conference to do what the clear language would allow to be done. I am discussing what the language will allow the State Department to do. What the State Department has done while the amendments were pending and what they did while the amendments were being debated on the floor of the Senate indicates to the Senator from Michigan that the State Department desired to do not only what I believe the language allows them to do, but to go even further into the international cartel and socialized international union with the other nations of the world and eliminate individual enterprise from world trade. That is exactly what this language would allow.

Mr. President, when the British had control of tin and rubber, and when the International Materials Conference was formed, did the British allow those two items to go under the control of the Conference? No, Mr. President. But we in America, with people out of work all over our great Nation, placed copper

under the Conference. Those are the things which lead me to believe, in fact, to know, what the State Department will do under this provision. I have stated what they would be permitted to do under the clear language. While I do not say that they even wanted the last sentence, which the distinguished Senator from Iowa has mentioned, the language will allow them to do exactly what he prophesies.

Mr. President, I realize that the Senate must agree to or reject the conference report, once it comes to the Senate from the conferees. There is no way in which we can strike out this language. There is nothing we can do to disapprove except to vote "no" on the conference report.

While there are some sections of the bill I could agree with, my conscience would not allow me to vote to agree to the report, because of what we are asked to do in the provision I have been discussing, leading to the creation of a world-wide socialist state, an international state, freezing out forever the right of an American as an individual to purchase material, because it can all be absorbed, it can all be controlled, by the governments of the world. That is what I am opposed to.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. CAPEHART. I was not one of the committee which worked the matter out, but I was present, and I will state in all fairness to the committee what they were up against.

The International Materials Conference is a reality, whether we like it or not. Our Government is using it. Whether the Government entered into it legally or not makes no difference; it is using it.

What the committee worked out was an agreement simply saying to the Government, "You are doing something now. This is what we want you to do, if you are going to continue doing it."

Perhaps the bill should have denied the Government the right to enter into the International Materials Conference. I am not arguing that point at all. But here are the words:

No agreement shall be entered into by the United States limiting total United States consumption of any material unless such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country.

That protects the American businessman.

Mr. FERGUSON. How?

Mr. CAPEHART. It gives him a right to go into the open market and buy from any country throughout the world any materials which the participating countries do not use.

Mr. FERGUSON. Oh, yes; but this report would impose a consumption restriction. It allots to India, to Spain, to Yugoslavia, so much copper. Even though copper is mined in America, only so much copper is allotted to America.

The last phrase of the sentence reads, "and not used by any such participating country."

Mr. President, we are going to give them money to buy copper in the world market. That is what we have been doing. Why would they not use the power?

Companies in Detroit had an opportunity to buy in foreign countries, radiators made of copper, but they would not do it, because they felt it would be unfair to American working men for them to do so. That is exactly what would happen under this provision. Radiators would be manufactured in other countries and would be shipped into the United States. The manufacturers in the other countries would use the material.

Mr. CAPEHART. Mr. President, will the Senator yield further?

Mr. FERGUSON. I am glad to yield.

Mr. CAPEHART. The point is that the International Materials Conference is a reality at the moment. The United States is participating in it. I do not know whether it is doing so legally or otherwise. My opinion is that it does not have authority to do so, but it is doing it. Also, the Government has been denying to American purchasers the right to buy in foreign countries. The conference report says to the Secretary of State, or whoever enters into the contemplated agreements, "You cannot enter into any agreement denying any domestic purchaser in the United States the right to buy from any country in the world, if that country desires to sell to him."

In other words, what will happen, under the amendment, if I grasp it correctly, is that some countries will get out of patience and will not use the International Materials Conference. They will go ahead, take their copper, take their raw materials, and immediately sell them to American purchasers.

Mr. FERGUSON. That is not what the conference report says.

Mr. CAPEHART. Yes, it does.

Mr. FERGUSON. Chile is not participating at the present time. She has withdrawn from the agreement. The conference report covers only participating countries. We would not be able to purchase, because the materials would all be allotted; we would not be able to purchase the copper.

Mr. CAPEHART. If Chile has withdrawn, then our purchasers could buy whatever copper they desired.

Mr. FERGUSON. No, this is only to permit them to do it in participating countries. This allots Chile copper, even though Chile is not a party to the Conference. That is the wording. I hope the Conference did not mean to do what they indicate by these words could be done. I am saying only what the words themselves provide.

Mr. CAPEHART. I am opposed to the International Materials Conference. I think it is all wrong. But the fact remains that we are in it.

Mr. FERGUSON. Should Congress then approve it?

Mr. CAPEHART. This amendment, by the way, expires next April 30. It

will be in effect for only 10 months. All it does is to say to whoever operates the International Materials Conference, "You cannot deny to an American purchaser the opportunity of buying materials anywhere he wants to buy them, if any country has them."

Mr. FERGUSON. Not "if any country has them," but if any country participating in the conference is not going to use what has been allotted to it.

Mr. CAPEHART. If the other country is not participating, this provision does not apply to it.

Mr. FERGUSON. It certainly does. We allot materials in the case of countries which are not participating.

Mr. CAPEHART. What does the Senator mean?

Mr. FERGUSON. We allot Chilean copper.

Mr. CAPEHART. I do not believe so.

Mr. FERGUSON. The fact is that we do.

Mr. CAPEHART. Let us get the Chilean copper situation straight. The agreement with respect to Chilean copper was entered into between this country and Chile. Under that agreement, Chile agreed to sell this country 80 percent of its copper.

Mr. FERGUSON. That was not it at all. The International Materials Conference allotted 80 percent of the copper to other countries.

Mr. CAPEHART. I am fearful that the able Senator is mistaken, because I am certain that the agreement whereby Chile would supply us 80 percent of the copper was entered into a long time before the International Materials Conference came into existence.

Mr. FERGUSON. The International Materials Conference took it over.

Mr. CAPEHART. It may have taken it over later.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. Is it not true that Congress has never provided any legislative authority for the operations of the International Materials Conference?

Mr. FERGUSON. That is correct; and that is why I am speaking today on this subject. I think we should understand what we are doing.

Mr. DWORSHAK. If that be true, is it not also a fact that the sentence beginning in line 24 on page 2 is, in fact, legislative authority for the President, the State Department and other agencies to cooperate with the International Materials Conference? Does the Senator so construe that provision?

Mr. FERGUSON. "Cooperate" is a very weak word, I think.

Mr. DWORSHAK. Is not this language legislative authority for the President and the various Government agencies to participate in the International Materials Conference?

Mr. CAPEHART. Consider the language beginning in line 24 on page 2 and running through line 3 on page 3. The President has such authority now. He had it under the original Defense Production Act of 1950. All that language says is that he has the right to allocate

any materials which any purchasers in the United States may buy anywhere throughout the world. If he is to have the right to allocate domestic materials, we must give him the right to allocate anything an American purchaser might buy abroad and bring here.

Mr. FERGUSON. The amendment which the Senator from Michigan offered did not grant any such authority. The President had control of the units and the industry in America. For example, if he had said that the automobile manufacturers could manufacture 1,000,000 automobiles in a quarter, that is all they could have manufactured. But what was done? Politically it was not considered desirable to say to the people of Michigan, "You may manufacture only 800,000 automobiles in a quarter." So an order was issued saying to them, "You will be allowed to manufacture 900,000 automobiles." However, the manufacturers were allotted only enough copper to manufacture 800,000. It was not considered politically expedient to limit them to 800,000, so they were allotted about 1,000,000, and then they were allocated enough copper to manufacture only 800,000. When the automobile companies find markets in the free world where they can buy copper, they are not allowed to buy it.

Mr. CAPEHART. That was the purpose of writing lines 18 to 23.

Mr. FERGUSON. That provision does not cover the free market. It applies only in cases in which materials are allotted to a participating country and it does not wish to use them. That is the only kind of materials that can be obtained.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. BENNETT. Does the Senator understand that whatever authority may be granted by this particular provision expires on April 30, 1953?

Mr. FERGUSON. No; I do not think so.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MAYBANK. I should like to make a specific statement on this subject. A number of Senators have asked me to do so.

Title I expires on June 30 next year. It is temporary legislation. Titles IV and V, relating to price and wage controls and rent control all expire on April 30.

Mr. BENNETT. So title I would be in effect for a year.

Mr. FERGUSON. That is correct.

Mr. MAYBANK. I thank the Senator from Michigan. A number of Senators had asked me to make that statement.

Mr. FERGUSON. It would be in effect for a year.

Mr. MAYBANK. As to title I, the Senator is absolutely correct.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DWORSHAK. The senior Senator from Michigan has been extremely active in seeing that the automobile industry received an equitable distribution

of copper during the past several months. I should like to invite his attention to the fact that under the operations of the International Materials Conference the United States was entitled to an allocation of 55.6 percent, while actually it received, for military and civilian purposes, an allocation of only 49.1 percent. In reality we received a deficit of 6½ percent of the total free world copper, and that deficit alone is equivalent to 214,000 tons a year, or an amount of copper which would satisfy the requirements of the automobile industry for this metal for 2 years of normal production. I think this conclusively proves the contention of the senior Senator from Michigan, that under the allocations of the International Materials Conference the United States is not receiving an equitable allocation of copper for both military and civilian uses, and to that extent we are subjecting our economy to arbitrary treatment by an international cartel.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. CAPEHART. In all fairness, I must answer the Senator from Idaho, because I am fearful he is wrong. There was only one reason why we did not receive our allocation, and that was the price which the OPS set. The OPS told American purchasers that they could pay only X amount for copper, and they could not buy it. No one in the world would sell it to them at that price. Now that order has been eliminated, and American producers can pay any price they wish to pay for copper or other strategic materials. In the case of copper they can pay \$1 a pound for it if they have to; but if they pay \$1 a pound, as the able Senator from Ohio [Mr. BRICKER] stated a moment ago, they can pass only 80 percent of that dollar along to the consumer. So the reason we did not receive our copper allocation was not the International Materials Conference; it was the pricing policies of OPS. There was no other reason whatsoever.

Mr. FERGUSON. Mr. President, that is simply not a fact. The Senator from Michigan has made a study of this question. The allotment by the International Materials Conference was the reason why we did not receive our allocation. It allotted only 49 and a fraction percent; and it would not allow any American purchaser to go into the market and buy copper.

Mr. CAPEHART. It allotted 55 percent.

Mr. FERGUSON. No; it did not allot 55 percent. Our allotment should have been based upon what we had been using prior to that time. The allotment should have been 55 percent, but the International Materials Conference allotted us for consumption only 49 and a fraction percent, as the distinguished Senator from Idaho [Mr. DWORSHAK] has stated. That was the reason why we could not buy copper in the open market. We would have been violating the order of the International Materials Conference.

That is exactly the effect of the language which we are now discussing. It provides that we cannot buy such materials if they have been allotted to some other country and that country wishes to use them. If it does not wish to use them, our great Nation is going to allow us to buy such materials back, if the other nation does not want to use them. But I prophesy that other nations will be able to make finished products of copper and ship them back into this country. The large copper users, not only in Detroit, but elsewhere, will be forced to buy goods made in other countries. The automobile industry does not use much copper compared to the amount used in Connecticut, for example, in the manufacture of various articles. However, I am not speaking for the automobile industry alone. I am speaking of all raw materials, and not merely copper. Copper simply happens to be a good example of what has happened. The same situation applies to all other materials. It applies to wool, and many other things. We shall find that the international cartel is being authorized to allot for consumption in America any raw material, whether it be produced in America or whether it be produced in any other country. That will have an effect upon the standard of living of the American people. Congress is now asked to approve such a system. Up to this time Congress has not approved it.

Mr. Attlee believes in these things. I do not blame Mr. Attlee. He says he is a Socialist at heart, and he acknowledges his international socialism and his domestic socialism. However, those who profess not to be Socialists are doing socialistic things. We should give credit to Mr. Attlee. He stands up and says he believes in these things, because he is a Socialist, and the world acknowledges him as a Socialist. We should not be doing things and at the same time deny that we are doing them. It is for that reason that I cannot vote for the conference report.

Mr. BRICKER. Mr. President, I was a member of the conference committee on the bill. I signed the conference report, but reluctantly. I shall support the report with reservations, particularly in regard to the provision which the Senator from Michigan has attacked. I wish it to be expressly understood that last evening in conference I did oppose the provision to which the Senator from Michigan objects, and I stated definitely that I am opposed to any international cartels which would place control on any material which we supply or which we can buy in the open world market in foreign countries. That is what it amounts to, Mr. President.

The authority which is being utilized in international cartels is alleged to stem from article I of the production bill. In the judgment of the Senator from Ohio, there is no such authority contained in the bill. It is a usurpation of power by the President and the State Department to the detriment of the interests of the American people, and to

the handicap and hindrance of the war production program.

I did not expect to speak particularly on this point, but I wanted to assure the Senator from Michigan that there was support for his position in conference, but it represented the minority view. I abhor as much as he does any part of the bill which legalizes any action of the President which represents purely an assumption of power and an exercise of illegal power on his part.

Mr. President, there are many provisions in the bill with which I do not agree. But there are some improvements over the law as it was enacted last year.

For example, there is some help given in the price and wage control provisions. Titles IV and V have been loosened up. Some help has been given to American production. Industry has been given the right to appeal under the rent, price and wage control sections to the Emergency Court of Appeals, identical with the rights given to the American people against the administrative agencies under the Administrative Procedure Act.

I do not agree at all with the Wage Stabilization Board section. I do not believe that any Wage Stabilization Board can accomplish what it expected or intended. It will be a hindrance to production and to labor relations in the various industries of the country, and will hinder rather than help collective bargaining.

We have seen the effects of such a program enforced by a nonstatutory Executive-appointed Wage Stabilization Board, which delved into fields which were never contemplated or intended by Congress for it to delve into. We have seen this Board make recommendations which brought about a strike in the basic steel industry of this country. Now the strike lies at the door of the President of the United States, who for political stubbornness or maybe for other unsupported reasons refuses to exercise the power which was given to him by Congress.

I do approve the provision of the act endorsed by both the House and Senate by strong majorities, calling upon the President to use the laws which are already upon the statute books.

I, for one, believe that we should put an end once and for all to wage and price controls, which are a curb on the industry of this country. They are a handicap and hindrance to our production program and to our war effort. I doubt very much if anyone can prove to Congress or to the people of the United States that wage and price controls have saved the consumer of this country one red cent. On the other hand the administration of the controls is costing the country more than \$50,000,000 annually. In my State alone there is a payroll of \$2,500,000 for OPS. They have all sorts of experts, and advisers to experts, and assistants to experts.

According to one newspaper report which I have before me the top five men in OPS in my State—and we have four offices in Ohio—receive \$10,000 a

year. None of them has had any experience in business which would justify such a salary or which would justify his exercising powers of government over business in my State.

The newspaper article states that more than half of the employees of the Cleveland district OPS staff are paid more than \$5,000 a year. The average for the hundreds of employees which we have in Ohio is over \$5,000 a year. Many of them were picked without regard to experience. They were chosen because of their political contacts. Many of them are lame ducks who were defeated in their attempt to gain office and have nothing else to do. That is the way the staff has been gathered together.

Instead of helping production it has handicapped production. It has not saved the consumer one red cent. Most of the products which the consumer buys at the present time are selling below ceiling prices. Yet they attempt to take credit for that fact.

Mr. President, I should like to read one or two of the items listed on the payroll in one city in my State of Ohio. They have an analyst, industrial materials; a business analyst, consumer goods; a price economist; a business analyst, industrial materials; two information and education specialists. I do not know what an information and education specialist is, except that he is a public relations officer who is supposed to go out and do his political duty in support of the continuance of OPS and to help his party in the coming election. Then we have another business analyst; a price analyst; a business analyst, food; we have an attorney; an accountant—several attorneys and accountants; an organization and methods examiner. I do not know what that means, and I doubt that they do. We have a chief of the distribution section, and a chief of the classification section, personnel. We have a printing and publishing officer, and a forms control officer.

We have all those silly titles. The titles are given only to fill up the payroll, Mr. President.

At the present time there is practically nothing for them to do. The local office is sitting by, spending its time on the payroll with most commodities selling under the ceiling. So they have been propagandizing and pressuring Congress during the past few weeks in an effort to get a continuance of their place on the payroll.

Mr. President, the time has come to do something for the taxpayers of this country. If we take off the payroll those who are employed in OPS alone and send them into productive industry, to do something personally, by labor or otherwise, in the productive effort of this country, their contribution will be much greater than it can possibly be under OPS.

Therefore, I believe that the Office of Price and Wage Control ought to be abolished, as well as WLB. Let us free labor and free industry to solve their differences through collective bargaining, which is the traditional system, to take care of disputes in industry in this country. They can and will settle their dif-

ferences in the traditional American way. Had it not been for the action of WLB there would likely have been no steel strike so detrimental to the war effort.

There are many sections of the bill which I do not like. I do not like the agricultural section. I do not like the section dealing with the importation of fats and oils. It should be more protective of American interests. Yet I realize that the conference report is a compromise.

Mr. President, I appreciate as well as anyone else does the diligent efforts the chairman of the committee made in the conference to obtain, finally, a report which could be enacted, so that an extension of the present act would not be required and confusion could be avoided. In the conference last night the chairman of the committee did a masterful job.

I realize also that our work must be done through the committees and through both Houses of the Congress; and it is necessary for compromises to be reached on various points.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield to me?

Mr. BRICKER. I yield.

Mr. MAYBANK. I am very glad the Senator from Ohio has brought out this point. I realize, of course, that the Senator from Ohio receives numerous telegrams on these matters, as do all the rest of us. It should be stressed that, after all, the legislation finally enacted must constitute a compromise between the two branches of Congress and also a compromise with the executive branch of the Government.

In working out this compromise we did the very best we could. I know the Senator from Ohio is opposed to some of the provisions of the conference report, and I myself am opposed to some of them. On the other hand, we did the best we could.

Many persons on the outside think that Members of Congress can have their own way in these situations, but it should be pointed out that in a conference we can make progress only by way of compromise.

Mr. BRICKER. Of course that is the method by which the work of both Houses of Congress is conducted. Each House passes the best bill it can devise, and thereafter the measure which finally is to be enacted must be worked out by means of compromise between the two Houses.

Mr. President, I doubt that any member of the conference committee will approve every section of the report. Most of us are bitterly opposed to some of the sections of the report. Yet I signed the report, and I intend to support it, for the reason that in this critical period, with the war production program slackening off every day, with production in the United States decreasing instead of increasing, with the National Government seemingly unable to get the war production program effectively under way and to accomplish its purpose according to the plans laid down in the law by Congress, at this time I do not dare vote to take away from the President the pro-

curement authority, the allocation powers, and the contract rights of the Government in connection with the defense production program. Neither should we take away some of the credit authority that is necessary in connection with the expansion at this time of the defense production program.

For those reasons, and in considering the conference report as a whole, even though I object bitterly to some parts of it, but hoping that we can remedy that situation a year from now, I will support the report of the conference committee.

I express my appreciation to the chairman of the conference committee and to the other members of the committee for the diligent work they have done, leading up to the presentation of the conference report.

Mr. MAYBANK. Mr. President, I thank the distinguished Senator from Ohio for what he has said.

I understand that the Senator from Oklahoma wishes to ask me a question.

Mr. MONRONEY. Yes, Mr. President; I should like to ask a question of the chairman of the committee.

Let me say that I believe the conference report does a great deal to salvage an almost impossible situation.

I should like to ask a question with reference to the wage stabilization provisions. My experience with one or two small cases is that some rather picayunish situations have been dealt with—for instance, in connection with determining whether a small plant can take action to meet the vacation schedule maintained in a large plant. I am familiar with a firm which hires a few hundred people, and which is in a competitive situation with a plant hiring thousands of persons. In one case approximately 18,000 persons are employed in a competing firm, and the large firm provides for 2½ weeks of vacation with pay. Other plans provide for 2 weeks of vacation.

The firm to which I refer is being denied, under the guise of wage stabilization, the right to meet that competitive situation by means of providing for 2 weeks vacation with pay.

As I understand the conference report, it does not contain any provision which will give the Wage Stabilization Board the right to take action, under the guise of wage stabilization, in the case of such matters of minute detail. Is that correct?

Mr. MAYBANK. Nothing in the conference report would provide such authority in the case cited by the distinguished Senator from Oklahoma; such a firm could still provide for reasonable vacations for its employees.

Mr. MONRONEY. I thank the Senator from South Carolina for that interpretation.

Mr. THYE. Mr. President, I should like to ask a question about page 10 of the conference report, in line 17, where we find the words "now in effect." I wish to determine definitely whether that means as of today; or does it mean a measure which may have been enacted by a State back in 1950?

Mr. MAYBANK. It means as of the date of enactment of the bill repre-

sented by the conference report and refers to a law enforced and in effect at that date.

Mr. THYE. As of the date of enactment of the bill in the terms of the conference report?

Mr. MAYBANK. That is absolutely correct.

Mr. THYE. I wish to make sure that there is no confusion on that point.

Mr. MAYBANK. Let me assure the distinguished Senator from Minnesota that to my recollection the conference report does not contain any retroactive provisions. Some provisions of the conference report will expire on April 30, and others will expire on June 30. The only permanent provisions of the conference report are certain ones with respect to the Walsh-Healey Act, as agreed to by the Secretary of Agriculture himself.

Mr. THYE. And those provisions will go into effect on the date of enactment of this measure; is that correct?

Mr. MAYBANK. That is absolutely correct.

Mr. THYE. Let me say I have received a great many telegrams in regard to section 701. I believe the bill as passed by the House contained three words, "during such period", which were the subject of questions insofar as a great many automobile dealers, more especially the Ford dealers, were concerned.

Mr. MAYBANK. I understand the present interpretation of the Executive Department in that regard remains in effect. The Senator is eminently correct in his point as regards those three words, but those three words were stricken out in conference. Therefore the "current competitive position" of establishments means current from time to time, and not their competitive position before the outbreak of the Korean affair.

Mr. THYE. They were stricken out, were they?

Mr. MAYBANK. Yes.

Mr. THYE. I should like to ask now about the provisions in regard to the importation of fats and oils.

Mr. MAYBANK. I know of the deep interest of the Senator from Minnesota in the farmers, and I know of his earnest support of the farm programs. I say to him that the conference report gives to the Secretary of Agriculture, in this emergency, and in the interest of foreign trade, power similar to that which would have been given by the amendment of the Senator from Vermont [Mr. AIKEN], but the conference report provides for 15 percent instead of 10 percent.

Mr. THYE. In other words, the conference report modifies the provisions of section 104, to the extent of providing for more tolerance; is that correct?

Mr. MAYBANK. Yes.

Mr. THYE. The conference report provides discretionary power, and places on the Secretary of Agriculture the responsibility of making certain that the imports of fats, oils, butter, or cheese are not made in such quantities as to destroy the domestic market?

Mr. MAYBANK. If the importation of an additional 15 percent would have that effect, I would be wrong in agreeing

to such a provision. But I do not believe the importation of an additional 15 percent would have that effect.

Mr. IVES. Mr. President, I should like to make a comment with respect to a point raised just now by the distinguished Senator from Minnesota, namely, regarding the effect of section 104 of the conference report, as its effect has been pointed out by the distinguished chairman of the Banking and Currency Committee. I believe that what he has stated will be the effect of that section of the conference report.

However, the report which is to accompany the final conference report will emphasize the point that when an agricultural commodity of a noncompetitive nature comes into the United States, the Secretary of Agriculture himself shall exercise particular discretion; and in his discretion, which will be almost complete, so far as these provisions are concerned—although so far as we are concerned, the discretion is definitely indicated as being limited—the Secretary of Agriculture must permit such noncompetitive agricultural commodities to enter the United States.

Therefore, the cheese situation, about which I assume the Senator from Minnesota is disturbed, is largely taken care of, because the great amount of cheese which enters this country from abroad is of a noncompetitive nature.

Mr. THYE. The greater part is. However, blue cheese is highly competitive. That is what we refer to as the Roquefort or blue cheese. It is highly competitive.

Mr. MAYBANK. That is taken care of by the language of section 104 in this bill with a provision for 15 percent leeway being allowed for imports.

Mr. THYE. In other words, under the conference report the Secretary of Agriculture will have the responsibility of safeguarding the producers in the United States against a great influx of fats, oils, and so forth, which would destroy or disrupt the domestic market.

Mr. IVES. That is provided by the conference report, and that point will be emphasized by the report of the managers on the part of the House which will be written on it.

Mr. BRICKER. Mr. President, in connection with the point of the possibility of injury to domestic producers by means of importations from abroad, let me say that I believe the Secretary of Agriculture always has at heart the interests of American producers of agricultural commodities. If the Secretary of Agriculture were always handling these matters, instead of having them handled by the State Department, we would be much better off.

Mr. AIKEN. And then, if the Secretary of Agriculture would apply the laws as enacted by the Congress, we would be still better off.

Mr. BRICKER. I agree.

Mr. CAPEHART. Mr. President, I did not sign this conference report, because that was the only way, so far as I knew, whereby I could register my opposition to many features of this bill and to the method in which it was handled.

Mr. MAYBANK. Mr. President—

Mr. CAPEHART. I decline to yield. I do not refer, of course, to the able Senator from South Carolina. He did everything that he should have done. So did the Senate Committee on Banking and Currency, and, for that matter, so did the Senate. But the House and every one in America knew that the present law would expire at midnight next Monday, June 30. For some reason, the House refused to take any action on this proposed legislation until about 2 days ago. In fact, I think it concluded its action on it yesterday. Therefore, the conferees were forced to get together, as they did, last night. They remained in session until about 2:30 this morning. There was nothing which the conference committee could do, there was nothing the able Senator from South Carolina could do, but to report some sort of bill to the Senate, in order that it might go to the House this afternoon, and be finally passed before midnight June 30. It was a matter of either doing that or passing a resolution to extend the existing act for 5, 10, or 30 days. So the House placed us in a position last night, as a result of its failure to act on this matter 2 or 3 weeks ago, wherein the conferees had to continue in session for the greater part of the night; and we did. I congratulate the able Senator from South Carolina upon the way he handled affairs last night. He did an excellent job.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from South Carolina.

Mr. MAYBANK. I want to pay my respects to the distinguished Senator from Indiana. We did the best we could. We were up against the gun, so to speak. We met until early this morning. As a matter of fact, I arrived home at about 4 o'clock this morning, after checking up on certain matters.

Mr. CAPEHART. Mr. President, I do not rise to criticize any conferee who signed the report or who voted for it. I want that strictly understood. But there are a few things I desire to say about this conference bill which I hold in my hand, without being personal at all, because the conferees as a whole could have done nothing other than what they did. But, after declining to sign the report, the only other way I can register my protest against it is to say what I am now about to say.

This bill is neither fish nor fowl. It does not control prices and wages, and if the influences in America are such that prices and wages are going to be pushed up, this legislation will not act as a control. Therefore, I say it is neither fish nor fowl, but that all we are doing in this legislation, in my opinion, is simply to say to the American people that we are controlling prices and wages, when we are not—and, personally, I do not think there is any need of price and wage controls today.

I desire to say one other thing, and this is not at all personal. I presume Senators know that the House proposed 20 changes, incorporating matters in the bill which were not in it when it was

passed by the Senate. The House made 20 changes. In my opinion the bill is absolutely unworkable from the administrative standpoint, at least there are features of the bill which are simply unworkable.

I dislike to make this statement, but I shall make it: We are simply misleading the American people into thinking that we are providing price and wage controls, when we are not. We are saying to the American people that controls are provided, when they are not. But we are regimenting or controlling the free-enterprise system of America. I am finding no fault with any individual, but what we should have done was to take price and wage controls off completely, or, if we did not do that then we should have provided real controls. We ought to do one or the other. We have done neither in this bill.

We should have said to the American people, "We are going to guarantee you against runaway inflation in America." We then should have said to the American free economy, "We are going to return to the American businessman and to the Nation a free economy." We ought to have enacted a formula by which, when the Consumers' Index rises to a certain point, we would then have real price and wage controls, under a workable price and wage control act.

If the Consumers' Index never reached that point then there would be no such controls. We did not do that. Therefore, I say that all we are doing is to fool the American people. All we are doing is to regiment American industry. We are tying them up with controls, and so far as I can see, some are controls for no particular purpose. I am speaking now about price and wage controls.

There are other features of this bill, of course, such as the allocation of materials for national defense, loans for increasing production, and other things, which are desirable. However, I doubt whether there are any of them that could not be handled under the Selective Service Act, if the President did not have the Defense Production Act.

So I cannot vote to approve this conference report. I am opposed to it. I think it would have been much better for the American economy, and that we would have been more honest with the American people, the wage earner and the consumer, had we frankly said that this bill does not control prices and wages. I repeat that, if the influences existing in America today continue to exist during the next 90 days or 6 months, under this legislation prices and wages will rise. If those influences are not present, then we do not need this legislation, we need no legislation of this kind.

Therefore, Mr. President, I cannot support this bill.

Mr. MOODY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Michigan.

Mr. MOODY. The Senator refers to the influences which were exerted on this bill. I should like to add that the Senator from Indiana might not have felt constrained to make certain of the

remarks he has just made, if he had been able to extend the first act which was passed by the Congress in 1950, instead of having to fight continually against influences seeking to weaken the public's protection against inflation.

Mr. CAPEHART. Mr. President, that is purely a matter of the opinion of the able Senator from Michigan, and I do not know that it carries too much weight, because he was not present when the original act was written.

Mr. MOODY. Oh, yes, I was.

Mr. CAPEHART. I do not know that he understands the bill, at all.

Mr. MOODY. I am quite sure I understand it better than the Senator from Indiana.

Mr. CAPEHART. The facts are that the President did not put into effect the first act, though I do not care to get into a debate or argument about that.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DWORSHAK. When the Senator from Indiana says that, with the approval of the conference report, the Defense Production Act is not going to be enforced, can he tell us whether there are any material changes between this and Defense Production Act of 1951, so far as the curbing of inflation is concerned?

Mr. CAPEHART. It is much looser. That is, it would curb inflation less than the last act did; and then, of course, it injects many things which, from an administrative standpoint, in my personal opinion, are not workable.

In other words, we are saying to the American people that we are going to control prices and wages. We are saying to the administration, "You control prices and wages." Yet, Mr. President, we are putting into the act many things that are unworkable.

Let me read section 411, page 22. It sounds all right until it is analyzed. It reads as follows:

SEC. 411. In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices.

As a businessman, I do not understand how that is workable, either from the standpoint of a businessman or from the standpoint of the administration. I can well understand the purpose behind it. The purpose behind the amendment was that if something was sold below ceiling it would not have to be reported. I do not see how the small-business man will be able to take care of it. In my opinion, there will be a great deal of confusion.

I have nothing more to say, Mr. President, except to repeat that I did not sign the conference report and I cannot support it, for the reason that I do not think it will control inflation. I do not think it will control prices and wages if influences exist that have a tendency to push prices up, and, at the same time, it will regiment the free economy of America when I think it should not be regimented.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. FREAR. Mr. President, now that the conference report has been agreed to, I should like to say a word to Members of the Senate.

I think the Senate owes a great deal to the chairman of the Banking and Currency Committee [Mr. MAYBANK] for the effective manner in which he handled the conference, as chairman of the conference. It was a long, hard, arduous job, but the wit and good humor of the chairman of the Banking and Currency Committee brought the deliberations of the conference committee to a successful conclusion.

I think, Mr. President, that the bill is not all that is desired not only by the chairman but by the other Members of the conference committee, but in my opinion we owe a great deal to the chairman of the Banking and Currency Committee for bringing forth as good a piece of legislation as it was possible to get from the two versions on which the conferees had to work.

Mr. CAPEHART. Mr. President, will the Senator from Delaware yield?

Mr. FREAR. I yield.

Mr. CAPEHART. Mr. President, as a Member of the committee, I should like to join with the able Senator from Delaware in complimenting the distinguished Senator from South Carolina.

Mr. IVES. Mr. President, I should like to observe that, as is always true in the case of a controversial question, the conference report has some provisions in it with which I do not agree, and I dare say it has provisions in it with which other Senators do not agree, and I also dare to say that no one here is in full agreement with it. However, if we are going to continue controls, presumably the bill contains as good an agreement as can be reached at this time.

The reason why I rise to speak, Mr. President, is that I want to commend the distinguished chairman of the Committee on Banking and Currency for the splendid leadership he has given. In view of the wide difference which existed between the House version and the Senate version of the bill proposing to extend the Defense Production Act, if anyone had told me that the conferees of the two Houses could get together in less than 1 day and work out a result such as is evidenced by the conference report, which, in many ways in my opinion, is superior to the bill passed by the Senate, I would have said it was impossible. But it has been done, and I think a very large measure of the success of the undertaking and its outcome has been due to the efforts of the chairman of the Senate Committee on Banking and Currency. I want to pay tribute to him at this time.

URGENT DEFICIENCY APPROPRIATIONS, 1952 — CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit the report of the committee of conference on the disagreeing votes of

the two Houses on the amendments of the Senate to the bill (H. R. 7860) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1952, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER (MR. KILGORE in the chair). The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7860) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1952, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 10.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, and 18 and agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "at a location to be selected by the Secretary of Agriculture after full hearings of which reasonable public notice shall be given to those who may reside within twenty-five miles from the island selected"; and the Senate agree to the same.

KENNETH McKELLAR,
CARL HAYDEN,
PAT McCARRAN,
JOSEPH C. O'MAHONEY,
STYLES BRIDGES,
HOMER FERGUSON,
GUY CORDON,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

CLARENCE CANNON,
ROBERT L. F. SIKES,
JOHN TABER,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. IVES. Mr. President, I should like to ask the distinguished Senator from Tennessee whether this is the conference report which contains a provision dealing with the construction of a hoof-and-mouth-disease laboratory.

Mr. McKELLAR. It is.

Mr. IVES. May I ask the distinguished Senator if he will be so kind as to state what action was taken by the conferees with respect to that matter?

Mr. McKELLAR. I shall read to the Senator the action which was taken on the question of the location of such a laboratory "at a location to be selected by the Secretary of Agriculture after full hearings of which reasonable public notice shall be given to those who may reside within 25 miles from the island selected."

The committee thought that provision would protect the citizens of any locality. I know the situation which the Senator from New York has in

mind, and I am in sympathy with his view that the citizens should have an opportunity to be heard.

Mr. IVES. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. IVES. The distinguished Senator will recall, very likely, that in the bill as it was passed by the Senate there was a provision requiring that such a laboratory should be established only "at a location to be selected by the Secretary of Agriculture after public hearing and with the approval of the Committees on Agriculture of the Senate and House of Representatives, and the Governor of the State, if any, in which the site selected may be located."

I gather from what the Senator has just stated that that language has been entirely deleted.

Mr. McKELLAR. It has been deleted and the provision which I read inserted in its stead. I hope it will meet the views of the two Senators from New York. I understand their position. It provides that the laboratory cannot be established at any point until the people within 25 miles of the island may be heard.

Mr. IVES. Is it the understanding of the Senator also, may I ask, that it will not be established if the people within that 25-mile radius object to its establishment?

Mr. McKELLAR. Let me read it again: "at a location to be selected by the Secretary of Agriculture after full hearings of which reasonable public notice shall be given to those who may reside within 25 miles from the island selected."

Mr. IVES. Then, no language is provided which would in anyway prevent the establishment of such a laboratory, even if the people themselves were overwhelmingly opposed to it?

Mr. McKELLAR. That is true.

Mr. IVES. Does not my distinguished friend, the Senator from Tennessee, believe it would be a good idea to have an expression of the legislative will contained in the bill at this particular point to the effect that it is the intent and understanding of Congress that such a laboratory should not be established in any location where the people within a 25-miles radius are opposed to it?

Mr. McKELLAR. I am sure the Government would never establish a laboratory under such conditions.

Mr. IVES. The reason why I have raised the point is that there was in the Senate bill a provision which required that the Governor of a State should also approve the establishment of such a laboratory. If he disapproved it, the laboratory could not be established. In other words, we respected local autonomy, or home rule, so far as this matter was concerned. Anything so objectionable as obviously the proposed laboratory would be should not be located in a place where there was opposition to it.

Mr. McKELLAR. There was another amendment offered, to the effect that the laboratory should not be established without the approval of the chairman of

the House Committee on Agriculture and the chairman of the Senate Committee on Agriculture.

Mr. IVES. That was a provision in the bill passed by the Senate. That was among the general provisions and was a part of the bill.

Mr. McKELLAR. That is true. This provision is a substitute for that, and it was the best we could get from the House.

Mr. IVES. I realize that, but what I am trying to ascertain from the distinguished Senator from Tennessee is whether it is his idea that the intent of Congress is adequately expressed in a legislative way that the laboratory should not be established in any location where people are living within a radius of 25 miles of its proposed establishment are absolutely opposed to it?

Mr. McKELLAR. I take it that if a majority of the people are opposed to it, then under no circumstances would the Department establish the laboratory.

Mr. IVES. I do not believe the Department should establish it.

Mr. McKELLAR. I do not think it should.

Mr. IVES. Is it my understanding that the Senator desires that to be the legislative intent, in view of the fact that the bill does not now contain the language which was placed in it by the Senate?

Mr. McKELLAR. I think it is the legislative intent that the laboratory should not be established in a locality where people are opposed to it.

Mr. IVES. There is no question about it?

Mr. McKELLAR. We ought not to establish a laboratory at a given place unless the people, of that locality, or a majority of them, did not object to it.

Mr. IVES. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. LEHMAN. I thank the distinguished Senator for his explanation, and I am grateful to my colleague, the senior Senator from New York, for developing the legislative intent.

I assume, in view of what the distinguished chairman of the Committee on Appropriations has said, that it was also the intent of his fellow conferees that the laboratory would not be built or erected if there was substantial opposition on the part of people within a certain radius of the location of the laboratory.

Mr. McKELLAR. I would say that if a majority of the people protested against it, the laboratory would not be established there.

That was my idea about it, and it was the only reason why I agreed to the language.

Mr. IVES. I am very glad the Senator has brought that out. The Senator would not have agreed to the language otherwise?

Mr. McKELLAR. I would not have agreed to it.

Mr. IVES. The Senator would not have agreed to the language had not that point been brought out?

Mr. MAHON and to include extraneous material.

Mr. PATMAN and to include extraneous matter.

Mr. JAVITS and to include extraneous matter.

Mr. GAVIN and to include extraneous matter.

Mr. JONES of Alabama and include a letter.

Mr. YATES and include extraneous matter.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Landers, its enrolling clerk, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H. R. 7876. An act relating to the taxation of life insurance companies; and

H. J. Res. 490. Joint resolution to continue the effectiveness of certain statutory provisions until July 3, 1952.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2594) entitled "An act to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes."

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7397. An act to amend and extend the provisions of the District of Columbia Emergency Rent Act of 1951.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7860) entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1952, and for other purposes."

DEFENSE PRODUCTION ACT AMENDMENTS OF 1952

Mr. SPENCE submitted the following conference report and statement on the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2352)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Defense Production Act Amendments of 1952'."

"TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT OF 1950, AS AMENDED"

"SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: 'Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: *Provided*, That nothing in this Act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products.'

"SEC. 102. Section 101 of the Defense Production Act of 1950, as amended, is amended by inserting '(a)' after '101.', and by adding at the end of such section the following new subsection:

"(b) When all requirements for the national security, for the stockpiling of critical and strategic materials, and for military assistance to any foreign nation authorized by any Act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No agreement shall be entered into by the United States limiting total United States consumption of any material unless such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country. Nothing contained in this Act shall impair the authority of the President under this Act to exercise allocation and priorities controls over materials (both domestically produced and imported) and facilities through the controlled materials plans or other methods of allocation."

"SEC. 103. Section 104 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program: *Provided, however*, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 15 per centum of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon

international relationships and trade. The President shall exercise the authority and powers conferred by this section."

"SEC. 104. The first sentence of section 302 of the Defense Production Act of 1950, as amended, is amended by inserting before the period at the end thereof the following: ', and manufacture of newsprint'."

"SEC. 105. Paragraph (2) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting after the first sentence thereof the following new sentence: 'No regulation or order shall be issued or remain in effect under this title which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less.'

"SEC. 106. (a) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting in the fifth sentence thereof after '(1) the Agricultural Act of 1949,' the following: 'except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 per centum of the parity price, or such higher level as may be established under section 402 of that Act, for any crop of any basic agricultural commodity with respect to which producers have not discontinued marketing quotas.'

"(b) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, shall be established or maintained in any agricultural marketing area at levels which deny to any processor of such products the cost adjustments provided in paragraph (4) of this subsection and which deny to any distributor or seller of such products the customary margin or charge provided in subsection (k) of this section. Where a State regulatory body is authorized to establish minimum and/or maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be: *And provided further*, That in the case of prices of milk established by any State regulatory body, with respect to which price, parties may be deemed to contract, no ceiling price may be maintained under this title which is less than the price so established. No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form.'

"SEC. 107. Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: 'The provisions of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section.'

"SEC. 108. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale."

"SEC. 109. (a) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding after the word 'profession' in paragraph (ii) thereof the following: '; wages, salaries, and other compensation paid to professional engineers employed in a professional capacity; wages, salaries, and other compensation paid to professional architects employed in a pro-

professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession'.

"(b) Paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) (1) Rates and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended, and including compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of wash-room and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (2) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services: *Provided*, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase, unless it first gives thirty days' notice to the President, or such agency as he may designate, and consents to timely intervention by such agency before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase: *And provided further*, That the Office of Price Stabilization shall not intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except as provided in the preceding proviso;".

"(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraphs:

"(viii) Rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing.

"(ix) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: *Provided, however*, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.

"(x) Prices charged and wages paid by bowling alleys.

"(xi) Wages paid for agricultural labor."

"SEC. 110. The first sentence of section 402

(k) of the Defense Production Act of 1950, as amended, is amended to read as follows: 'No rule, regulation, order, or amendment thereto shall be issued or remain in effect under this title, which shall deny sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question: *Provided, however*, That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials at wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth.'

"SEC. 111. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsections:

"(1) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called "fair trade law") now in effect, or by regulation issued pursuant to such law.

"(m) No rule, regulation, order, or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, or to any wholesaler so affiliated but whose affiliation does not amount to an interest or equity of more than 50 per centum, the same ceiling price or prices for meat accorded to hotel supply houses, combination distributors, or wholesalers which are not so affiliated.

"(n) Notwithstanding any other provision of this Act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this Act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit."

"SEC. 112. Section 403 of the Defense Production Act of 1950, as amended, is amended by inserting '(a)' after '403.' and by adding at the end thereof the following new subsections:

"(b) (1) There is hereby created, in the present Economic Stabilization Agency, or any successor agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the "Board"), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.

"(2) The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.

"(3) The term of office of the members of the Board shall terminate on May 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed

shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator—

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this Act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress.

"(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted. After June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.

"(c) Notwithstanding any other provision of this section, the stabilization of the salaries and other compensation of persons (not represented in their relationships or eligible to be so represented with their employer by duly certified or recognized labor organizations) employed as outside salesmen or in bona fide executive, administrative, or professional capacities as such terms are defined in the regulations issued in pursuance of section 13 (a) (1) of the Fair Labor Standards Act of 1938, as amended, or as supervisors, as defined by the Labor Management Relations Act, 1947, as amended, shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency, or any successor agency, subject to the su-

pervision and direction of the Economic Stabilization Administrator.

"(d) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages."

"SEC. 113. (a) (1) The first sentence of subsection (a) of section 407 of the Defense Production Act of 1950, as amended is amended by striking out 'relating to price controls under this title' and inserting in lieu thereof 'relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended'; and by striking out 'relating to price controls' after 'any such regulation or order'."

"(2) Subsection (b) of section 407 of the Defense Production Act of 1950, as amended, is amended by inserting after 'this title' the following: 'and the Housing and Rent Act of 1947, as amended'; and by inserting after 'section 705 of this Act' the following: ', or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be'."

"(b) Section 408 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part, the regulation or order or the amendment of or supplement to the regulation or order protested; to make and enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification

made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

"(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to decision the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this Act, as amended, of which this title is a part and with respect to this title, or under the Housing and Rent Act of 1947, as amended. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

"(c) Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon a judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order issued under this title, or under the Housing and Rent Act of 1947, as amended. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title, or the Housing and Rent Act of 1947, as amended, authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

"(d) (1) Within thirty days after arraignment, or such additional times as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint.

The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

"(2) In any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

"(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

"(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

"(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of the Act or section 206 (b) of the Housing and Rent Act of 1947, as amended, the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title."

"SEC. 114. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 411. In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices.

"SUSPENSION OF CONTROLS

"SEC. 412. It is hereby declared to be the policy of the Congress that the President

shall use the price, wage, and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension.

"Sec. 115. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: 'It is the sense of the Congress that, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress therefore requests the President to invoke immediately the national emergency provisions (sections 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage.'

"Sec. 116. (a) Section 601 of the Defense Production Act of 1950, as amended, is hereby repealed. The heading of title VI of the Defense Production Act of 1950, as amended, is amended to read as follows: 'TITLE VI—CONTROL OF REAL ESTATE CREDIT', and the subheading of such title is amended to read as follows: 'This title authorizes the regulation of real estate construction credit only'. The table of contents in the first section of the Defense Production Act of 1950, as amended, is amended by striking out 'consumer and'.

"(b) Title VI of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"Sec. 607. Notwithstanding the provisions of 602 and 605 of this title, the authority of the President which is derived from said sections to impose credit regulations relative to residential property shall not be exercised with respect to extensions of credit made during any "period of residential credit control relaxation", as that term is herein defined, in such manner as to impose any down payment requirement in excess of 5 per centum of the transaction price. The President shall cause to be made estimates of the number of permanent, non-farm, family dwelling units, the construction of which has been started during each calendar month and, on the basis of such estimates, he shall cause to be made estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. If for any three consecutive months the annual rate of construction starts so found for each of the three months falls to a level below an annual rate of 1,200,000 starts per year, the President shall cause to be published in the Federal Register an announcement of the beginning of a "period of residential credit control relaxation", which period shall begin not later than the first day of the second calendar

month following such three consecutive months. Each such relaxation period may be terminated by the President at any time after the annual rate of construction starts thereafter estimated for each of any three consecutive months exceeds the level referred to in the preceding sentence.'

"(c) Section 708 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section.'

"Sec. 117. Section 705 of the Defense Production Act of 1950, as amended, is amended by adding thereto the following new subsection:

"(f) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.'

"Sec. 118. The first sentence of section 707 of the Defense Production Act of 1950, as amended, is amended by striking out the word 'his'.

"Sec. 119. Subsection (b) of section 712 of the Defense Production Act of 1950, as amended, is amended by striking out the first sentence thereof and inserting in lieu thereof the following: 'It shall be the function of the Committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration therefor.'

"Sec. 120. Section 717 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

"(d) No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Secretary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection.'

"Sec. 121. (a) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out '1952' and inserting in lieu thereof '1953'.

"(b) Section 717 (a) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(a) Titles I, II, III, VI, and VII of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this Act and all authority conferred thereunder shall terminate at the close of April 30, 1953.'

"TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

"Sec. 201. (a) Subsection (e) of section 4 of the Housing and Rent Act of 1947, as

amended, is amended by striking out 'June 30, 1952' and inserting in lieu thereof 'April 30, 1953'.

"(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(f) (1) The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of April 30, 1953—

"(A) in any area which prior to or subsequent to September 30, 1952, is certified under subsection (1) of section 204 of this Act as a critical defense housing area;

"(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of Federal rent control in such city, town, or village; and

"(C) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph.'

"Sec. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new subsections:

"(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not re-establish maximum rents in any defense-rental area, including any community owned and operated by the Federal Government, which has previously been decontrolled under this Act until a public hearing, after thirty days' notice, has been held in such area.

"(q) Consistent with the other provisions of this Act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget: *Provided however*, That the provisions of this subsection shall not apply to housing units under the jurisdiction of the Atomic Energy Commission where Federal Rent Control is now in effect.'

"Sec. 203. The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by sec-

tion 204 (1) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area to be a critical defense housing area. Any committee so appointed shall consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization. Any Federal Agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such Committee may request from time to time relevant to its operations.

"TITLE III—MISCELLANEOUS

"PUBLIC CONTRACTS

"SEC. 301. The Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (41 U. S. C. 35-45), is amended (1) by redesignating sections 10 and 11 as sections 11 and 12, respectively, and (2) by inserting immediately following section 9 a new section 10 as follows:

"SEC. 10. (a) Notwithstanding any provision of section 4 of the Administrative Procedure Act, such Act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this Act.

"(b) All wage determinations under section 1 (b) of this Act shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination may be had within ninety days after such determination is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

"(c) Notwithstanding the inclusion of any stipulations required by any provision of this Act in any contract subject of this Act, any interested person shall have the right of judicial review of any legal question which might otherwise be raised, including, but not limited to, wage determinations and the interpretation of the terms "locality", "regular dealer", "manufacturer", and "open market"."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

BURNET R. MAYBANK,
J. W. FULBRIGHT,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
J. ALLEN FREAR, Jr.,
JOHN W. BRICKER,
I. M. IVES,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The

conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

DEFENSE PRODUCTION ACT

Importation and use of materials

Section 101 of the act authorizes the President to allocate materials and facilities to promote the national defense. The Senate bill included a provision which would amend section 101 so as to prohibit restrictions or other limitations under title I of the act upon a person purchasing a commodity abroad and importing and using it in the United States if the domestic production thereof exceeds allocations for defense, stockpiling, and foreign military assistance purposes. The provision would also prohibit all restrictions or other limitations under title I of the act if the domestic production of any commodity is sufficient for all civilian domestic, defense, stockpiling, and foreign military assistance requirements. The Senate bill also contained a provision which would add a new section 105 to title I of the act. Under the authority of the new section the President could participate in the International Materials Conference through Senate-confirmed representatives and, notwithstanding any other provision of title I to the contrary, after an appropriate public hearing and finding, could use his powers under the act to carry out International Materials Conference recommendations. The President, subject to the provisions of the section and without other impairment of his authority under the act, could exercise allocation and priorities controls over materials both domestically produced and imported and facilities through the controlled materials plan or other methods of allocation.

The House amendment provides for the adding of certain provisions to section 101 of the act. One of these would provide that when all requirements of the national defense, stockpiling and foreign military assistance programs had been met through allocations and priorities it would be the declared policy of the United States to encourage the maximum supply of raw materials for the civilian economy and thus increase employment opportunities and minimize inflationary pressures. It further would be provided that no authority granted under the act could be used to limit the domestic consumption of any material in order to restrict total United States consumption to an amount fixed by the International Materials Conference.

The conference substitute retains the declaration of policy provisions contained in the House amendment with respect to encouraging the maximum supply of raw materials for the civilian economy. In addition it provides that no agreement shall be entered into by the United States limiting the total United States consumption of any material unless the agreement authorizes domestic consumers to purchase the unused quantities allocated to other countries. The conference substitute also makes clear that allocations and priorities controls may be applied to materials (both domestically produced and imported) and facilities through the Controlled Materials Plan or other methods of allocation. With respect to domestic users purchasing materials allocated to another country but not used by that country it is the intention of the Committee of Conference that adequate steps shall be taken by our Government in agreement with the government of such country in order that information concerning the amount of any unused allocation will be made available to domestic users as quickly as possible in order that such users may have the opportunity to purchase such quantities.

Import limitations

The House amendment contained a provision which would amend section 101 of the act in a manner which would require that when priorities or allocations of any raw material operate to limit the production of articles or products produced in the United States, the President by proclamation would have to limit imports of any article or product using such raw material upon the request of a substantial portion of American producers of such article or product or an article or product competitive therewith provided the Secretary of Defense has not certified to the President that American production of such article or product is insufficient to supply the essential needs therefor. The import limitation for an article or product would be set at 100 percent of the average annual imports of such article or product during the calendar years 1947 through 1949, except that, if the Secretary of Defense certifies that American production of such article or product is insufficient to supply essential needs, imports would be limited to such quantity as the Secretary of Defense certifies as necessary, in excess of American production, to meet essential defense needs. Provision would be made for appropriate hearings before the Tariff Commission and for reports by the Tariff Commission to the President. The President would be required to proclaim the appropriate import limitation within 30 days of his receipt of the report from the Tariff Commission. No similar provision was included in the Senate bill and it is not included in the conference substitute.

Import controls over fats and oils

Section 104 of the act prohibits imports of fats and oils, peanuts, butter, cheese and other dairy products, and rice and rice products which would (a) impair or reduce domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price-support program.

The Senate bill rewrote section 104 so that it would provide that, for the purpose of exercising import controls over fats and oils, peanuts, butter, cheese, and other dairy products, and rice and rice products, the provisions with respect thereto of title III of the Second War Powers Act would be revived and continued in force. Under this authority such import controls could be exercised only if they are found (a) essential to the acquisition or distribution of products in world short supply, or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government.

The House amendment, while retaining the criteria of existing law for the exercise of such import control authority, added provisions which (1) would specifically provide that such import controls could be exercised with respect to types and varieties of a commodity or product, and (2) would authorize the Secretary of Agriculture to increase the import limitations established under section 104 up to an additional 10 percent for each types or variety which he might deem necessary, taking into consideration the broad effects on international relationships and trade.

The conference substitute retains the provisions of the House amendment except that the figure of 15 percent is substituted for the figure of 10 percent in the proviso.

The committee of conference desires to make it clear that this authority is not to be exercised with respect to types of cheeses, such as Roquefort and Switzerland Swiss, which, because of their United States selling

price, are clearly not competitive with domestically produced cheeses.

Application of section 402 (d) (4)

The Senate bill contained a provision which was not included in the House Amendment which specifically would make the provisions of section 402 (d) (4) of the act (which provides for adjustment of price ceilings to reflect reasonable cost increases up to July 26, 1951) inapplicable to a seller of a material at retail or wholesale within the meaning of section 402 (k) of the act (which generally provides that price ceilings may not be imposed which deny distributors customary margins over costs). The conference substitute retains this provision of the Senate bill.

Ceilings on products processed from agricultural commodities

The House amendment included a provision amending section 402 (d) (3) of the act which would require that ceiling prices in any agricultural marketing area for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, reflect the cost adjustments provided for in section 402 (d) (4) and the customary distributing and selling margin or charge over costs provided for in section 402 (k) of the act. The Senate bill did not contain a provision similarly amending section 402 (d) (3) of the act.

The conference substitute retains this provision with modifications. The substitute language provides that any manufacturer or processor of an agricultural commodity has the same right to an individual adjustment of his ceiling prices under the third section of section 402 (d) (4) as does a manufacturer or processor of non-agricultural commodities. Wholesalers and retailers of processed agricultural commodities shall be afforded the same treatment under section 402 (k) as other wholesalers and retailers of materials.

The provisions of section 402 (k), in the case of distribution of processed agricultural commodities, apply on a marketing area basis in the case of a commodity like milk, which traditionally is priced on that basis. The provisions of the substitute are designed to make clear that under existing law that the provisions of section 402 (d) (4) are applicable to a processor of agricultural commodities and the provisions of section 402 (k) to wholesalers and retailers of processed agricultural commodities.

While under section 402 (d) food processors are entitled to individual adjustments, under section 402 (k) food distributors are not entitled to individual margins or charges. This provision does not change the rights accruing under either section. It is merely designed to make it clear that food processors and distributors have the same rights as other processors and distributors.

Price control and rationing

The House amendment contained a provision which would add a new paragraph (5) to section 402 (d) of the act. The new paragraph would require suspension of the price ceiling on any material as long as (1) the material is selling below the ceiling price and has so sold for a period of 3 months; or (2) the material is in adequate or surplus supply and has been so for a period of 3 months. For this purpose a material would be in adequate or surplus supply whenever it is not being allocated for civilian use, or in the case of an agricultural commodity or product processed in whole or substantial part therefrom, is not being rationed at the retail level of consumer goods for household and personal use, under title I of the act. The Senate bill did not contain a similar provision and neither does the conference substitute.

Price ceilings for certain sales to ultimate users

The House amendment provided for the addition of a new paragraph (6) to section 402 (d) of the act. The new paragraph (6), effective as of the date of issuance of the General Price Ceiling Regulation, would provide that any sale of fertilizer to the ultimate user by a person who acquired it for resale would be considered a retail sale for the purpose of determining the applicable price ceiling under the General Price Ceiling Regulation. The Senate bill did not contain a similar provision. The conference substitute retains this provision of the House amendment, except that it takes effect upon enactment instead of as of January 26, 1951.

Engineers, architects, accountants

The Senate bill contained a provision which would amend the exemption from wage controls in section 402 (e) (ii) of the act by adding to those compensations which are exempted the wages, salaries, and other compensation paid: to professional engineers employed in a professional capacity; to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of that profession; and to certified public accountants licensed to practice as such, employed in a professional capacity by a certified public accountant or firm of such accountants engaged in the practice of that profession. The House amendment contained no similar provision. The conference substitute includes this provision of the Senate bill.

Exemption of wages of publication and information enterprises

The second part of section 402 (e) (iii) of the act presently exempts from price control rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting or television station, a motion picture or other theater enterprise, or outdoor advertising facilities. The House amendment contained a provision which would broaden this paragraph to exempt from wage control, wages paid to employees engaged in such businesses. The Senate bill contained no similar provision. The conference substitute does not include this provision of the House amendment.

Exemption of marine terminals and certain common carrier charges

Paragraph (v) of section 402 (e) of the act exempts rates charged by any common carrier or other public utility from price control, but in a proviso grants limited intervention rights to the President, or such agency as he may designate, in proceedings for rate increases before appropriate regulatory bodies.

The Senate bill contained a provision which would, declaratory of existing law, include rates charged by marine terminals in the exemption in section 402 (e) (v). This change would be made by exempting "rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, 64th Congress), as amended." The Senate provision would also, declaratory of existing law, include in the exemption of common carrier rates and charges (a) compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, charges for repairing cars or other transportation equipment owned by others, charges for repairing cars or other transportation equipment owned by others, charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (b) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation

equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services. The Senate bill would retain the limited intervention authority of the proviso referred to in the preceding paragraph.

The House amendment contained a provision which would extend the exemption presently granted in 402 (e) (v) to include rates charged by marine terminals and would have taken away the limited authority to intervene by deleting the proviso.

The conference substitute retains the provision of the Senate bill except that (1) the statement that the exemption is declaratory of existing law has been deleted and (2) a further proviso is added to the paragraph which forbids the Office of Price Stabilization to intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except in accordance with the limited intervention right now granted in the first proviso of the paragraph. The exemptions provided for in this provision merely spells out the original intention of Congress as it is the understanding of the committee that the new matters covered in this exemption are generally subject to regulatory supervision.

Exemption of State sales

The Senate bill made provision for the addition of a new paragraph (viii) to section 402 (e) of the act. The new paragraph would exempt from price controls rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing. The House amendment provided for a more limited exemption in that it ran only to sales of surplus materials made by the above enumerated governmental units. The conference substitute retains the broader provisions of the Senate bill.

Customary distributor margins

The Senate bill contained a provision which would rewrite the first sentence of section 402 (k) of the act so that it would be applicable to OPS regulations issued before as well as after that section was enacted last year.

The House amendment contained provisions which would (1) make the subsection applicable to sellers of services as well as sellers of materials, (2) make clear that the subsection is applicable to sellers whether their customary margins over costs are calculated on a percentage mark-up basis or on a dollars-and-cents basis, (3) make the subsection applicable on an individual basis only, and (4) forbid the maintenance in effect of rules, regulations, orders, or amendments thereto, whether issued before or after the enactment of the amendment, unless they meet the requirements of the subsection. This amendment of section 402 (k) would take effect 60 days after its enactment.

The conference substitute retains the provisions of the House amendment except those contained in clauses 1 and 3 of the preceding paragraph, and the changes made by the conference amendment would take effect upon enactment instead of 60 days later. The language of the conference substitute is thus the same as the corresponding provision of H. R. 8210, as reported by the House Banking and Currency Committee.

The Office of Price Stabilization, as a matter of discretion, may use individual mark-ups in fields where they are appropriate, a practice which it now follows in many of those regulations. However, under the conference substitute, the Office of Price Stabilization is not required by law to use individual mark-ups for any seller.

State minimum prices

The Senate bill contained a provision which would add a new subsection (l) to section 402 of the act under which no price ceiling for any material could be set in any State below the minimum sales price of such material fixed "by the State law (other than any so-called 'fair trade law') or regulation now in effect." The House amendment contained a generally similar provision which, however, in place of the language included in the above quotation marks would substitute "by any State law other than any so-called fair-trade law enacted prior to July 1, 1952, or by regulation issued pursuant to such law". The conference substitute retains the provision but in place of the quoted language above substitutes "by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law."

It was the intent of the conferees that this provision apply only to State minimum price laws which are presently enforced and in effect, and not to State minimum price laws which are not now enforced or which are dormant.

Meat price ceilings of affiliated hotel supply houses

The House amendment contained a provision which would add a new subsection (m) to section 402 of the act. The new subsection would not permit the imposition of meat price ceilings for any hotel supply house or combination distributor which is affiliated with a slaughterer or slaughtering establishment, lower than those accorded hotel supply houses or combination distributors not so affiliated. The Senate bill did not contain a similar provision. The conference substitute retains the provisions of the House amendment, but further provides that the subsection applies to any wholesaler affiliated with a slaughterer or slaughtering establishment, whose affiliation does not amount to an interest or equity greater than 50 percent.

Ceiling on agricultural commodities and margin controls

The Senate bill in section 110 would provide that notwithstanding any other provision of the act, whenever price ceilings are imposed on any agricultural commodity at the farm level, margin controls simultaneously would have to be imposed on processors, wholesalers, and retailers allowing them normal markups as provided in the Act but not greater than their normal margins of profit. No similar provision was contained in the House amendment. The conference substitute retains this provision of the Senate bill.

ESA duty to coordinate

The Senate bill contained a provision which would add a new subsection to section 402 of the act. This subsection would make it the express duty of the Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages. The House amendment contained no similar provision. The conference substitute retains this provision of the Senate bill.

Administration of salary stabilization

The House amendment contained a provision which would amend section 403 of the Act through the addition of two new sentences. These would provide that notwithstanding the other provisions of the section, administration of salary stabilization for executive, administrative, supervisory, and professional personnel would be under the jurisdiction of the Bureau of Internal Revenue under stabilization policies promulgated by the Economic Stabilization Administrator. The meaning of the above enumerated personnel classifications would

be the same as defined in the Labor-Management Relations Act, 1947, and in existing regulations under the Fair Labor Standards Act. The Senate bill did not contain a similar provision.

The conference substitute provides that stabilization of salaries and other compensation of persons employed as outside salesmen, in bona fide executive, administrative or professional capacities, or as supervisors shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency or any successor agency subject to the supervision and direction of the Economic Stabilization Administration.

Suspension of ceilings and reporting

The Senate bill contained a provision which would add a new section to title IV of the act. The new section would declare it to be a policy of the Congress that general control of wages and prices should be terminated as rapidly as possible consistent with the policies and purpose of the act and that pending such termination, controls over wages or prices should be suspended whenever possible, consistent with specified stabilization considerations, to avoid burdensome and unnecessary reporting and record keeping. Provision would be made to revoke any such suspension actions whenever it would be necessary to effectuate the purposes of the Act.

The House amendment also contained a provision which would add a new section to title IV of the act. The new section would provide for relief from the burden of furnishing reports or other information to the OPS with respect to sales of materials or services at prices which are below the applicable ceiling prices if the seller certifies to the President that such sales were made at such prices. Thus a simple certification would replace a substantial volume of price reporting for sales made at prices which are below ceilings. The relief from the burden of furnishing reports would not, of course, deny the right of investigation under section 705. Under this provision existing price ceilings would not be suspended and would remain in effect as a stopping point should prices of a commodity go back to the ceiling.

The conference substitute contains both of these provisions which are added as new sections 411 and 412 of the act.

Limitation on natural gas exemption

Section 704 of the act now provides that no rule, regulation, or order issued under the act which restricts the use of natural gas shall apply in any State in which a public regulatory agency has authority to restrict the use of natural gas and certifies to the President that it is exercising that authority to the extent necessary to accomplish the objectives of the act. The House amendment contained a provision which would qualify this exemption by requiring that in addition to meeting the other criteria, the public regulatory agency must make provision for natural gas for house heating for amputee veterans, other hardship cases, and totally disabled individuals. The Senate bill did not contain a similar provision.

The conference substitute does not contain this provision of the House amendment. It is the opinion of the committee of conference, however, that State regulatory bodies should make appropriate provision allowing for the use of natural gas for house heating for amputee veterans, totally disabled individuals, and other hardship cases.

Competitive position of business considered in allocating materials

Section 701 (c) of the act provides in part that in allocating materials the President shall, among other things, make available

for business and segments thereof a fair share of the available civilian supply based on the normal share received by such business during a representative period preceding June 24, 1950, and having due regard to the current competitive position of established business. The House amendment contained a provision which would specify that the current competitive position of established business referred to in the subsection is the position during such representative period preceding June 24, 1950. The Senate bill did not contain a similar provision, and neither does the conference substitute.

Wage Stabilization Board

Both the Senate bill and the House amendment provided for the addition of a new subsection (b) to section 403 of the Act under which the present Wage Stabilization Board would be abolished and replaced with a new Wage Stabilization Board created in the Economic Stabilization Agency. The new Board would be composed of members representative of the general public, labor, and business and industry. The number of members would be determined by the President and all members would be appointed by the President. Public members would be paid \$15,000 per year and could not engage in other employment; other members would receive compensation for service of \$50 per day plus statutory allowances for necessary travel and subsistence expenses. The President would designate the Chairman and Vice Chairman from among the public members. The Board would be under the supervision and direction of the Economic Stabilization Administrator and would recommend to him general policies and general regulations relating to prescribing maximum limits on wages, salaries, and other compensation. The Board upon request of interested parties would advise on interpretation and application of such policies and regulations promulgated by the Economic Stabilization Administrator.

The Senate bill and the House amendment however, contained different proposals with respect to composition of the Board, confirmation of its members, term of office of its members and duties of the Board.

Under the Senate bill the Board would be composed of an equal number of members representing the public, labor, and industry and management, while under the House amendment the number of public members would have to exceed the aggregate of labor, and business and industry members. The House amendment would have provided further that labor, and business and industry would have equal representation on the Board and that among labor members, at least one would have to be a person who is not a representative of any organization affiliated with either of the two major labor organizations.

Under the Senate bill appointment of all of the Board members would be subject to Senate confirmation while under the House amendment appointment of only the public members would have to be so confirmed.

Under the Senate bill the terms of office of the members of the Board would terminate on March 1, 1953, while under the House amendment such termination date would be June 30, 1953.

Under the Senate bill the Board, or a proportionate panel of the Board, could undertake to mediate and/or arbitrate wage, salary, and other compensation labor disputes if the Director of the Federal Mediation and Conciliation Service certifies to the Administrator of the Economic Stabilization Agency that all remedies available to the Service have been exhausted, and (a) the parties themselves ask the Board to mediate and/or arbitrate, or (b) the President asks the Board to mediate and/or arbitrate and the parties consent. The House

amendment did not provide similar-limited disputes authority for the Board and in fact specifically provided that aside from its advice on and interpretative duties with respect to regulations issued by the Economic Stabilization Administrator covering wages, salaries and other compensation, the Board would have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. It was further specifically provided that labor disputes, so far as governmental action is concerned, if dealt with at all would be dealt with only in accordance with statutes which have been enacted or may be enacted by the Congress.

The conference substitute follows the provisions of the Senate bill with reference to the composition of the new Wage Stabilization Board, namely, that it would consist of an equal number of members representing the public, labor, and business and industry and Senate confirmation would be required for all members appointed to the Board. With respect to powers and duties of the Board, the conference substitute follows the provisions of the House amendment and does not grant any authority to mediate or arbitrate, and in addition the term of office of the Board members would terminate on May 1, 1953. The conference substitute further provides that after June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.

The conference substitute is not intended to preclude the Board from, as at present, enforcing wage stabilization regulations and policies.

Credit controls

The Senate bill continued title VI of the act which provides authorities for the control of consumer and real estate credit. The House amendment included a provision repealing title VI of the act and amending section 708 of the act so that hereafter no voluntary program or agreement for the control of credit could be approved or carried out under that section.

The conference substitute revokes the authority to impose consumer credit controls under the Defense Production Act (regulation W) and to approve or carry out any voluntary program or agreement for the control of credit. Provision is made, however, for continuing and limiting the authority of the President to exercise real estate construction credit control (regulation X and related programs in connection with Government-aided housing). Whenever, for any consecutive 3 months, the annual rate of starts of permanent, nonfarm, family dwelling units falls below 1,200,000 units, the President is to publish in the Federal Register an announcement of the beginning of a period of residential credit control relaxation. Such period shall start by the first day of the second calendar month following the three consecutive months during which the annual rate of starts has dropped below 1,200,000. During the relaxation period, credit regulations cannot require more than a 5-percent down payment on the transaction price of residential property subject to such regulations. The relaxation period may be ended by the President whenever the annual rate of starts for any three consecutive months exceeds 1,200,000. He then may impose credit controls within the limits of the authority granted him by title VI of the act, as amended, during periods which are not periods of residential credit control relaxation. The conference substitute as to title VI is prospective in nature and the procedures prescribed therein begin to operate on the effective date of the Defense Production Act Amendments of 1952.

Review of price and rent orders and regulations

Section 407 of the act now provides for a procedure whereby any person subject to a regulation or order relating to price controls may file a protest with the President objecting to the regulation or order. Section 408 of the act now provides for review of such regulations and orders in the Emergency Court of Appeals.

The House amendment would amend section 407 so as to make available to persons subject to regulations and orders relating to rent controls the same protest procedure now available under section 407 with respect to regulations and orders relating to price controls, and to provide for review of regulations and orders relating to rent controls by the Emergency Court of Appeals. In addition, the House amendment would rewrite section 408 of the act so as to make several changes with respect to review by the Emergency Court of Appeals of regulations and orders relating to both price controls and rent controls. The amendment would permit the Court to "grant such temporary relief or restraining order as it deems just and proper"; and would eliminate the existing provision forbidding the Court to issue such temporary orders. The amendment would eliminate the existing provision as to the scope of review by the Court and would provide, instead, that "the findings of the President with respect to questions of fact, if supported by a preponderance of the evidence on the record shall be conclusive." The amendment also would eliminate the existing provision which stays for thirty days the effectiveness of any court order enjoining or setting aside a regulation or order.

The Senate bill did not contain a similar provision.

The conference substitute retains the provisions of the House amendment except for the following change. In lieu of "if supported by a preponderance of the evidence on the record" the conference substitute provides "if supported by substantial evidence on the record considered as a whole". This change was adopted to bring this provision into conformity with the provisions of section 10 (e) of the Administrative Procedure Act.

In removing the provision which prohibits the court from granting temporary relief it is the intention of the committee of conference that the court grant such relief only in accordance with the applicable principles of equity, and giving due consideration to the effect which such action would have upon the stabilization objectives of the Act.

With respect to removing the existing provision which stays for 30 days the effectiveness of any order of the Court enjoining or setting aside regulations or orders, the committee of conference desires to emphasize the fact that it does not intend by this action to prevent the Court from granting such stays of its orders as it deems desirable in order that the agency may make the required changes in the affected regulations or orders in order to conform to the judgment of the Court. It is the opinion of the committee of conference that the Court should give due consideration to the granting of stays of its orders so that the agency concerned may have an opportunity to bring its regulations and orders in conformity to the judgment of the Court. The committee has full confidence that the Court will use its authority to grant stays of the effectiveness of its orders where it is necessary to give the agency time in which to correct its regulations or orders so that the objectives of this Act can be achieved.

Extension of Defense Production Act

The Senate bill contained provisions which would extend titles I, II, III, VI, and VII of the act to the close of June 30, 1953. The House amendment contained provisions which would extend all titles of the act, except title VI, to the close of June 30, 1953. Title VI would be repealed.

The conference substitute provides that titles I, II, III, VI, and VII of this act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this act and all authority conferred thereunder shall terminate at the close of April 30, 1953.

HOUSING AND RENT ACT

Extension of the act

The Senate bill provided for the extension of the Housing and Rent act of 1947, as amended, to February 28, 1953. The House amendment contained a provision amending section 204 (f) of the Housing and Rent Act of 1947, as amended. The amendment would extend that act to September 30, 1952, except that the act would continue in effect until the close of March 31, 1953, (a) in any area which prior to or subsequent to September 30, 1952, is certified under section 204 (1) of the act as a critical defense housing area and (b) in any incorporated city, town, or village where rent control is in effect, and prior to September 30, 1952, declares by resolution of its local governing body or by popular referendum that a substantial shortage of housing exists requiring continuance of Federal rent control in such locality. Rent control would be continued for a like period in any unincorporated locality in a defense-rental area in which one or more of the incorporated localities, constituting the major portion of the defense rental area, retains rent control. The other provisions of section 204 (f) would be retained unchanged. Veteran preferences in the rental or purchase of new housing accommodations would be extended to June 30, 1953.

The conference substitute retains the provisions of the House amendment, except that the date April 30, 1953, is substituted for March 31, 1953, as the final termination date for rent control. Veterans preferences in the rental or purchase of new housing accommodations are likewise extended to April 30, 1953.

Recontrol in decontrolled defense-rental areas

The Senate bill contained a provision which would add a new subsection (p) to section 204 of the act. Except in the case of local option recontrol under section 204 (k), the new subsection would prevent the recontrol of rents in a previously decontrolled defense-rental area, including any community owned and operated by the Federal Government, until a public hearing, after thirty days' notice, has been held in such area. The House amendment did not contain a similar provision. The conference substitute contains the Senate provision.

Critical defense housing areas

The present law in section 204 (1) contains three criteria for the certification of a critical defense housing area. These criteria are met if specified conditions as to defense installations, in-migration, shortage of housing, and rents either exist, or are impending or threatening. The House amendment would provide that the criteria are met only if these conditions are actually in existence at the time. The Senate bill did not contain a similar provision.

The conference substitute does not contain the provisions of the House amendment.

WALSH-HEALEY ACT

Section 801 of the Senate bill amends the Walsh-Healey Act by adding thereto a new section 10.

Subsection (a) of section 10 makes the provisions of the Administrative Procedure Act applicable to sections 1 to 5 and 7 to 9 of the Walsh-Healey Act. Section 4 of the Administrative Procedure Act now excepts matters relating to public contracts from the requirements of the Act pertaining to rule making. The effect of the amendment made by subsection (a) is to make rules (as defined in the Administrative Procedure Act) which are promulgated by the Secretary of Labor in the administration of section 1 to 5 and 7 to 9 of the Walsh-Healey Act subject to certain minimum procedural requirements applicable to agencies generally in exercising rule making powers. Such requirements include (1) adequate notice of the proposed rule making with a clear statement of the terms or substance of the proposed rule, (2) opportunity for interested persons to participate in the proposed rule making by submission of views or arguments, and (3) the right of interested persons to petition for the issuance, amendment, or repeal of a rule. It is to be noted that compliance with the procedural requirements of the Administrative Procedure Act is not required in the case of rules promulgated under section 6 of the Walsh-Healey Act. Section 6 provides statutory authority for the Secretary of Labor to make exceptions under certain conditions with respect to contracts which would otherwise be subject to the provisions of the act.

Subsection (b) of section 10 provides that all wage determinations by the Secretary of Labor under section 1 (b) of the Walsh-Healey Act shall be made on the record after opportunity for an agency hearing. The effect of this language is to compel compliance by the Secretary of Labor with the requirements of sections 7 and 8 of the Administrative Procedure Act (relating to hearings and decisions) as a prerequisite to the making of a determination of the prevailing minimum wages in an industry. The full force of the procedural safeguards contained in the Administrative Procedure Act is thereby brought into play insofar as these controversial determinations are concerned. The subsection further assures the right to obtain judicial review of these determinations in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles, or equipment purchased or to be purchased by the Government from any source, who is in any industry to which the wage determination is applicable. The language assuring judicial review makes it clear that the court may consider the applicability of the wage determination to any person as well as the amount arrived at by the Secretary of Labor. Any such review may be sought, however, only by a proceeding instituted within 90 days after the determination is made.

Subsection (c) of section 10 is designed to permit any Government contractor whose contract contains stipulations required by the Walsh-Healey Act to obtain a judicial determination in any appropriate proceeding of any legal question (including the applicability of the act) to the same extent as any such question could be raised if the stipulations were not contained in the contract. Without the language contained in subsection (c) there would be some doubt as to whether any Government contractor who had signed a contract containing "Walsh-Healey stipulations" could later in any legal proceeding raise questions concerning (1) the applicability of the act to his particular contract, or (2) the legality of any such stipulation. Under subsection

(c) the court and not the Secretary of Labor may ultimately decide whether, in respect to any particular Government contract, the Walsh-Healey Act is being properly applied. The House amendment did not contain a similar provision. The conference substitute contains the provisions of the Senate bill.

ADDITIONAL COMMITTEE COMMENT

Grading and grade marking of meat and meat products

It is the understanding of the committee of conference that the proviso contained in section 101a of the conference report does not grant any additional authority not now contained in the act but rather is designed to insure continuance of existing Office of Price Stabilization grading and grade marking of meat and meat products including the necessary requirements as to related records and record keeping.

Certain technical violations

The committee of conference has received several complaints concerning the general ceiling price regulation affecting lumber distributors in southern areas with respect to which the committee believes relief must be afforded. The general ceiling price regulation was issued in January 1951 shortly after the general price freeze. The provisions of the regulation as it affected such distributors were ambiguous in many respects, and attempts were immediately made to bring this to the attention of the agency. However, a period of a year elapsed before a new regulation was issued correcting and clarifying the matters complained of. During this period it is the understanding of the committee there were some technical violations of the general ceiling price regulation of a nonwillful character. Such technical violations would not be violations of the order now in effect and but for the long period of time it took to issue the current order would probably never have occurred. It is not the intention of the committee to condone willful violations of any price regulation or order in this instance or any other. But in view of the circumstances of these cases it is the opinion of the committee that there should be no prosecution of technical violations, which were nonwillful, and which would not constitute any violation of the order currently in effect.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 2594) to amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. WILLIAMS of Mississippi. Mr. Speaker, reserving the right to object, I do this merely in order to enter my protest against this manner of handling legislation. This conference report, as I understand, was reported to the House only a few hours ago. The Members have not had an opportunity to read it. It is a conference report on a bill that took 3 days of debate in the House to complete action on, and I understand there are some radical changes between the House and Senate versions. Even though I shall not object at this time,

Mr. Speaker, I do enter my protest against this method of legislating.

Mr. NICHOLSON. Mr. Speaker, reserving the right to object, as I understand the report that is being brought in by the committee on conference has only two changes from the original bill, the Smith amendment and the Talle amendment.

Mr. SPENCE. There were several changes.

Mr. NICHOLSON. The Talle amendment is stricken out.

Mr. SPENCE. The Talle amendment is stricken out.

Mr. NICHOLSON. The Cole amendment is stricken out.

Mr. SPENCE. The Cole amendment is stricken out.

Mr. NICHOLSON. The Wolcott amendment is stricken out.

Mr. SPENCE. One Wolcott amendment is stricken out.

Mr. NICHOLSON. Mr. Speaker, I withdraw my objection.

Mr. SADLAK. Mr. Speaker, reserving the right to object, is there any possibility of our having the committee print that was used when this was debated in the Senate earlier today?

The SPEAKER. The Chair understands that it is available.

Mr. SADLAK. If it is available I withdraw my objection.

The SPEAKER. It is available.

Mr. BUSBEY. Mr. Speaker, reserving the right to object, I do so only to concur in the remarks of the gentleman from Mississippi [Mr. WILLIAMS].

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the conference report?

There was no objection.

The SPEAKER. The Clerk will read the conference report.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

Mr. SPENCE. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, I do not come here to praise the bill, neither do I come to bury it.

When we entered the conference we had no bill that had any substantial merit. When we came back I think we have a bill that will at least subserve the purpose for which it is enacted until its expiration. The bill as it left the House had in it the Talle amendment. The Talle amendment provided that where commodities were below ceiling for a period of 3 months they would automatically be decontrolled and they could not be recontrolled until they were in short supply. That short supply would have to be evidenced by the fact that they were rationed at the retail level or were allocated. Of course, that meant that when commodities were decontrolled they would never be recontrolled because I am sure that no Presi-

dent would ever again ration at the retail level or allocate commodities in general use by the public. That amendment adroitly prepared a trap for the President to accomplish his own undoing. It was thoughtfully initiated and skillfully prepared.

That amendment is out of the bill, and I think the bill as it comes back here will serve the purpose for which it was enacted. I think if we are going to have price control, wage control or rent control it is obvious that we ought to have an effective bill. I do not think this bill will be very effective, but it is a bill that will keep the machinery alive and can be used if a great emergency should come upon us. It certainly would be ill advised at this time to destroy price control and wage control and the machinery that provides for it in the light of the present conditions of world affairs and the present uncertainty of our future.

We have made some changes in the bill that are material.

The Cole amendment provided for individual adjustment of dollars and cents celling on commodities. That, we felt, could not be accomplished. It was impossible to make individual adjustments for the great number of retail dealers in the United States, and that provision was not brought back.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from West Virginia.

Mr. BAILEY. Will the gentleman explain to the committee why the conference committee disregarded the wishes of the House by not insisting on an amendment as to which there were only 43 votes cast against on the floor of the House? I am speaking of the Ramsay amendment.

Mr. SPENCE. We did not think the Ramsay amendment, notwithstanding the vote of the House, was a desirable amendment at this time, and it is not in the bill.

Mr. BAILEY. That certainly does not answer the question I asked the gentleman.

Mr. SPENCE. The Ramsay amendment placed a limitation upon importations that we did not think was in conformity with the interest of the United States.

There are some things that were in both bills. The request to the President to use the Taft-Hartley Act was in both bills, and that was brought back here as passed by the House. Personally I think that was a mistake to tell the President what he should do to accomplish the purposes that were solely within the province of the Executive. If the House of Representatives will persist in invading the jurisdiction of the President, what argument will it have when its own jurisdiction is invaded. This is a subversive amendment that all those who love the fundamental principles of the Constitution as I do, should oppose.

The provision with reference to rents was changed very materially from either the House or the Senate bill. The Senate bill provided that the control of rents would expire on February 28, as

I remember it. The House bill provided that they would expire on June 30. The conferees reconciled those differences by providing that rent control would expire on September 30. However, there is a provision in the conference report that rent control in all areas except critical defense areas will expire on September 30, unless the local regulatory body acts affirmatively and provides that they shall continue. In other words, although rent control may continue in the defense areas, in other areas of the United States it will expire on September 30 unless there is affirmative action by the local regulatory board.

I know this will not meet the approval of some of our colleagues who felt that we ought to have a strong rent-control law, but if you do not agree to the provisions of the conference report you will have no rent-control law.

Of course, it is a matter of compromise. We had to give in order to get something.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. ALLEN of Illinois. The gentleman says that we had to give in order to get. Will the gentleman tell us what we got?

Mr. SPENCE. We had a bill that was in extremes, and we took the Talle amendment out which gave it the right to live.

Mr. ALLEN of Illinois. You gave that. What did we receive here?

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from South Carolina.

Mr. RIVERS. The gentleman told us what we lost in the House after our 4 days of labor. Would the chairman be kind enough to tell the Members what the Senate lost in the deal? Except for the title and the number, I do not know what the House got out of it. We did salvage the title and the number, thank God for that.

Mr. SPENCE. The Senate did not lose anything, I think, because for myself I think the Senate had a better bill than the House; and when we acceded to their provisions it was of benefit to all our people. That is my objective. I think it would have been a very ill-advised thing to destroy rent control, wage control, and price control at this time, and destroy the machinery of control that was provided.

Mr. ALLEN of Illinois. What did you do in regard to the Wage Stabilization Board? Will the gentleman explain that?

Mr. SPENCE. Under the conference report the Wage Stabilization Board is a tripartite board that merely formulates policy and has no authority to settle labor disputes.

Mr. ALLEN of Illinois. I mean, what did the conferees do in regard to that? Did they follow the wishes of the House?

Mr. SPENCE. They compromised the Lucas amendment with the Ives amendment. We have some of the provisions of the Lucas amendment in there and some of the provisions of the

Ives amendment. They compromised on that and made it a tripartite board, with the three, management, labor, and the public, equally represented.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Indiana.

Mr. HALLECK. If I understood the gentleman from Kentucky correctly, while he is not apparently altogether satisfied with this bill, he does say that in his opinion it will subserve the purposes for which it is being enacted. I take it he means by that that a reasonable effort can be made to stabilize prices and wages. All I want to do at this point is express the hope that as the months to come roll along there will not be such manipulation and a charge levied against the Congress as to seek to indict the majority of the Congress for the enactment of this bill, for some supposed political advantage.

Mr. SPENCE. I join in that hope, that those who voted for this bill will not be indicted, because I think it is a meritorious bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. JONES of Missouri. Is it a fact that because of a matter of expediency and due to limitations of time the conferees accepted amendments which they were not convinced represented the views of the House, and that had they taken more time we might have come out with a few more of the amendments that were adopted in the House?

Mr. SPENCE. No; I think not. I do not think the limitation of time had much to do with it. We did the best we could. We had time enough to consider it. We considered it almost all of one night, and if we had considered it another night, I do not know whether we could have done any better.

The SPEAKER. The time of the gentleman from Kentucky has expired.

[Mr. WOLCOTT addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks at this point in the RECORD on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. YORTY. Mr. Speaker, the conference committee has brought in a compromise proposal which is a little better than the decontrol bill, H. R. 8210, which passed the House last Thursday, June 26. The bill as it passed the House junked the controls program almost in toto, and would have caused living costs to soar although such costs are now near a record high. I opposed that decontrol bill. Just because we have successfully held inflation in check to some extent for the past year does not mean that we can safely abandon controls now, especially when we know defense expenditures are due to increase in the coming months.

Surely we cannot conscientiously subject the people of the United States to the risks involved in rampant inflation.

The bill recommended by the conferees is certainly not a good bill. It contains many bad provisions. But either we approve this conference report or drop all controls. Under the circumstances I feel compelled to vote for the report but I do so with misgivings. The bill which passed on the 26th contained the Talle amendment. This would have decontrolled almost everything, except wages. Certainly this was most unfair. The conference committee did at least delete the Talle amendment. In this respect the present proposal is better than the House version.

I wish we could unselfishly buckle down to the task with which we as a Nation find ourselves confronted. The current mad selfish scramble for special privilege and "profits as usual" causes one to be amazed at the lack of concern on the part of some for the welfare of our Nation. Are the war profiteers unwilling to make any sacrifices at all while American boys are on the battlefield protecting them from Communist aggression? Is this fight against communism to be a bonanza for some, and terror and death only for the young men in uniform? If our great Nation fails, and the lights of liberty go out, it will be inner weakness caused by selfishness that brings on the catastrophe. If we will only stand unselfishly together, the Communist aggressor can be defeated. Our forefathers pledged their lives, fortunes, and sacred honor to the task of founding this Nation. Some of our privilege seekers seem willing to pledge only other peoples lives. This bill certainly calls for no sacrifices although some are needed. It is not the kind of legislation we should be enacting at this time. Of course, controls are obnoxious. But so is serving in the battle line. When we are again secure and our soldiers are home, we can take all controls off. While our young men are fighting fanatic Communist aggressors on foreign battlefields, we surely are called upon to restrain unbridled selfishness and control war profiteering. I hope the atmosphere in this Capitol will be more conducive to sound legislation during the sessions of the next Congress. This so-called control bill is not good legislation. I am sorry to have to support it in order to maintain even a semblance of control of inflation. Further price increases would jeopardize our entire defense effort. We must be fair to everyone but we cannot afford to be reckless with the welfare of the American people. The House bill was reckless. This conference proposal is an improvement but it is still not a good bill. I support it reluctantly.

Mr. ROSS. Mr. Speaker, the House is today acting upon the conference report on the Defense Production Act which provides for an extension of wage and price controls for an additional 10 months.

Although many controls have been eliminated and others relaxed, this measure does provide legislation which can be used to control inflation, if the ad-

ministration properly administers the act.

During the consideration of this bill, I received many telegrams and letters from retail organizations, unions and small retailers, advocating a discontinuance of all wage and price controls.

I also received many letters and telegrams from housewives, urging an extension of wage and price controls.

Mr. Speaker, after listening to all the arguments pro and con, I voted for and supported an extension of wage and price controls. I did this reluctantly, because I believe in the system of supply and demand and I am opposed in principal to all forms of oppressive controls.

In addition, there is much evidence that wage and price controls are not needed today because most consumer items are priced below established ceilings and, the white-collar worker and some labor groups are being squeezed and discriminated against by the wage freeze policies of this administration.

Also, there is much evidence that this administration has used their control powers for the benefit of special groups; and, too, there is much evidence that they are more interested at this time in keeping on the payroll the 17,000 employees involved than in controlling inflation.

Mr. Speaker, notwithstanding this, I am fearful that if all controls were removed at this time that the billions of dollars of Government money which will flow into our productive system within the next 6 months in the defense building would cause such pressures as to bring about a further inflationary spiral, which would cost the taxpayers addition billions of dollars and could prove disastrous to our economy.

Mr. Speaker, I certainly hope that this administration will take cognizance of the expression of the House and effectuate an immediate decontrol of all materials and goods selling below ceiling and not in short supply.

It is hoped, too, that they will take a realistic attitude with respect to permitting wage increases to correspond with the increased cost of living which does not materially contribute to further inflation.

In my view, the threat of a major national emergency makes necessary the continuance of this program until world tensions ease and the threat lessens, then these controls should be eliminated immediately.

THE FIFTH FREEDOM

Mr. MILLER of Maryland. Mr. Speaker, in these troubled times, much is said about maintaining freedom at home and abroad. I have never known of any responsible American who argued against freedom in the abstract, or opposed it openly on principle.

However, many of our citizens, either unknowingly or because of their socialistic leanings, or self interest, strive to curtail the very liberties they claim to revere and protect.

They do this in a number of ways. Sometimes it is under the claim of protecting minority groups, sometimes under the excuse of expediency due to national

emergencies, or again, because of the altruistic aim of a particular program.

No matter how the loss of freedom may be disguised or sugar-coated it should be borne in mind that, in the long run, the loss is more serious than any advantage that can be temporarily achieved for any group or cause.

Everyone gives lip service to the "four freedoms." Nevertheless, I submit that there is a fifth freedom, without which the others would soon become valueless. That is the freedom to work.

Work is the basis for all advancement. Without work, there can be no production on which an individual, social, or a national economy can be based. Every unnecessary control, regulation, or use of power, that hampers the freedom of an individual or an industry, inevitably restricts free enterprise. Such restrictions should be used with caution and restraint, and never, except to improve instead of retard over-all production of the goods and services that contribute to the general welfare or safety. Whenever the freedom of the individual to work in the field of his choice is hampered, both he and the general public suffer.

If, as under the communistic, and often in the socialistic state, this freedom is denied the ordinary citizen, the other freedoms usually are lost along with it.

Whenever an all-powerful government, be it administered by a dictator or by bureaucrats, can control the jobs available to the ordinary citizen, can tell him when, where and how he can or cannot be employed, his independence is lost. No longer is he a free agent. He is immediately an economic prisoner. His very bread and butter and that of his dependents are subject to the whim of some governmental agent. He certainly is not free of fear; he cannot speak his mind without the danger of losing his job. He is free from want only if the government so wills it and he is willing to conform. His religious activities, if contrary to the dictates of his masters, must be hidden or restrained.

Without freedom to work, the whole castle of freedom will tumble.

This right to work in the trade or profession of one's choice, to work when and where one pleases, has been so fundamental in our national life that most Americans have taken it for granted.

Whenever business is overtaxed, hampered by red tape and confused by bureaucratic interference, there is inevitably a decreasing opportunity for free employment. That is one of the most serious objections to Government controls, and why we should do away with them except in urgent wartime crises.

If the doctrine of those who believe in implied powers is permitted to prevail and the Executive can seize industry, this power, if recognized, can be used to reduce wages just as rightfully as to increase them. The laborer in any industry automatically loses thereby his freedom to work along with his freedom to strike. He may be lured into approv-

ing as long as a wage raise is in prospect, but once established, this system could be put in reverse and his wages cut without bargaining, collective or otherwise. Then, indeed, we would have a slave-labor situation.

The value of collective bargaining, of unions and organizations of workers, cannot be denied, but if joining any organization becomes mandatory before one can get a job, certainly freedom to work is immediately limited.

Even where government does not control the citizen's right to work, if he is subject to the will of a few powerful individuals, be they industrialists or labor bosses, freedom to work ceases to be a reality. We have laws preventing combinations in restraint of trade; we should prevent combinations in restraint of employment. We should also resist controls that hamper business and limit employment.

Mr. Speaker, let us scrutinize this and all legislation, before it is approved by this body, to make sure that it does not undermine this fifth freedom. If we fail to preserve it, our great Republic will no longer be the "land of the free." I cannot support this conference report.

Mr. McCORMACK. Mr. Speaker, we must consider this bill in the light of the circumstances under which this bill passed the House of Representatives. The bill as it passed the House would have left price control a hollow shell. However, it was important for the bill to pass the House of Representatives in order to permit the conference committee to consider the differences between the two branches, and that those differences be ironed out. Therefore, in the light of the whole situation, the conferees did a very good job. While the bill is not as strong as I would like to see it, and as many of the Members of the Congress would like to see it, nevertheless, it will at least offer the consumer some protection against the inflationary pressures. The conference report offers the best bill we can get under circumstances at this time.

While it is a weak bill it is better than having no controls at all. It will enable the Office of Price Stabilization during the next 10 months to stabilize to some extent the cost of living. I believe that there are sufficient powers in the bill to prevent run-away inflation and skyrocketing prices. It would be very harmful to permit price control legislation to expire on June 30. The passage of this bill will prevent that. In my opinion this bill, while not complete insurance against inflation, serves as a brake against the further impact of inflation. Having in mind the meaningless provisions of the bill as it passed the House, and while it is not as strong as I would make the bill, I believe the conference report is probably the best bill that could come out of the conference committee.

My remarks are confined to the price control features of the bill. With reference to the Taft-Hartley features, and the wage-stabilization features involved, may I say, I voted against both of these amendments when the bill was being considered in the House of Representatives, and I am still opposed to them.

This bill assures the continuance of rent controls although the formula for communities having rent control is changed in some respects. I urge all communities throughout the country who desire the continuance of rent control to urge their local authorities and officials to take affirmative action which will comply with the provisions of this report when it is enacted into law.

It is extremely regrettable that the bill exempts canned and frozen, as well as fresh fruits and vegetables from price control. These items alone account for over 11 cents of the consumers' food dollar. The exemption leaves the housewife helpless against future price rises in this vital area.

The Talle meat amendment section 101 is another weakening provision. This amendment further hamstringing the authority of the Director of Price Stabilization effectively to control meat prices particularly when supplies are tight or inadequate. I think that when it comes to meat prices, it is of crucial importance that the authority of the Price Administrator should not be cut down, it should be increased.

The Talle amendment places restrictions on the OPS to allocate meat unless there is a finding by the Secretary of Agriculture of an over-all shortage. However, it is clear that this restriction in no way affects the present OPA grade-marking program. In fact the proviso clause of section 101 provides express statutory authorization for that program as well as the necessary reporting and record-keeping requirements which are a necessary part of that program.

The next Talle amendment—section 106 (b)—makes specific the legislative intent that any individual processor of an agricultural commodity may obtain an adjustment of his ceiling price in accordance with the third sentence of the Capehart amendment. Moreover, the Talle amendment insures that food distributors are provided the full benefits of the Herlong amendment on the same basis as distributors of all other commodities. The Herlong amendment as originally enacted last year, was, I think, clearly applicable to food distributors. I therefore have no objection to this further particularization of legislative intent. In brief, this entire Talle amendment, as has been explained by my good friend, Mr. Wolcott, serves only to clarify the congressional intent underlying passage of the Capehart and Herlong amendments last year. The Talle amendment does not, of course, provide individual margins for food sellers. This would have been the result had the Cole amendment which was adopted by the House, been accepted by the conference committee. Instead the conference committee by rejecting the Cole amendment makes it perfectly clear that food distributors like all other distributors may be covered by industry-wide margins, if OPS so decides.

Rejection of the Cole amendment means that standard food mark-ups and dollars and cents meat ceilings may be maintained unless the sellers in the particular trade can demonstrate to OPS that they are entitled, on the basis of

their pre-Korean records, to higher margins. This is the effect of section 110 of the bill, which changes existing law by providing all distributors, whether covered by regulations issued prior to, or after July 31, 1951, with the right to obtain Herlong margins. Since the burden of demonstrating these changes will be on the sellers involved, OPS administrative operations will not break down.

Section 111 of the bill allows sellers subject to State minimum laws in effect and enforced on the date this bill is adopted to obtain an adjustment of their ceiling prices to the State minimum levels in the event ceilings are presently below those levels.

Another amendment, section 111 (m), has the principal purpose of clarifying some vagueness in an Emergency Court of Appeals opinion which held that OPS could not establish different mark-ups for combination distributors and hotel-supply houses based on affiliation with slaughtering establishments. The amendment requires the same ceiling prices for affiliated and nonaffiliated combination distributors and hotel-supply houses. Another provision of the amendment prohibits different ceilings for independent meat wholesalers and for meat wholesalers whose affiliation in the slaughtering establishment does not amount to an interest or equity of more than 50 percent.

A significant change, and one which strengthens the act is section 107. This provision overrules the decision of the Emergency Court of Appeals in the Safeway case. In that case the court held that food retailers could get Capehart adjustments. This result was wholly unintended by the Congress but one which was arrived at because of the wording of the Capehart provision. Under the present amendment all distributors of commodities are given the benefits of the Herlong amendment but not of the Capehart amendment. In brief the Capehart amendment by this clarifying amendment is specifically inapplicable to wholesalers and retailers of any commodity including food. Furthermore by virtue of this new amendment the appeal in the Safeway case which is now pending in the Supreme Court has become moot.

The House bill changed in certain respects, section 408 of the act, which deals with the procedure to be followed by the Emergency Court of Appeals in reviewing price regulations and orders issued under title IV. The most significant of the changes were, first, to provide that regulations must be supported by a preponderance of the evidence on the record; second, to authorize the Emergency Court of Appeals to issue temporary restraining orders and other interim relief; and third, to permit the court to make its judgments effective at any time. The Senate bill made no changes in section 408.

The purpose of expressly requiring that price regulations be supported by adequate evidence was to subject OPS to the same standard of judicial review as agencies governed by the Administrative Procedure Act. However, since the term

"preponderance of the evidence" might be construed as going beyond this, the conferees informed me that they agreed to substitute the term "substantial evidence." This is the same standard as that contained in section 10 (e) of the Administrative Procedure Act. The normal presumption of validity of administrative action upon appeal to the courts is maintained.

At the present time, section 408 expressly prohibits the Emergency Court of Appeals from issuing temporary restraining orders under any circumstances. The House bill eliminates that prohibition. The conferees, I am informed, agreed to this change with the understanding that this change in the act is not designed to encourage interim relief in the normal case but rather is intended to provide the court with discretion to enter such orders. The issuance of such an injunction will, of course, be subject to conventional principles of equity jurisdiction. In view of the crucial importance of maintaining effective price control at all times during an emergency period, it is contemplated that the application of conventional equity principles will preclude the issuance of temporary injunctions except in the most unusual cases. The court may, of course, postpone the effectiveness of the temporary injunction to permit amendment of the challenged regulation so that there will be no hiatus in price control.

The House bill also contained a related provision which would eliminate the present provision postponing the effective date of judgments of the Emergency Court of Appeals. The present act provides the agency with a 30-day period to adjust its regulations to decisions of the court. The elimination of this provision is not designed to create an automatic hiatus in the price-control program governing any industry. Rather it is intended to provide the Emergency Court of Appeals with greater flexibility to determine the effective dates of its judgment so that it may establish stay periods shorter or longer than 30 days depending on the facts of the particular case. The conference bill which we are now considering permits the court to employ its discretion to meet the factual situation without in any way detracting from the principle that price control must be continuous.

The question of stays in cases where a petition for certiorari is filed with the Supreme Court is also left to judicial discretion. The former law provided for an automatic stay.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, despite the fact that all of us can find things in this bill that we are displeased with and much that is not in the bill to be displeased about, I think we owe a sincere vote of thanks to each of the conferees, who did a tremendously good job under most arduous and trying circumstances.

Mr. Speaker, I asked for this minute in order to ask the chairman to explain the addition of some language on page 10 to section 111. My question to the

chairman of the committee is, is it not intended that the language beginning on line 21, "or to any wholesaler so affiliated but whose affiliation does not amount to an interest or equity of more than 50 per centum," shall apply to wholesalers only and not to any hotel supply house or combination distributor.

Mr. SPENCE. It is obvious that it applies to wholesalers only.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. TALLE].

(Mr. TALLE asked and was given permission to revise and extend his remarks.)

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield.

Mr. REES of Kansas. I notice on page 2, line 3, it is stated:

Provided, That nothing in this act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products.

Does this mean that you are going to impose compulsory grading on the meat industry even when there is no allocation or rationing?

Mr. TALLE. The answer is no.

Mr. REES of Kansas. Is it not true that the Congress last year in amending the same section prohibited the President from imposing any restrictions on limitations upon slaughterers and processors under title I?

Mr. TALLE. That is correct.

Mr. REES of Kansas. This is not to recognize that the President could impose any restriction or limitation upon the processors, is it?

Mr. TALLE. No. I may add that the language in the conference report having to do with slaughtering was supplied by me when the bill was written by the Committee on Banking and Currency. That is, the language down to the proviso is my language. That language was agreed to in advance of the proviso. In order to clarify the proviso and to see to it that it does not interfere with an action that is about to take place in the Supreme Court of the United States, the conferees inserted language in the report which states very clearly that this proviso in no sense whatever gives to the President power which he does not already have. The conferees took pains to guard against any interference with the adjudication process relating to the OPS in our Federal courts.

Mr. REES of Kansas. I appreciate the gentleman's remarks.

Mr. TALLE. Mr. Speaker, this conference was a truly remarkable experience for me. It was novel, unique, and, if I may say so, noisy. It is interesting to be present at a gathering where a number of strong voices try to out-shout each other. That is what occurred from time to time.

You will note that I did not sign the conference report. I think I owe it to you to say why I did not. I did not sign it because you will recall not many days ago we had five very firm roll call votes in this chamber, on the Talle decontrol amendment, on the Cole amendment, on

the Lucas amendment, on the Smith amendment and on the Wheeler amendment. All of them were adopted by good majorities before the bill was passed.

I have always felt that a conferee is, temporarily, something more than a Member of the Congress. He is endowed with additional obligation. I have been a member of many conferences, and I have always felt it my obligation as a conferee to support with all the vigor at my command the will of the House of Representatives.

My colleagues, the gentleman from Michigan and the gentleman from New York, and I worked like a team. We did the best we could. May I say to you that I have great admiration for the conferees who represented the other body. They worked like a team, and time upon time some Member of that body said, "Personally I do not believe in this but I am honor bound to uphold the Senate." Now I think that is the right attitude. How can a conference be a genuinely fair conference unless the conferees on both sides are eager in their desire to uphold the will of their respective Chambers?

When I consider what was put into the conference report in lieu of my decontrol amendment, I confess it sounds much like the remark of a person who says, "I feel with you in a degree the ardor of a kindred quest." And that is just about all it means.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield.

Mr. RIVERS. Are you trying to tell us in so many words that the will of the House was not represented?

Mr. TALLE. I know the gentleman from South Carolina, who is a very keen gentleman, can supply the answer to that question.

Mr. Speaker, at this point I want to read the statement of policy and purpose which the Congress enunciated in the Defense Production Control Act of 1950:

It is the intention of the Congress that the President shall use the powers conferred by this act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use, within the framework, as far as practicable, of the American system of competitive enterprise.

But, Mr. Speaker, in view of the record of the OPS and the other so-called economic stabilization agencies under the Truman administration, there is no reason why any citizen should have any confidence in them, or believe that an honest attempt will be made by them in their administration of the law to preserve our free-enterprise system. That is one reason why I introduced and fought for my decontrol amendment. But I do want to call the attention of the bureaucrats who head these agencies to the fact that the Congress is again specifically saying to them that we do intend to preserve free enterprise.

Mr. REES of Kansas. Mr. Speaker, I appreciate the clear-cut and definite

reply to the questions I propounded to Mr. TALLE with respect to the proviso in line 3 of page 2 of the committee print. I propounded these inquiries quite definitely and clearly in order that there be no mistake as to the intent of the members of the conference committee, and especially the intent of the gentleman from Iowa for the reason that this clause had been made a part of his original amendment to the bill—known as the Talle amendment. Mr. TALLE gave a complete answer. No member of the committee and no member of the House has expressed opposition to his explanation.

I wanted this explanation for the reason I am informed in some areas Government representatives are attempting to enforce compulsory grading upon the slaughtering industry notwithstanding the fact that Congress has specifically excepted meat from the quantity controls as provided under section 101 of the Defense Production Act as amended. I trust the intent of Congress, with respect to this matter, will be observed.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Speaker, and my colleagues, I want to plead with you for 1962. Then, Mr. Speaker and Members of the House, I want to plead with you again for 1972, because it is my firm conviction that today we place the pattern of controls upon America. A pattern which we may never be able to drive out of the legislative framework of our country.

Mr. Speaker, if controls today are proper, if in view of the economic circumstances in which we find ourselves, if when we find ample supplies of all of the commodities and all of the goods everybody in this country requires, and then we find it necessary for us to continue price and wage control as well as rent control, then, Mr. Speaker and my friends when can we ever come to the conclusion that this country can do without price and wage controls? Today, Mr. Speaker, the issue is not how, but whether—the issue is a fundamental one—shall we or shall we not continue for time without end price and wage and rent control. Today is the time that we can make that decision. Now is the time to make it. Now is the time for us to stand and say we are not afraid, we are not alarmed, we believe in the American system of government. We believe in free enterprise, we believe in the free choice system, we believe in America, and therefore we are going to vote down this conference report.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. SADLAK].

(Mr. SADLAK asked and was given permission to revise and extend his remarks.)

Mr. SADLAK. Mr. Speaker, of course I am disappointed and dissatisfied with what should be the Sadlak amendment commencing at line 10, page 2 of this committee print of the bill reported by the conferees. I want vigorously to dis-

claim totally and categorically any relationship to that part of the amendment which begins at line 18 on page 2 and continues to the end of the paragraph.

I had believed until 1 o'clock this morning, Mr. Speaker, that the overwhelming vote—169 to 102—given on a teller vote to my amendment offered as the first amendment to the bill under the 5-minute rule that the conferees were well armed to retain in conference the fundamental purpose of my proposal. It provided a restriction on the illegal use of the International Materials Conference, the vehicle for the implementation of its "entitlements for consumption" being the Defense Production Act. I say once more that I never intended for a moment to affect the Controlled Materials Plan or allocations and priorities set up under the CMP.

Please look, read, think, and ponder over the wording of which Senator FULBRIGHT and the State Department must assume the responsibility—the language commencing at line 18, page 2. There is not the slightest indication as to the identity of the International Materials Conference, its origin, operation, membership, functions nothing stipulated to give notice that it presently is an extralegal creature of our State Department; that for the past 18 months, without statutory authority, an organization of 28 nations, the greater portion of their expenses being paid from the emergency fund and they have assumed unto themselves the distribution, the allocations of the raw materials, commodities of the free nations of the world limiting their availability according to "entitlements for consumption" and no more than that arbitrary total allocation can be had by a participating country. An international cartel in every sense of the word. And, mind you, by accepting this conference report—we cannot now have a motion to recommit the report back to the conference as the Speaker ruled in reply to an inquiry by the gentleman from Indiana [Mr. HALLECK] because the other body had already taken favorable action but must vote it up or down—and a concomitant of a vote for will give, in my opinion, statutory sanction to IMC.

Mr. Speaker, action by Congress to give legality to IMC should come through open and full hearings before the proper committees. Still reverberating in my ears from the House debate is the vigorous protest made by the distinguished gentleman from North Carolina [Mr. DURHAM]—he insisted IMC has jeopardized our strategic stockpile and now this language will continue the fraud upon the American people and continue to keep strategic materials from our depleted stockpile.

I except as completely as words can assure you this Fulbright amendment because I want otherwise to vote for this report.

I am grateful to the House for the support accorded my amendment when action was taken and I urge each to check further into IMC to find how completely it will control our economy and American way of life.

The SPEAKER. The time of the gentleman from Connecticut has expired.

Mr. SPENCE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 194, nays 142, not voting 95, as follows:

[Roll No. 123]

YEAS—194

Angell	Gordon	Mumma
Armstrong	Graham	Murdock
Auchincloss	Granahan	Murphy
Ayres	Granger	Murray
Baker	Green	Norblad
Bakewell	Greenwood	O'Brien, Ill.
Baring	Gregory	O'Brien, Mich.
Barrett	Hale	O'Brien, N. Y.
Bates, Mass.	Halleck	O'Neill
Battle	Hand	Osmers
Bender	Hardy	Ostertag
Bennett, Fla.	Hart	O'Toole
Bennett, Mich.	Havenner	Patman
Bentsen	Hays, Ark.	Patterson
Boggs, La.	Hays, Ohio	Polk
Bolling	Hedrick	Preston
Bolton	Herlong	Price
Bosone	Heslerton	Priest
Boykin	Hess	Rabaut
Brown, Ga.	Holifield	Radwan
Brownson	Holmes	Rains
Bryson	Horan	Reams
Buchanan	Howell	Rhodes
Burnside	Hull	Ribicoff
Burton	Irving	Riehlman
Butler	Javits	Riley
Camp	Johnson	Roberts
Canfield	Jones, Ala.	Rodino
Carrigg	Jones, Mo.	Rogers, Colo.
Case	Jones,	Rogers, Fla.
Chelf	Woodrow W.	Rogers, Mass.
Chudoff	Karsten, Mo.	Rooney
Colmer	Keating	Ross
Cooley	Kee	Sadlak
Cooper	Kelly, N. Y.	Saylor
Corbett	Kennedy	Scott,
Cotton	Keogh	Hugh D., Jr.
Crosser	Kerr	Secrest
Crumpacker	Kilday	Shelley
Curtis, Mo.	King, Calif.	Sieminski
Dague	Klein	Sittler
Davis, Ga.	Lane	Smith, Miss.
Dawson	Lanham	Smith, Va.
Deane	Lantaff	Spence
DeGraffenried	Latham	Staggers
Delaney	Lesinski	Taylor
Denny	Lind	Thomas
Denton	McCarthy	Thornberry
Dingell	McConnell	Tollefson
Dollinger	McCormack	Trimble
Doyle	McGrath	Van Zandt
Durham	McGuire	Vorys
Eberharter	McKinnon	Walter
Elliott	McMullen	Watts
Engle	Mack, Ill.	Welchel
Feighan	Mack, Wash.	Widnall
Fine	Madden	Wier
Fogarty	Magee	Wigglesworth
Forand	Mansfield	Withrow
Forrester	Martin, Mass.	Wolcott
Fugate	Meador	Wolverton
Fulton	Merrow	Yates
Gamble	Miller, Calif.	Yorty
Garmatz	Miller, N. Y.	Zablocki
Gary	Moulder	
Gavin	Multer	

NAYS—142

Abbitt	Blackney	Chiperfield
Adair	Bow	Church
Allen, Calif.	Bramblett	Clevenger
Allen, Ill.	Bray	Cole, Kans.
Andersen,	Brehm	Cox
H. Carl	Brooks	Crawford
Anderson, Calif.	Budge	Cunningham
Andersen,	Buffett	Curtis, Nebr.
August H.	Burleson	Davis, Wis.
Andrews	Busbey	Devereux
Barden	Bush	D'Ewart
Beall	Byrnes	Dolliver
Berry	Cannon	Dondero
Betts	Chatham	Dorn
Bishop	Chenoweth	Ellsworth

Elston	Kelley, Pa.	Rees, Kans.
Fernandez	Kersten, Wis.	Rivers
Fisher	LeCompte	Robeson
Flood	Lovre	St. George
Ford	Lucas	Schenck
Gathings	McCulloch	Scrivner
George	McDonough	Scudder
Golden	McGregor	Shafer
Goodwin	McIntire	Sheehan
Grant	McVey	Short
Gross	Mahon	Simpson, Ill.
Hagen	Marshall	Simpson, Pa.
Harden	Martin, Iowa	Smith, Kans.
Harris	Mason	Springer
Harrison, Nebr.	Miller, Md.	Stockman
Harrison, Va.	Miller, Nebr.	Taber
Harrison, Wyo.	Mills	Talle
Harvey	Morgan	Teague
Hill	Morton	Thompson,
Hillings	Nelson	Mich.
Hinshaw	Nicholson	Van Pelt
Hoeven	Norrell	Velde
Hoffman, Ill.	O'Hara	Vursell
Hoffman, Mich.	O'Konski	Werdel
Hope	Passman	Wheeler
Hunter	Patten	Whitten
Ikard	Phillips	Williams, Miss.
Jackson, Calif.	Poage	Williams, N. Y.
Jarman	Poulson	Wilson, Ind.
Jenison	Prouty	Wilson, Tex.
Jenkins	Rankin	Winstead
Jensen	Redden	Wood, Idaho
Jonas	Reed, Ill.	
Kearns	Reed, N. Y.	

NOT VOTING—95

Aandahl	Fallon	Perkins
Abernethy	Fenton	Philbin
Addonizio	Frazier	Pickett
Albert	Furcolo	Potter
Allen, La.	Gore	Powell
Anfuso	Gwinn	Ramsay
Arends	Hall,	Reece, Tenn.
Aspinall	Edwin Arthur	Regan
Bailey	Hall,	Richards
Bates, Ky.	Leonard W.	Rogers, Tex.
Beamer	Hébert	Roosevelt
Beckworth	Heffernan	Sabath
Belcher	Heller	Sasser
Blatnik	Herter	Scott, Hardie
Boggs, Del.	Jackson, Wash.	Seely-Brown
Bonner	James	Sheppard
Brown Ohio	Jones,	Sikes
Buckley	Hamilton C.	Smith, Wis.
Burdick	Judd	Stanley
Carlyle	Kean	Steed
Carnahan	Kearney	Stigler
Celler	Kilburn	Sutton
Clemente	King, Pa.	Tackett
Cole, N. Y.	Kirwan	Thompson, Tex.
Combs	Kluczynski	Vail
Coudert	Larcade	Vinson
Davis, Tenn.	Lyle	Welch
Dempsey	McMillan	Wharton
Donohue	Machrowicz	Wickersham
Donovan	Mitchell	Willis
Doughton	Morano	Wood, Ga.
Eaton	Morris	Woodruff
Evins	Morrison	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Herter for, with Mr. McMillan against.
Mr. Donohue for, with Mr. Bailey against.
Mr. Vinson for, with Mr. Rogers of Texas against.

Mr. Buckley for, with Mr. Arends against.
Mr. Roosevelt for, with Mr. Brown of Ohio against.

Mr. Heller for, with Mr. Vail against.
Mr. Clemente for, with Mr. Woodruff against.

Mr. Jackson of Washington for, with Mr. Pickett against.

Mr. Leonard W. Hall for, with Mr. Dempsey against.

Mr. Addonizio for, with Mr. Hébert against.
Mr. Coudert for, with Mr. Eaton against.

Mr. Fallon for, with Mr. Smith of Wisconsin against.

Mr. Machrowicz for, with Mr. Gwinn against.

Until further notice:

Mr. Morrison with Mr. Aandahl.
Mr. Aspinall with Mr. Beamer.

Mr. Sabath with Mr. Belcher.
Mr. Stanley with Mr. Boggs of Delaware.
Mr. Perkins with Mr. Kilburn.
Mr. Kluczynski with Mr. Judd.
Mr. Blatnik with Mr. James.
Mr. Celler with Mr. Wharton.
Mr. Mitchell with Mr. Seely-Brown.
Mr. Anfuso with Mr. Reece of Tennessee.
Mr. Powell with Mr. Burdick.
Mr. Donovan with Mr. Cole of New York.
Mr. Heffernan with Mr. Morano.
Mr. Wickersham with Mr. Fenton.
Mr. Morris with Mr. King of Pennsylvania.
Mr. Welch with Mr. Edwin Arthur Hall.
Mr. Furcolo with Mr. Hardie Scott.
Mr. Kirwan with Mr. Potter.
Mr. Evins with Mr. Kean.

Mrs. KEE and Mr. ARMSTRONG changed their vote from "nay" to "yea."

Mr. SCHENCK, Mr. VAN PELT, Mr. O'KONSKI, and Mr. JONAS changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZATION TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, a few days ago, when the bill H. R. 7594 was passed by unanimous consent, it was my intention to explain the bill in detail. Therefore, I have prepared a statement which I ask unanimous consent be placed in the permanent RECORD in connection with the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. COOLEY asked and was given permission to address the House for 30 minutes on Monday next, following Mr. REDDEN.

Mr. ARMSTRONG asked and was given permission to address the House for 10 minutes on Monday next, following the conclusion of special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

(Mr. VAN ZANDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of today's RECORD.]

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. DONDERO] is recognized for 10 minutes.

PRICE CONTROLS—THE PRESIDENT AND THE FACTS

Mr. DONDERO. Mr. Speaker, the country is now being flooded with a wave of propaganda that is as false as it is vicious. This phony propaganda claims that it was the Republican Eightieth Congress that lifted price controls following the end of World War II and that Republicans are responsible for the inflation that occurred at that time.

Nothing could be farther from the truth. The plain fact of the matter is that it was President Truman himself who removed price controls. The next fact is that the removal of controls took place before the Republican Eightieth Congress had even been elected.

Mr. Truman began lifting controls in September 1945 and he completed the task in October 1946. The Eightieth Congress was elected in November 1946.

A large part of the reason why the voters selected a Republican Congress was the widespread disgust with the Truman Administration's handling of price controls. Mr. Truman was trying to help the candidates of his political party when he lifted the last of the price controls, but the people were not deceived.

I wish to cite one instance of the terrible confusion that characterized the Administration's handling of price controls. On September 26, 1946, when housewives had to stand in long lines to purchase meat, Mr. Truman took up the subject of meat price ceilings at his press conference. Here is what Mr. Truman said:

An increase in prices or the abandonment of price control on meat now would, in the long run, add to rather than solve our difficulties.

And what did Mr. Truman then proceed to do? Three weeks later, on October 14, 1946, he went on the air to announce the abandonment of meat controls—the exact opposite of what he said he would do. Here is how Mr. Truman announced the lifting of meat controls:

There is only one remedy left—that is to lift controls on meat. Accordingly, the Secretary of Agriculture and the Price Administrator are removing all price controls on livestock and food and feed products therefrom, tomorrow.

That action, I repeat, was taken before the voters even went to the polls to elect a Republican Eightieth Congress.

Two years later President Truman was speaking a different language. It was a campaign year, and the all-important goal, in his mind, was reelection. The facts went out the window. In their place the country was told such wild yarns as the one which Mr. Tru-

man uttered in Bridgeport, Conn., on October 28, 1948:

If you want relief from high prices, vote for a party that has proved by the record that it knows how to keep prices down. The best thing for your own interests is to vote the Democratic ticket.

The man talking was the same man who had lifted all price controls 2 years earlier.

And while President Truman talked low prices to city people during the 1948 campaign, he talked high prices when facing farm people.

Now the campaign of misrepresentation and falsity has started all over again. This time, however, the Americans know the facts, and they should not forget them. The facts are simply these:

First. After the Korean war started, touching off a buying wave that pushed prices up, President Truman stated repeatedly he wanted no part of price controls.

Second. Congress passed the Defense Production Act over his protests in September 1950. But Mr. Truman steadfastly refused to use the act.

Third. It was not until January 26, 1951—7 months after the start of the Korean war—that the President finally got around to issuing a price freeze. By that time food prices had already risen 9 percent and the over-all cost of living had risen 7 percent.

Fourth. Throughout this period and up until this moment, Mr. Truman has continued to follow financial policies which inevitably tend to drive prices higher and higher. I am referring to the administration's reckless spending, which is financed to a considerable extent by printing-press dollars. These printing-press dollars merely dilute everyone's savings deposits, life insurance, and United States bonds.

The biggest step to price stability in recent years was the balanced budget which the Republican Eightieth Congress achieved. The flow of cheap, printing-press Government dollars was stopped, and prices had an opportunity to level off. Every Republican Member of the Congress who had a part in that effort has good reason to be proud of his contribution to the welfare of the American people.

PROTECT FOLKS ON RELIEF FROM PITILESS PUBLICITY

(Mr. LANE asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include a letter.)

Mr. LANE. Mr. Speaker, protect folks on relief from pitiless publicity.

People down on their luck are still human beings. The fact that they must seek public assistance does not mean that they should be compelled to surrender all pride and privacy.

The Jenner amendment to the Revenue Act of 1951, in effect, opens the welfare rolls to public inspection. Under the guise of exposing fraud, it would put the names of all poor people getting aid

into a goldfish bowl and strip them of the last vestige of human dignity.

It would scare people who have no other means of existence, from the shame of being exhibited as charity cases and force them to go without, rather than run the gantlet of punishing publicity.

Why our most unfortunate citizens should be signaled out for such an attack, in the spurious name of economy, when so many well-heeled tax fixers and other special interests are raiding the Public Treasury, is beyond all understanding. It is striking at those who cannot fight back.

It is a broadside that will humiliate many, just to reach a few petty chiselers.

This indiscriminate approach is not designed to expose those who are receiving aid fraudulently. Under this pretext, it is the beginning of a drive to crush the whole public assistance program.

The Jenner amendment prohibits the Federal Security Administrator from withholding funds from a State, when that State by legislation prescribes the condition under which public access may be had to the records of disbursements of public assistance funds. Providing also that safeguards are established to prohibit the commercial or political use of information so obtained.

The Federal Security Agency opposed this amendment even before it was passed. It pointed out that the methods proposed are not suitable to achieve the objectives sought, and are not in keeping with the American tradition that individual dignity should be respected. We stated that the effect of the amendment might be to embarrass needy but sensitive people, and discourage them from applying for the assistance which they need. We also expressed the opinion that persons who would stoop to fraud in order to obtain assistance are not likely to be discouraged by any action the States might take under section 618. Thus, the persons most affected would be needy people, the very ones for whom public assistance programs were established.

The opinions of the Federal Security specialists in this field, based on factual studies, were disregarded. The Jenner "steam roller" crushed all understanding of human relations. It was a tour de force that lumped the many worthy cases with the few fraudulent ones, and then blackmailed all with the threat of publicity.

The net result has been to set neighbor against neighbor, stirring up both shame and contempt, when the delicate problem of charity should be administered with a consideration for human feelings as well as urgent material needs.

The Federal Security Agency has always insisted that eligibility be established properly. Furthermore, no evidence exists that large numbers of persons are fraudulently receiving assistance. The only satisfactory way to weed out those who are getting relief payments when they do not need them, is through sound administration, reinforced by adequate well-qualified staff.

It is hard enough for any human beings who are in a dependent position. It is worse when they are held up to public ridicule.

No one dares come forward to suggest that the names of all farmers receiving subsidies or all veterans receiving benefits, or all persons and corporations whose taxes have been settled for a fraction of what they really owe, should be posted for all to see.

Because the howl of protest would rock the Nation.

But the Jenner amendment picks on those—the relievers—who are at the bottom of the economic pile. It is hitting at those who are on their knees.

Welfare workers are the only people competent enough to determine who shall be eligible for public assistance and not the gossips who thrive on other people's misfortunes.

The Jenner amendment was a mistake, it should be eliminated from the Federal law.

Some damage has been done by it.

Four States—Indiana, Illinois, Alabama, and Georgia—have already followed up with crippling legislation of their own.

To undo the harm, without working any readjustment hardship on these States, I suggest a time lag of at least a year to enable these States, and others which have not yet started, to making lists available to get back on the right road again.

All others shall immediately comply under the terms of my bill—to amend the Jenner amendment—with the original Federal social security law banning publicity of welfare rolls as a condition that must be observed by the States in order to receive Federal grants-in-aid and other payments.

Folks on relief must not be publicly branded as paupers.

Would we like to be put on parade if we were in their shoes?

How about it?

FEDERAL SECURITY AGENCY,
Washington, June 19, 1952.

HON. THOMAS J. LANE,
House of Representatives,
Washington, D. C.

DEAR MR. LANE: This letter is in response to your request of April 4, 1952, for a report on your draft bill to repeal section 618 of the Revenue Act of 1951 (relating to a prohibition upon the denial of Social Security Act funds).

This bill would repeal section 618 of the Revenue Act of 1951, commonly known as the Jenner amendment. This amendment to the 1951 tax law prohibits the Federal Security Administrator from withholding funds from a State under titles I, IV, X, or XIV of the Social Security Act in the event a State, by legislation, prescribes the condition under which public access may be had to the records of disbursements of public assistance funds, provided that appropriate legislative safeguards are established to prohibit commercial or political use of the information so obtained.

It appears from the legislative record that section 618 was proposed by its sponsors as a means of eliminating from assistance rolls persons who are receiving assistance fraudulently. Its proponents stated that the realization that names would become known would deter ineligible persons from apply-

1. Section 95.1 (1) would be amended to read as follows:

"(1) Bone meal: 'Bone meal' means ground animal bones and hoof meal and horn meal."

2. Section 95.11 would be amended to read as follows:

"SEC. 95.11. Bones, horns, and hoofs for trophies or museums: Clean, dry bones, horns, and hoofs, that are free from undried pieces of hide, flesh, and sinew and are offered for entry as trophies or for consignment to museums may be imported without other restrictions."

3. Section 95.12 (c) would be amended by changing the first sentence to read as follows:

"(c) They shall be handled at the establishment under the direction of an inspector in a manner to guard against the dissemination of anthrax, foot-and-mouth disease, and rinderpest, and the bags, burlap, or other containers thereof, before leaving the establishment, shall be disinfected by heat or otherwise, as directed by the Chief of Bureau or burned at the establishment."

4. Present section 95.14 would be revoked. Present section 95.13 would be redesignated. "Section 95.14" and would be amended to read as follows:

"SEC. 95.14 Blood meal, tankage, and similar products for use as fertilizer or animal feed: requirements for entry—

Dried blood, or blood meal, lungs or other organs, tankage, meat meal, wool waste, wool manure, and similar products for use as fertilizer or as feed for domestic animals shall not be imported unless such products—

"(a) Originated in and were shipped from a country not declared by the Secretary of Agriculture to be infected with foot-and-mouth disease or rinderpest; or

"(b) Are accompanied by the certificate of a consular officer showing that in the process of manufacture the particular product was heated throughout to a temperature of not less than 156° F. (68.90 C.)."

5. A new section 95.13 would be added to read as follows:

"SEC. 95.13. Bone meal for use as fertilizer or as feed for domestic animals; requirements for entry: Steamed or degelatinized or special steamed bone meal, which, in the normal process of manufacture, has been prepared by heating bone under a minimum of 20 pounds steam pressure for at least 1 hour at a temperature of not less than 250° F. (121° C.), may be imported without further restrictions for use as fertilizer or as feed for domestic animals if such products are free from pieces of bone, hide, flesh, and sinew and contain no more than traces of hair and wool. Bone meal for use as fertilizer as as feed for domestic animals which does not meet these requirements will not be eligible for entry."

The purpose of the foregoing proposed amendments is to restrict the entry of all animal bones, including crushed bones, to be used as fertilizer or as feed for domestic animals; to permit the entry of such bones only when consigned to an establishment approved by the Department for handling and further processing in a manner to prevent the dissemination of anthrax, foot-and-mouth disease, and rinderpest; to permit the entry of specially treated bone meal (including hoof meal and horn meal) which has been treated in a manner to assure the destruction of any anthrax spores present in such product; to prohibit the entry of any other bone meal (including hoof meal and horn meal) for use as fertilizer or as feed for domestic animals which does not meet these requirements; and to impose stricter requirements upon the importation of tankage, meat meal, wool waste, wool manure and similar products than are presently imposed.

Any person who wishes to submit written data or arguments concerning the proposed amendments may do so by filing them with the Chief, Bureau of Animal Industry, Agri-

cultural Research Administration, United States Department of Agriculture, Washington, D. C., within 30 days after the date of publication of this notice in the Federal Register.

Done at Washington, D. C., this 13th day of June 1952.

CHARLES F. BRANNAN,
Secretary of Agriculture.

Danger of Inflation Is Real and Current

EXTENSION OF REMARKS

OF

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 24, 1952

Mr. PRICE. Mr. Speaker, the Defense Production Act, as it passed the House on Thursday, proposes to weaken a number of provisions of existing law with respect to economic stabilization.

In my opinion, all of these weakening provisions are dangerous in that they are an invitation to additional inflation. If the time were available, I should like to discuss a number of them in detail and point out their dangers to our defense program which must have a stable economy for its efficient prosecution.

But since my time is limited I want particularly to call attention to one provision that would strike a cruel blow at every family in America. It would strike a cruel blow by sending our high food costs even higher.

When prices go sky high the average American family can go without a great many things. The consumer can get along without a new car, without a television set, without new clothes, or furniture. But there is no way that the consumer can stop buying food and wait for prices to come down. So if we in the Congress pass a law that will permit higher food prices we are adding immediately and directly to the cost of living. We are handing the consumer a bill that he cannot escape or avoid.

At the present time our per capita output of food in the United States is higher than ever before in our history. We have an ample supply of fibers—so ample in fact that the textile industry for months has been lamenting the soft market. We are in good shape, so far as supplies are concerned, on many of our daily cost of living items.

Now if we could trust in the working of the law of supply and demand, as so many opponents of direct controls have been urging us to do, we could expect a reasonable price level for all of these commodities. But is that the fact of the case today? No, just the opposite is true. Food prices, for a great many items, are at an all-time peak. The same is true of most cost of living items. Right now more than half of the things that the average family buys are selling at their peak price. They are pushing on the ceilings and if we in Congress open the way they will go even higher.

An additional 20 percent of the things that go to make up the cost of living index are within 2 percent of their peak.

All of these facts indicate clearly that the danger of inflation is by no means

past. All of these facts indicate the danger of inflation is real and current.

Only recently the Labor Department published figures showing what it costs the average city family—a family of four persons—to live on a modest but adequate scale in 34 of our larger cities. In only three of these cities can the average family come out on a budget of less than \$4,000 a year. In Mobile, Ala., the family budget is \$3,969. In New Orleans, La., it is \$3,812. And in Kansas City, Mo., it is \$3,960. For the other 31 cities the figure exceeds \$4,000 a year.

In looking over the tabulation of family living costs it is significant that Mobile, Ala., is the second city from the top in its cost of food. The average family in Mobile spends \$1,401 a year out of its budget for food and the family in Savannah, Ga., spends \$1,409. In only one city of the 34 is the food budget less than \$1,300 a year and that is in Milwaukee, Wis., where the cost is \$1,296.

On the average food accounts for about one-third of the average city family's annual expenditure. That makes it especially important that we do everything we can to keep food prices from going any higher.

It seems to me that the Congress can ill afford to pass higher food prices on to the consuming public at a time like this when food looms so large in the living cost of the average family.

I should like to include as part of my remarks the report of living costs of the average family of four in 34 of our larger cities to which I have referred. Even the most casual study of this table will show the importance of keeping a tight rein on living costs at the present time: [From the Bureau of Labor Statistics Monthly Labor Review, May 1952]

CITY WORKER'S FAMILY BUDGET FOR OCTOBER 1951

The annual cost of a "modest but adequate" level of living for a 4-person urban family at October 1951 prices ranged from \$3,812 in New Orleans to \$4,454 in Washington, D. C., according to latest Bureau of Labor Statistics estimates of the city worker's family budget in 34 large cities. Cost of goods and services alone (exclusive of personal taxes, social security deductions, life insurance, and occupational expenses) ranged from \$3,441 in New Orleans to \$3,965 in Washington. Estimates of dollar costs of the total budget and major components and relative differences among cities are given in the accompanying table.

The goods and services included in this budget describe a pattern of living characteristic of urban areas in the pre-World War II period. For nearly all of the 34 cities, the 1951 estimates represent an increase in the cost of these goods and services of between 40 and 50 percent since the first pricing of the budget in March 1946.

The city worker's family budget was designed to determine how much it costs a 4-person urban family to obtain the goods and services it requires to maintain a level of adequate living according to prewar standards prevailing in the large cities of the United States.¹ The list of items included

¹ For a full explanation of the budget concepts and development see BLS Bulletin No. 927, Workers' Budgets in the United States and Bulletin No. 1021, Family Budget of City Worker, October 1950, which contain all previous estimates of the budget costs and are reprinted from articles in the Monthly Labor Review, February 1948 (p. 133) and February 1951 (p. 1) (p. 152), respectively.

in the budget was developed for a family of four composed of a father, a housewife not gainfully employed, and two children under 15 years of age.² Although this is generally larger than the average-size family in large cities at any one time, about half of urban families reach this size during the family existence.

The budget does not show how an average family actually spends its money. Neither does it show how families should spend their money. Rather, it is the total cost of a representative list of goods and services considered necessary by urban families to provide for health, efficiency, the nurture of children, and participation in social and community activities. Information on how the average family actually spends its money is obtained in surveys of spending and savings which are made at intervals by the Bureau.

BUDGET COMPONENTS

Variations in housing costs, in the budget, which are based on rental units only, accounted for most of the cost differences between cities. Housing costs ranged from \$581 in New Orleans to \$1,034 in Washington, D. C. Rental rates for 5-room dwellings which meet the standard specified for the budget were obtained from comprehensive surveys of housing characteristics and rents made by the Bureau between November 1949

² Budgets for city worker families of other sizes have not been calculated. It is estimated that, to attain the same level of living, a 2-person family would need to spend for goods and services about 65 percent of the amount spent by a 4-person family; a 3-person family, about 84 percent; a 5-person family, about 114 percent; and a 6-person family, about 128 percent.

and February 1950. Estimates of the average rent in the 1951 city worker's family budget were made by applying to these rental rates the change in the Bureau's rent index from the survey date to October 1951 for each city.

For most cities, housing costs increased from 2 to 7 percent between October 1950 and October 1951. The greatest increases were found in Milwaukee (10 percent), San Francisco, and Los Angeles (about 9 percent), and Portland, Oreg. (7 percent).³

The cost of gas, electricity, heating fuel, water, refrigerators, and stoves was included in the housing estimates. When any of these items was not included in the reported contract rent of a dwelling unit, the annual cost of each facility was added, so that the estimated average housing costs are comparable between cities. The heating fuel included was a kind commonly used in the locality—the amount allowed depending on the climate.

While cities with warmer climates require less fuel generally, housing costs in Houston, one of the warmest cities, were equal to those in Milwaukee, one of the coldest cities,

³ Rent controls were lifted in December 1950 in Los Angeles and Portland and at the end of September 1951 in Oakland, Calif., which is included in the San Francisco area rent sample. Rent controls had previously been lifted as follows: Birmingham, May 1950; Houston, October 1949; Jacksonville, August 1949; Milwaukee, May 1950; Mobile, May 1950; Norfolk, March 1950 (recontrolled October 1951); Richmond, June 1950; Los Angeles suburbs, November 1949 to June 1950; Virginia suburbs of Washington, D. C., June 1950.

and were exceeded only in Washington and Richmond. However, New Orleans and Mobile—two other cities with warm climates—did have the lowest housing costs.

In contrast to the wide variation in housing costs, relatively little difference was found in food costs between cities. Except for local taxes, the factors which affect food prices tend to make them uniform from city to city in contrast to the more local character of the factors affecting housing. The total cost of the food budget ranged from \$1,296 in Milwaukee to \$1,409 in Savannah, a difference of 8.7 percent. Cities having the highest food costs—Savannah, Mobile, Atlanta, Seattle, and Birmingham—were among those in which a 3-percent State sales tax on foods was in effect. Of the 12 cities with lowest total food costs, only Kansas City had a sales tax on groceries.

The cost of all other goods and services (excluding housing and food) ranged from \$1,453 in Philadelphia to \$1,646 in Seattle. This component of the city worker's family budget includes cost of clothing, housefurnishings, transportation, medical care, personal care, household operation, reading, recreation, tobacco, education, gifts, and contributions, and miscellaneous expenses.

In determining the specific list of items considered necessary for a modest but adequate level of living, scientific standards were used, when available, as a starting point. The largest expenditure group—food—was based on nutritional requirements recommended by the National Research Council combined with preferences of consumers, as observed in studies of family expenditures. The standards for housing were those established by the Federal Public Housing Administration and the American Public Health Association.

TABLE 1.—Estimated annual costs and relative intercity differences in city worker's family budget for 4 persons, 34 large cities, October 1951

City	Estimated annual costs							Relative differences (Washington, D. C.=100)				
	Total budget	Goods, rents, and services				Other costs ¹	Personal taxes ⁴	Total budget	Goods, rents, and services			
		Total	Housing ¹	Food ²	Other goods and services				Total	Housing ¹	Food ²	Other goods and services
Arlanta, Ga.	\$4,315	\$3,844	\$934	\$1,381	\$1,529	\$161	\$310	97	97	90	102	97
Baltimore, Md.	4,217	3,761	875	1,354	1,532	161	295	95	95	85	100	97
Birmingham, Ala.	4,252	3,766	805	1,371	1,590	191	295	95	95	78	101	101
Boston, Mass.	4,217	3,753	801	1,356	1,596	161	303	95	95	77	100	101
Buffalo, N. Y.	4,127	3,674	775	1,324	1,575	177	276	93	93	75	98	100
Chicago, Ill.	4,185	3,745	825	1,353	1,567	161	279	94	94	80	100	99
Cincinnati, Ohio	4,208	3,764	901	1,316	1,547	161	283	94	95	87	97	98
Cleveland, Ohio	4,103	3,678	715	1,330	1,633	161	264	92	93	69	98	103
Denver, Colo.	4,199	3,748	857	1,331	1,560	161	290	94	95	83	98	99
Detroit, Mich.	4,195	3,753	758	1,360	1,635	161	281	94	95	73	101	104
Houston, Tex.	4,304	3,839	964	1,362	1,513	161	304	97	97	93	101	96
Indianapolis, Ind.	4,044	3,590	689	1,326	1,575	161	293	91	91	67	98	100
Jacksonville, Fla.	4,202	3,759	866	1,359	1,534	161	282	94	95	84	101	97
Kansas City, Mo.	3,960	3,558	683	1,305	1,570	161	241	89	90	66	97	99
Los Angeles, Calif.	4,311	3,818	854	1,335	1,629	191	302	97	96	83	99	103
Manchester, N. H.	4,090	3,654	765	1,327	1,562	161	275	92	92	74	98	99
Memphis, Tenn.	4,190	3,748	865	1,348	1,535	161	281	94	95	84	100	97
Milwaukee, Wis.	4,387	3,878	964	1,296	1,618	161	348	98	98	93	96	102
Minneapolis, Minn.	4,161	3,687	797	1,298	1,592	161	313	93	93	77	96	101
Mobile, Ala.	3,969	3,536	611	1,401	1,524	191	242	89	89	59	104	97
New Orleans, La.	3,812	3,441	581	1,363	1,497	161	210	86	87	56	101	95
New York, N. Y.	4,083	3,639	723	1,367	1,549	177	267	92	92	70	101	98
Norfolk, Va.	4,146	3,686	815	1,335	1,536	161	299	93	93	79	99	97
Philadelphia, Pa.	4,078	3,607	784	1,370	1,453	161	310	92	91	76	101	92
Pittsburgh, Pa.	4,203	3,750	758	1,363	1,629	161	292	94	95	73	101	103
Portland, Maine	4,021	3,608	716	1,321	1,571	161	252	90	91	69	98	99
Portland, Oreg.	4,153	3,681	764	1,311	1,606	161	311	93	93	74	97	102
Richmond, Va.	4,338	3,840	997	1,328	1,515	161	337	97	97	96	98	96
St. Louis, Mo.	4,112	3,681	751	1,350	1,580	161	270	92	93	73	100	100
San Francisco, Calif.	4,263	3,779	798	1,353	1,628	191	293	96	95	77	100	103
Savannah, Ga.	4,067	3,644	746	1,409	1,489	161	262	91	92	72	104	94
Scranton, Pa.	4,002	3,556	707	1,314	1,535	161	285	90	90	68	97	97
Seattle, Wash.	4,280	3,823	804	1,373	1,646	161	296	96	96	78	102	104
Washington, D. C.	4,454	3,965	1,034	1,352	1,579	161	328	100	100	100	100	100

¹ Estimated average rent, including cost of heat and utilities, of 5-room dwelling units meeting standards specified for budget.

² Includes allowance for 189 meals away from home, and alcoholic beverages, snacks, etc.

³ Includes allowances for life insurance, \$85; occupational expenses, \$22; Federal old-age and survivors insurance, \$54; and, as required by State law in Alabama, California, and New York, employee contributions to unemployment or disability insurance.

⁴ Includes Federal and State or local income taxes at 1951 calendar year rates and per capita taxes as required by State or local law.

Quantities of goods and services other than food and housing which were included in the budget were based on an analysis of family expenditure data obtained in surveys made between 1934 and 1941.⁴ Study of these data shows that at the lower end of the income scale differences in purchases by families at successive income levels are primarily in the quantities of items bought; in the higher-income brackets these differences are due to the choice of higher quality and more expensive items. The quantities included in the budget were determined at the point on the income scale where the amounts bought increase proportionately less than the increases in family income.

The estimated budget costs for October 1951 for clothing, furnishings, medical care, personal care, household operation, and other groups combined were based on prices of a relatively small sample list of items. Therefore, only the total cost could be estimated within a satisfactory degree of accuracy and separate costs are not available for these groups. The October 1951 estimates of the food and housing budgets were based on price or rent samples sufficiently large so that separate cost figures could be prepared.

Individual preferences play a large part in the way families spend their money, so that even among families at the same economic level, such as the one represented by the budget, some variation occurs in what is considered necessary for clothing, transportation, recreation, etc.

EUNICE M. KNAPP,
Division of Prices and Cost of Living.

Supplemental Appropriation Bill, 1953

SPEECH
OF

HON. DONALD L. JACKSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 27, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8370) making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes.

Mr. JACKSON of California. Mr. Chairman, I take this time simply to point out the clear intent of the Congress on the housing rider to the independent offices appropriation bill and to that point I would like to read into the RECORD an exchange between Senators WHERRY and MAYBANK:

Mr. WHERRY. The Senate increased the number to 50,000, and the Senate amendment prevailed.

Mr. MAYBANK. That is true, except for one provision, to the effect that if a community desires, through its governing body, to vote not to have housing projects, it may do so; and provided further, that they may, if they wish—and I desire to make this perfectly clear, so that there will be no misunderstanding—cancel a contract which has been

made for public housing. But, of course, they will be responsible for any money which the Government has put into the project.

The people of Los Angeles, Calif., have said "No" to public housing unmistakably by a majority of 120,000. Certainly it is not the intent of the Congress of the United States to force on any community in this country housing units which they have no need for and which they do not want.

Address of Admiral Thomas C. Kinkaid

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 27, 1952

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Admiral Thomas C. Kinkaid, United States Navy, before the students of the Phillips Exeter Academy, Exeter, N. H., May 4, 1952:

I am greatly pleased to be here tonight, and I deem it a great privilege to be allowed to address you on subjects which have been nearest my thoughts and interests since I joined the Navy nearly a half century ago.

We live in an age of tremendous development and change and in this relatively short time, the Navy, which I first knew, has almost entirely disappeared. Scientific and technical developments, particularly during and since the last war, and particularly in the field of aviation and electronics, have caused the military man to discover a completely new concept of his job.

Also, these developments have had a profound influence upon the citizen world. War for the first time has become an all-hands job. The impact of modern war shakes a nation to its very foundations. If we hope to retain the freedom and the individual dignity handed down to us by our gallant forefathers, each and every one of us must be prepared to contribute his share to the common cause.

Today the military man teams up with the scientist, the industrialist, the businessman, and the banker; in fact, with all elements of civil life to conduct an all-out war. No less an authority than Vannevar Bush has pointed out that there is a great deal of misconception regarding a so-called push-button war. This has led to the belief that the advances of science and their application to warfare have decreased the need for man. The facts are quite the contrary. The need for training in the manifold specialties is continuously being increased. Every development of the war effort on the land, on the sea, or in the air calls increasingly for greater numbers of men, adequately trained, to use in the forward areas the complex implements with which wars are fought. We must not be diverted by the changing nature of war from the realization that war is always fought by men.

If the lessons of history teach us anything, it is that new weapons alter tactics and the character of armaments, but they do not change the principles of strategy. The advent of each new naval weapon has brought forth changes in the design of ships and the development of countermeasures. The torpedo led to greater underwater compartmentation in the construction of ships. The submarine necessitated the development of countermeasures which have been successful in two wars.

Nothing in the last war or in the Korean experience has indicated that sole reliance can be placed on one type of weapon, or on air power, or on sea power, or on land power alone. In fact, there is overwhelming evidence that success can be achieved only by the coordinated efforts of all the armed services using the weapons applicable to their respective missions.

Through scientific application and mechanization, the simplicity of the implements of warfare of a half century ago has given place to the complication and delicacy of powerful modern implements. Today airplanes roar through sonic barriers; pilotless planes and flying missiles are guided from the ground, or from ships, or from other planes; noiseless high-speed submarines never need to surface except for replenishment; hunter-killer groups composed of airplanes and surface craft electronically equipped seek out enemy submarines, attacking them not only with depth charges but with torpedoes which automatically find their targets; radar discovers, identifies, and tracks incoming enemy planes and controls the gunfire against them; and now the atom has been split with all that that implies.

These and many other developments are the essential ingredients of the greater Navy of the future. Far from marking the end of the Navy, they have given it vastly increased power and ability to accomplish its primary mission of controlling the sea. One can readily understand the magnitude of the problem of incorporating into the Navy, both for offense and for defense, the incredible technical advances which have made the modern Navy tridimensional.

Mobility, employed with the principles of concentration and surprise, has always been the key to military power whether ashore or afloat. Since the earliest days of carrying war across the water, fleets to control the sea have been organized around the strongest and most effective type of ship. In the days of wooden ships and sail the galley gave way to the ship-of-the-line as the core of naval strength. Then, in the day of iron ships and steam propulsion, the battleship became the backbone of the fleet. Today the airplane carrier is the type around which the Navy revolves. Other types are necessary but the large ship with the long-range weapon has always been the foundation upon which control of the sea was built. Formerly, the striking distance of the fleet was limited to the range of its big guns. Today, carrier-based planes have become the sea-borne, long-range artillery of the Navy. Through them the striking distance of the fleet has been increased by hundreds of miles.

The airplane carrier performs a function which cannot be performed by any other type of ship or by any other organization, ashore or afloat. In the early days of the last war our carrier task forces consisted of only one carrier with its satellite battleships, cruisers, and destroyers. By the end of the war, our fast carrier task force operating in the western Pacific had developed into the most powerful force that had ever controlled the sea. It consisted of four carrier task groups. Each group was made up of four or five fast carriers, usually two or three heavy carriers and two or three light carriers, with screening vessels in proportion.

To give you some idea of the strength and capabilities of this powerful force, I will quote a few statistics. It could launch more than 1,000 planes and the proportion of fighter planes and bombers or torpedo planes on board could be varied to conform to the requirements of any particular mission. Its total number of antiaircraft guns of 5-inch, 40 millimeter and 20 millimeter calibers was such that it could put into the air 6,000 shells per second, or a total of 200 tons of hot metal in a minute. This enormous fire power was integrated and coordinated with the combat

⁴ In the spring of 1951, the Bureau collected comprehensive reports of urban consumer income, expenditures, and savings in 91 cities through the United States. The new data will permit the redetermination of the budget quantities which will make the budget more representative of current living standards; the development of budgets for different size families; and the study of possible differences in quantity budgets between cities of varying size and character.

air patrol overhead to defend the formation at sea. Add to these defensive measures the difficulty of an attacker hitting a fast-moving target, plus the effective ship-control measures built into and organized within the individual ships, and you have the explanation of the high survival rate of the units of our fast carrier task force. This task force lost only one of its fast carriers, although it operated repeatedly against powerful shore-based air forces. In the first year of the war, when our task forces were small, we lost four heavy carriers. I saw three of them go down.

One of the basic lessons of the last war, one which is universally accepted, is that air power is the dominant element in the area of combat. It is sometimes forgotten that this implies the presence of adequate numbers of planes of the right type at the right place at the right time. The fast carrier task force which I have just described is well equipped to fulfill these requirements.

The enormous and irreplaceable power of the fast carrier task force may be summed up briefly as its ability to move far and fast, its ability to keep the sea and to maintain continuous operations for long periods in distant places, its great flexibility in the variety of its offensive, defensive, and support missions and, finally, its ability to command the air in vital areas which cannot be reached otherwise.

Today there is a new mobility on the sea in the form of the Fast Carrier Task Force which can strike with ship-based air power in one place today and can strike again tomorrow at a point well over a thousand miles away. Because of this highly developed mobility, we have a new control over time and space, a new freedom of movement, a new means of controlling the sea. The Fast Carrier Task Force is the instrument which provides the enormous air-sea power which is required to control the sea in this age of advanced development of mobility.

History has taught us that a maritime Nation bereft of its sea power, one which loses control of the sea, is a defeated Nation. In all major wars, the ability to use the sea lanes and deny them to the enemy has been decisive. Gen. George C. Marshall has said, "Oceans are formidable barriers, but to the Nation enjoying naval superiority, they become highways of invasion." The seas are cushions of distance which protect us from our enemies. They are also avenues through which we can project and support our joint military powers. They enable us to apply relatively small forces and yet achieve superiority in critical areas of our own choosing. It should be noted also that, unlike armies or airplanes, the Navy can traverse the globe without trespassing upon the sovereignty of any Nation.

The Navy's concept of its mission in a future war does not differ materially from its actual functions in the last war. Throughout history naval forces have existed to carry the fight to the enemy's homeland, to keep it away from our shores. Fleets have never met opposing fleets for any other purpose than to gain control of the sea—not as an end in itself, but so that national power could be exerted against the enemy.

In order to appreciate the role of sea power in a particular campaign or war, it is necessary to know something of the purposes to be accomplished and the plans to be carried out. Referring to World War II, Japan had plenty of time and opportunity to plan her war carefully before attacking.

At some risk of over-simplification, we may say that Japan's purpose in going to war was to make herself self-sufficient. We know from captured documents that the Japanese basic plan was divided into three phases:

I. (a) Seize southern areas in order to exploit their resources—Philippines, Indo-

china, Borneo, Malaya, Dutch East Indies.

(b) Attack United States Fleet in Pearl Harbor in order to cripple our sea power and gain control of the sea.

(c) Seize strategic areas in order to establish a perimeter for defense of southern resources and of the Japanese mainland. The perimeter consisted of a line which joins the Kurile Islands, the Marshall Islands (including Wake Island), the Bismarks, Timor, Java, Sumatra, Malaya, and Burma.

II. Consolidate and strengthen the defensive perimeter.

III. Assume a defensive posture behind the defensive perimeter to intercept attacking forces and to destroy the United States will to fight.

That was a good plan and, if Japan had adhered to it, the war would have been even more difficult for us. But, the first phase was completed so easily, with so little resistance, that the Japanese could not resist the temptation further to expand without waiting for the consolidation and strengthening of their position as provided in phase II. That was a fatal error, committed by a nation which, unlike Germany, fully understood the role of sea power, but had underestimated the war potential and fighting spirit of her enemy.

The further expansion planned, which gave us our opportunity, consisted of:

1. Capture of Port Moresby in New Guinea to strengthen their defenses of New Guinea and the Bismarks.

2. Capture of Midway to strengthen the defenses of the Central Pacific and to force a decisive fleet engagement.

3. Invasion of the western Aleutians to reinforce the defenses of the northern area.

4. Seizure of New Caledonia, Fiji, and Samoa to cut the lines of communication between the United States and Australia.

We learned about these plans after the war. At the time we could only surmise what the Japs had in mind.

This overexpansion extended the Japanese lines and thinned out the Japanese forces. It gave us an opportunity but one which was difficult to seize because of our weakness. That we were woefully unprepared when war came to us in December 1941 is well known. It is important that it be not forgotten.

Those of us who were in the South Pacific during the first year of the war will not forget it. We were on the receiving end and had a very difficult time. We were trying desperately with inadequate means to prevent the Jap advance to southward. The Japs were on the offensive, they outnumbered us, they had the advantage of position and the stakes for which we fought were enormous. If the Japanese-planned advance had been accomplished, the course of the war would not only have been quite different but it would have been difficult, indeed. Our losses were heavy and our casualty lists long but we did succeed in stopping them.

About the time the Japs struck Pearl Harbor, December 7, 1941, they occupied the Admiralty Islands (Bismarks), New Britain, New Ireland, and then Lae and Salamoa on the New Guinea coast. Their first effort to take Wake Island, supported only by high altitude bombers from Eniwetok in the Marshalls, failed and the landing force was repulsed with heavy losses. Later, about Christmastime, a second effort, this time supported by carrier-borne fighters and dive bombers, was successful. We were unable to get there in time to reinforce the island with additional fighter planes and equipment.

In mid-January a carrier task force under Vice Adm. Wilson Brown left Pearl Harbor for the South Pacific. It consisted of 1 lone carrier, the *Lexington*, 4 cruisers, and 9 or 10 destroyers. I commanded the cruisers in this task force.

Our first job was to patrol the Coral Sea on east-west courses to cover the passage of our troops under Major General Patch from

Sydney, Australia, to Noumea in New Caledonia. It was necessary that we occupy New Caledonia before the Japs got there.

That finished without incident, Admiral Brown planned to strike Rabaul in New Britain, where Japanese forces were assembling. While approaching from eastward of the Solomon Islands, on the morning of February 20, we were sighted by four Japanese search planes operating out of Rabaul. Our fighter cap destroyed three of them but the fourth escaped and must have gotten off a report because about 1700 that afternoon two squadrons of bombers attacked. It was a bright, sunny day with large white rolls of cumulus clouds in the sky. As the two V-shaped formations of nine bombers, each, appeared over the clouds, we could see our fighters on their tails. One bomber after another went down in smoke. One of our fighters went down but a parachute opened and a destroyer picked up the pilot. A group of five bombers in a tight though wobbly formation succeeded in getting over our ships at 8,000 feet but none of their bombs found a target. All but 2, possibly only 1, of the 18 bombers were shot down and I doubt if any got home.

There was a dramatic incident which we will all remember. One Jap bomber with a fighter on his tail began smoking heavily and dropped out of formation. Losing altitude slowly but with one engine intact, he headed for the *Lexington* in the center of our circular formation. All guns that could bear opened fire on him but he kept coming. The fighter plane followed him to the edge of our screen but had to break off when the gunfire got too hot. Dozens of projectiles of various calibers appeared to go through the plane but it kept coming until it was about 400 yards on the starboard beam of the *Lexington* and about 40 feet above the water. Then there was a black explosion and the plane dove into the sea. In the cheer that went up from the men on deck, I could detect a note of admiration for that Japanese pilot.

The element of surprise having been lost, we returned to the Coral Sea where we were joined by the *Yorktown* group under Rear Adm. Frank Jack Fletcher. We headed west through the Coral Sea and on the morning of March 10, from a position in the Gulf of Papua, the *Lexington* and *Yorktown* launched their attack groups for the hazardous flight over and between the cloud-capped hills of the Papuan Peninsula to Lae and Salamoa, where there was a heavy concentration of Jap shipping and great activity. The attack was highly successful. There were no operational losses of planes, the flight having been based upon information obtained by plane from Port Moresby.

As we left the Gulf of Papua and headed east in the Coral Sea, there was an interesting occurrence. Our search planes sighted one of our cruiser planes which had been lost 8 or 9 days earlier and during that time had drifted on the surface of the water nearly a thousand miles. One wing was slightly damaged but the plane taxied alongside and was picked up. The two-man crew needed only sleep. Remarkably, the plane was sighted at almost the exact location predicted by the staff aerographer at the time the plane was lost.

By this time, the *Lexington* group was badly in need of replenishment and we had anything but a balanced diet on the return trip to Pearl Harbor. In mid-April we headed south again. We did not know it but we were headed for the Battle of the Coral Sea. This time the *Lexington* group was commanded by Rear Adm. Aubrey W. Fitch. Incidentally, this is the tenth anniversary of the Battle of the Coral Sea (May 4-8, 1942). This action probably saved Australia from invasion and, each year, Coral Sea Week is celebrated throughout Australia with speeches and parades.

say as to who should be President? Have you had anything to say as to who should be governor of this State? Have you had anything to say as to whether we would go into this war? You know you have not. If this is such a great democracy, for heaven's sake why should we not vote on conscription of men? We were stampeded into this war by newspaper rot to pull England's chestnuts out of the fire for her. I tell you, if they conscripted wealth like they have conscripted men, this war would not last over 48 hours."

Gilbert was convicted in the district court. His conviction was affirmed by the State supreme court, and subsequently affirmed by the United States Supreme Court.

In the light of subsequent decisions of the last 10 years, I would doubt that the present Supreme Court of the United States would have sustained such a conviction.

Another outstanding and leading case in the State of Minnesota involved the so-called newspaper gag law. Again this title will be familiar to many of my listeners by the case of *Near v. Minnesota* (283 U. S. 697 (1931)).

The Minnesota statutes provided for the abatement, as a public nuisance, of a "malicious, scandalous, and defamatory" newspaper, magazine, or other periodical, and also of obscene periodicals.

The Saturday Press of Minnesota in 1927 published articles stating that a gangster was in control of gambling, bootlegging, and racketeering; and charging gross neglect of duty on the part of the law-enforcing officials, including the county attorney. This same county attorney then sued to suppress the newspaper which was calling him to account, and alleged that it was largely devoted to "malicious, scandalous, and defamatory articles." He got a temporary order forbidding the defendants to publish, circulate, or have in their possession any editions for 2 months back, any future editions of the same newspaper, and any publication by any other name containing malicious, scandalous, and defamatory matter. The objection of the manager, Near, that the statute was unconstitutional was overruled by the highest State court. The question then went to trial to ascertain the criminal character of the newspaper. The only evidence consisted of several past issues. A permanent injunction was granted in the same terms as above, with findings of fact concluding the newspaper to be a public nuisance and judgment that it be abated. This decree was also affirmed and Near went to the United States Supreme Court invoking the fourteenth amendment.

Observe that this Minnesota gag law was more drastic than a criminal seditious act in three respects:

(1) It was previous restraint as to future issues, even if not so as to issues already published.

(2) There was no jury trial as to responsibility for publication or the wrongful nature of the language used.

(3) It was not directed at a particular wrongful passage, but at the entire life of the newspaper.

It is to be noted that this statute set up a new kind of censure of newspapers and magazines. If this scandal sheet could be thus stamped out, so could less vituperative criticism of public officials. The offended officials only needed to find a judge who shared their opinion that the criticism passed legitimate bounds.

The United States Supreme Court invalidated the Minnesota statute as an improper deprivation of liberty of the press by a 5-to-4 decision. The majority of the Court held "this is the essence of censorship."

The Near case is referred to as one of the most important of all free speech cases in the Supreme Court.

Its strong hostility to previous restraints against the expression of ideas may conceivably be applied to quite different forms of censorship affecting other communications besides the press. Newspapers, books, pamphlets, and large meetings were for many centuries the only means of public discussion so that the need for their protection has long been generally realized.

On the other hand, when additional methods for spreading facts and ideas were introduced or greatly improved by modern inventions, writers and judges have not developed the habit of being solicitous about guarding their freedom; and so we have tolerated censorship of the mails, the importation of foreign books, the stage and motion picture, the radio, and now in some forms the television.

In an age where the film and the broadcasting stations have become rivals with the newspapers for the transmission of news, the new judicial attitude evidenced in *Near v. Minnesota* has had and will have many important consequences.

The maintenance of open discussion depends on all the great body of unofficial citizens. If a community does not respect liberty for unpopular ideas, it can drive such ideas underground by persistent sneers, by social ostracism, by boycotts of newspapers and magazines, by refusal to rent halls, by objections to the use of municipal auditoriums and public meeting places, by mobs and threats of lynching.

On the other hand, an atmosphere of open and unimpeded controversy may be made as fully a part of the life of the community as any American tradition. After all the law plays only a small part in either suppression or freedom. In the long run, the public gets just as much freedom of speech as it really wants.

This brings me to my final argument for freedom of speech. It creates the happiest kind of country. It is the best way to make men and women love their country.

Mill says: "A state which dwarfs its men in order that they may be more docile instruments in its hands, even for beneficial purposes, will find that with small men no great thing can really be accomplished."

You make men love their government and their country by giving them the kind of government and the kind of country that inspire respect and love; a country that is free and unafraid, that lets the discontented talk in order to learn the causes for their discontent and then ends those causes, that refuses to impel men to spy on their neighbors, that protects its citizens vigorously from harmful acts while it leaves the remedy for objectionable ideas to counterargument and time.

As I have thought over what I might say to you and where I was to say it, it occurred to me that in some ways, at least, politics and religion are similar. Both are institutions built on faith—the church as an institution of religious faith and the party as an institution of political faith.

Both the church and the political party are founded on great fundamental truths and their success as an influence for good depends upon the extent to which those truths are taught and accepted by mankind.

To me the great overriding mission of each is essentially the same—the welfare of man. One, the political party concerns itself with things temporal, while the overriding and great interest of the church lies in things spiritual.

We may lose both the spiritual comfort of the church and the strength of our political beliefs by that deadly virus of apathy and indifference. The individual who is apathetic, whether it be in the church or in his political party, not only lacks conviction; he lacks interest and without interest, he is an easy prey for aggression and oppression.

In the exercise of free speech we often hear critics protesting that things just aren't being run to suit them. They say, "The trouble with the party is this or that," or "The trouble with my church is this and so." What these people forget—what we are all inclined to overlook—is that the church isn't just your church; the church in part is you.

I get letters from constituents sometimes, telling me what they think is wrong with the party I represent. They ask me why I don't do something. Well, I have to write back and tell them that they are the party and that I am very happy to know they are interested and will welcome their participation in its affairs. There is just simply no such thing as a church or a party without members.

Certainly, I must express commendation to those who are interested enough to complain. The grave danger to the church, to the political party, to our very country itself, is apathy.

Recently I came across an ominous little piece that I want to pass on to you. It concerns the pattern of human history and offers 10 steps from bondage to freedom and back to bondage. Here are the 10 steps:

1. From bondage to spiritual faith.
2. From spiritual faith to courage.
3. From courage to freedom.
4. From freedom to some measure of physical abundance.
5. From abundance to selfishness.
6. From selfishness to complacency.
7. From complacency to apathy.
8. From apathy to fear.
9. From fear to dependency.
10. From dependency back again to bondage.

How difficult are the first four steps? How easy the last four?

The Christian religion is now about 2,000 years old. Think of the contest that has existed in those 2,000 years—of what the Christian religion has meant to those who fought for the individual rights and the dignity of the individual.

The framers of our Constitution and our Bill of Rights were generally men of deep and divergent religious convictions.

There is a great challenge to all of us; the continuing challenge to pass on to succeeding generations the great truths of the past, the precious heritage of the Christian religion, yes, and the priceless birthright of an American Republic established, in the words of the preamble to the Constitution of the United States, "under God."

The Christian religion has given to the world the mission of the Christian church. Our forefathers gave to this world a form of government and a freedom that transcends that of any other government in history. We as Americans have a mission to perform, as the church has a continuing mission to perform. It cannot be done if we are apathetic—cannot be done if we are indifferent.

There is no easy way. Christianity is difficult. Citizenship is difficult. Each demands sacrifices but each promises great rewards.

Until 20 or 25 years ago the Constitution and the Bill of Rights—generator of the genius of America—were taken for granted. For that same period of time it has been under attack by those who assert without proof that they can improve upon our system of government. The plan seems to be to impose upon the people political control of the daily activities. Under communism you lose your liberties immediately and perhaps your life. Under socialism, you lose your liberties a little more slowly but just as surely.

Recently, Edward F. Hutton, in a broadcast of urgent warning to all Americans to be on guard against those who scheme to

take from us the freedom so dearly bought, said this:

"Today the Bill of Rights is in jeopardy. If it could speak, I believe it would have this to say: (I am your Bill of Rights. Don't take me for granted. As man brought me to life, I can be slain by men, and will be slain unless you, the plain people of America, organize to defend me.

"(I am freedom of religion, freedom of speech, freedom of the press, freedom of assembly. I am the privacy and sanctity of your home. I am your guaranty of trial by jury, and I am the custodian who guards your property rights. I am your signed lease to spiritual, mental, and physical freedom.

"(My existence depends on how vigilantly you watch those who administer your Government. Put every law proposed in Washington into the crucible of my Ten Commandments. Your question must always be: 'Not what does a law give me, but what does it take away from me?'"

It must be remembered that the state is not a perfect institution. It approaches perfection only to that extent that the moral forces of its people compel perfection. Law cannot maintain a standard for a people higher than the people set up for themselves. If the standards of the people are lowered, it follows that the standards of the government will lower.

The spiritual faith of the men who founded our country and our institutions is the substance of that which has been realized and will be realized in America.

It is that faith that has guided our leadership.

It has shaped and molded the opinions that resulted in the establishment of our legal standards of right and wrong. It has directed the course of our public life.

Our whole governmental structure must recognize the hand of God in the affairs of men.

Our basic religious beliefs and our democracy are inseparable. As an educated citizenship is necessary to the maintenance of free government and free speech, as is a religious citizenship necessary to maintain life and vitality in the principles upon which our free Government rests.

Irresponsible

EXTENSION OF REMARKS OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 28, 1952

Mr. RODINO. Mr. Speaker, the people's voices will be heard against the great betrayal of the American public on the issue of price controls. A sound editorial which appeared in the Friday, June 27, 1952, issue of the Newark (N. J.) Evening News echoes this sentiment. Under leave to extend my remarks in the RECORD, I wish to include that editorial herein:

IRRESPONSIBLE

At a time of crisis, the actions yesterday of the Republican-southern Democrat coalition in the House of Representatives stand as a deplorable exhibition of reckless disregard for the public interest. Mustering a majority, the coalition blasted the Defense Production Act extender to pieces, even to voting for the abrupt ending of price controls on Monday.

Besides wiping out price controls except on rationed or allocated commodities, of which there are comparatively few, authority to regulate consumer or real estate credit would also be ended along with other restraints. The sole motive for this irresponsible performance was to discredit the Truman administration.

Whether or not these things should be done is not the point of criticism of yesterday's action. It's the coalition's heedlessness and irresponsibility that are reprehensible. Tossed aside was the obvious need to keep the national economy on as even a keel as possible. As for the Republicans, if they want to commit suicide next November, this is a good way to do it.

The Defense Production Act will expire next Tuesday. Thus little time remains for reconciling the differences between the House bill and the Senate bill which would extend controls through February. That the Senate conferees will yield little to the House group is indicated by the Senate's adoption of a motion directing its representatives to "disagree with everything that the House did." They should certainly do so.

An Inventory of the United States Participation in the Korean War Reveals That England Should Either Put Up or Shut Up

SPEECH

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 28, 1952

Mr. VAN ZANDT. Mr. Speaker, on June 25, 1952, the American people observed the second anniversary of the brutal and savage military action in Korea, which the leaders of our country have chosen to designate as a police action.

It is fitting that not only should the American people pause briefly in their busy lives to study an inventory of the United States participation in the Korean war, as taken from the United Nations summary of the first 18 months of the Korean conflict, to and including December 31, 1951, but they should give recognition to the criticisms directed at our efforts by certain British statesmen.

We should keep in mind, when studying these tables, that these are the same British leaders who cry for a greater share in the administration of the Korean conflict, and who contribute a small share in men and arms, that condemn us for our recent action taken to protect our forces, the bombing of the Yalu River power stations.

It is asserted by these British leaders that the United States overstepped its authority by the bombing action, and in so doing is drawing Great Britain into an all-out war. This same criticism prompted our Secretary of State to apologize to members of the House of Commons because the British Government was not notified of the Yalu bombing.

The American people need not apologize to any nation in the world, includ-

ing Great Britain, for the part they have played in the Korean war. The preponderance of the participation of the American people in the Korean crisis is not only represented by the annual cost of \$5,000,000,000, but may be compared to that of all other United Nations countries in the following tables:

TABLE I.—United Nations military participation in Korea by country and service

A. PERCENTAGE OF TOTAL U. N. FORCE CONTRIBUTED BY THE UNITED STATES		Percent
Total United States force, all services		64.19
Total other U. N. and ROK ¹ forces, all services		35.81
Total		100.00

B. PERCENTAGE OF CONTRIBUTION BY NATION BY SERVICE (COMBAT)

Country	Ground forces	Naval forces	Air forces
	Percent	Percent	Percent
1. Australia	0.26	0.52	0.45
2. Belgium	.17	None	(²) (³)
3. Canada	1.56	.87	(²) (³)
4. Colombia	.25	.20	None
5. Ethiopia	.31	None	None
6. France	.27	None	None
7. Greece	.26	None	(²) (³)
8. Luxembourg	(⁴)	None	None
9. Netherlands	.19	.26	None
10. New Zealand	.33	.28	None
11. Philippines	.43	None	None
12. Republic of Korea ¹	40.10	7.45	5.65
13. Thailand	.38	.31	(² , ³ , ⁴)
14. Turkey	1.47	None	None
15. Union of South Africa	None	None	.20
16. United Kingdom	3.69	4.22	.32
17. United States	50.32	85.89	93.38
Total	100.00	100.00	100.00

¹ Republic of Korea; not a member of the U. N.

² Transport.

³ Air transport not included in percentages.

⁴ Integrated with Belgian unit.

⁵ Infantry unit.

⁶ Withdrawn during month of December 1951.

NOTE.—Percentages are current as of Dec. 31, 1951.

TABLE II.—United Nations ground forces in Korea

[Numbers and percentage of total supplied by participants]

Nation	Department of Defense data	Computed forces keyed to Greece
	Percent	
Australia	0.26	1,140
Belgium	.17	745
Canada	1.56	6,841
Colombia	.25	1,096
Ethiopia	.31	1,359
France	.27	1,184
Greece	.26	1,140
Luxembourg	(¹)	—
Netherlands	.19	833
New Zealand	.33	1,447
Philippines	.43	1,886
Republic of Korea (not U. N. member)	40.10	175,839
Thailand	.38	1,666
Turkey	1.47	6,446
United Kingdom	3.69	16,181
United States	50.32	220,653
Total	100.00	437,456

¹ Infantry unit with Belgium.

Tables III, IV, and V indicate that the United States has suffered more than 10 times as many casualties as the rest of the United Nations participants combined—excluding South Korea—and has provided over 10 times as much in relief goods as all of the other 37 countries which have contributed.

fact that the obligations of the agency for military purposes were overstated by \$408,000,000 in order to secure larger authorizations and larger appropriations.

We can argue all day as to whether this overstatement was by accident or design but there can be no argument over the fact that these obligations were not presented accurately. The subcommittee recognized this fact when they cut nearly half this amount from the Defense Department's request. This fact is borne out in the testimony. When the Mutual Security Agency came before the subcommittee with their budget request they asked for authority to continue their unobligated balances available after June 30, 1952. These unobligated balances were represented to be \$398,000,000 not including items outside the first four titles such as aid to Spain and certain relief in Korea.

During the hearings the alert chairman of the subcommittee and his watchful staff requested tables indicating obligations by months. When these tables were scrutinized they revealed significant disparities. These disparities resulted in the chairman's calling Mr. William C. Foster, Deputy Secretary of Defense and Mr. C. Tyler Wood, Associate Deputy Director for Mutual Security before the committee, last Tuesday, June 24, 1952.

It is difficult to extract the most significant portions of these hearings to present in the brief time at my disposal because they are so full of indications of sloppy estimating and loose control over funds that every Member of this House would do well to study them in detail as the gentleman from Missouri [Mr. CURTIS] has suggested.

The table on page 9, furnished by Mr. Foster, states that obligations for June would be \$1,714,600,000. This is a lot of money, even for the Army, Navy, Air Force and OSD to obligate in 1 month. It is almost a fifth of the total that the Department of Defense was able to obligate in the 11 months preceding, 18.9 as much to be exact.

On June 18, the Department of Defense had to admit that they just were not able to obligate the money that fast. One billion seven hundred million dollars is a lot to spend in 1 month. As Mr. Harvey, of the committee staff, summed up the case, and his summary in the presence of Mr. Foster, on page 13, they succeeded in planning for the obligation of all but \$658,000,000 by the time of the report on June 18. It is hard to obligate \$658,000,000 with only 8 working days or 12 calendar days left in the month and with a new fiscal year coming up July 1. Mr. Harvey, of the committee staff, in the presence of Mr. Foster, discusses these plans for obligations during the month of June in quite some detail, which is reported at the top of page 13. Listen to this tale of figures that just do not add up, and of missing papers laying on desk tops on Saturday afternoon which result in a \$313,000,000 error:

Mr. HARVEY. That left \$658,000,000 unobligated at June 30, but also listed \$192,000,000

which they expected would be obligated in full out of the balance, or a difference of \$476,000,000 at the end of July.

Now, the subsidiary statements, one for each service, which support this total statement, vary from this, in that the \$476,000,000 becomes \$404,000,000 when you total up the subsidiary statements. That discrepancy they have not yet sought to explain.

This contemplated obligations by the Army during the month in the amount of \$434,000,000. Of the amount of \$434,000,000, there was \$92,000,000 of offshore procurement, of which \$72,000,000 was in the books on June 18 and \$20,000,000 probably to go in later. There were some other small items.

Then there were two items—\$306,000,000 for tank and automotive equipment and \$7,000,000 for ammunition—which were stated by Mr. Garlock, of the Office of the Secretary of Defense, to have been a piece of paper which should have been obligated, which they found laying on somebody's desk on Saturday, and they took it up and obligated it. It should already have been obligated, as he explained it. It is from the Ordnance Corps, United States stocks, now being prepared for shipment on a reimbursable basis.

On page 20 of the hearings, Mr. Foster recognizes the impossibility of obligating the whole \$1,714,600,000 when he says:

The point which I am making is that even raising the question as to the Air Force small items in June, and even raising a question as to whether the Army will be able to go ahead with one or two other items, as I total the figures, which are almost surely solid, they come to \$1,576,000,000, which we will obligate during the month of June. That excludes the one-hundred-eighty-million-dollar-odd on the Air Force, which I must say I believe, on the basis of the representations from them, will actually come through.

Please notice that Mr. Foster's figure of \$1,576,000,000 has shrunk by \$138,000,000 from the figure of \$1,714,600,000 taken from Mr. Foster's chart on page 9 of the hearings. This means that we now have \$138,000,000 of water in the obligations figure on which this whole appropriation is based.

Now, let us look at Mr. Harvey's summary, with Mr. Foster present, on page 25:

Mr. TABER. You have increased the unobligated balance that was estimated by the departments from \$398 million to \$668 million on these particular things; is that it?

Mr. HARVEY. That is correct.

Mr. TABER. That means an increase of \$270 million.

Mr. HARVEY. That is assuming that they will obligate \$1,714,000,000 in June.

Mr. Foster admits that these unobligated balances which were previously stated at only \$398,000,000 are actually \$668,000,000. He admits, in other words, that they were previously under-stated by \$270,000,000.

When you take this \$270,000,000 and add to it the \$138,000,000 representing the shrinkage in June obligations you arrive at the total of \$208,000,000 which this series of amendments seeks to eliminate from this appropriation. These amendments accept the figures of the agency itself and seek only to return to Treasury that portion which the agency cannot justify.

Actually, there is a good case for cutting this appropriation considerably in

excess of the \$208,000,000. On page 16 the Air Force submits a table which purports to be a breakdown of their \$357,000,000 in unobligated funds but which adds up to only \$219,300,000, a discrepancy of \$138,000,000. This amount, added to the \$270,000,000 previously admitted as padding again gives us the total of \$408,000,000 of which the committee has already deducted \$200,000,000. The committee informs me that they had the General Accounting Office check into the \$357,000,000 figure and found that it had been obligated in March and de-obligated in April. When the committee staff discovered that the Air Force figures simply did not add up and when the Air Force was asked for a quick explanation, there is some reason to wonder if they did not hurriedly obligate it again in their eagerness to get something on the books. It is entirely possible that this whole \$357,000,000 should be recaptured.

The whole question on these amendments is a question of orderly procedure, sound accounting and protection for the control of Congress over the purse strings of the Nation. It is not a question of whether or not this extra slush fund should be dumped into the military-aid appropriation for these specific areas at all.

Hardly a week passes that some national publication does not question editorially whether or not Congress has lost all control of our budgetary processes. "Has Congress broken down" asked Fortune magazine in its great February 1952 issue which explored the Government in detail and editorialized under the caption, "Lost: Control of the purse."

Hardly a day goes by that I do not have several letters from constituents asking: Cannot Congress control this dollar-mad monster which it has created? Cannot Congress curb this wanton spending? Cannot Congress in some way control this tax program which is killing our incentive and taking away the money we need to feed and clothe and house our families?

The answer is that as long as we continue with loose, flimsily supported authorizations of this type, so long as the relationship between authorization and actual contractual obligation is as distorted and as vague as these hearings indicate in this particular case, we will not have actual control over the appropriation machinery or the purse strings of this Nation and we will have failed in our constitutional responsibility to our own constituents.

I would like to review briefly once again just what is going on here in this program of amendments based on the evidence I have outlined to you.

Four amendments probably will be offered. The amendment to title I offered by the gentleman from Michigan [Mr. CRAWFORD] seeks to eliminate \$145,600,000. This has little to do with Europe or military aid to Europe. It corrects an administrative error in estimating obligated funds. That is all.

The amendment to title II to be offered by the gentleman from Missouri [Mr.

CURTIS], seeks to reduce the appropriation by \$31,200,000. This likewise is not an issue of military aid for the Near East and Africa. It is a matter of fiscal responsibility.

I will offer an amendment to title III seeking to reduce that appropriation by \$24,960,000. I favor a vigorous military aid program in Asia and the Pacific but I want the appropriations for that program properly handled by the Pentagon. Until then I believe the \$31,200,000 belongs back in the Treasury.

An amendment will be offered to title IV seeking to reduce that amount by \$6,240,000. Again, this is an amendment favoring fiscal responsibility and sound budgeting. It is not a cut, as such in military aid to the American Republics.

These amounts add up exactly to the \$208,000,000 which I have been discussing in such detail. That \$208,000,000 added to the \$200,000,000 which the committee so wisely, in my opinion, cut out setting a precedent that these authorizations based on poorly estimated obligations were out of line with the actual expenditures, comes to the total of \$408,000,000. This represents the slack, the padding, the water, or the gap between the actual expenditures program planned and the commitments made.

This is not a cut in the way of limiting the effectiveness of any of these programs. This is a returning of Federal funds to the Federal Treasury, an elimination of a gigantic slush fund waiting for deobligation.

If these military aid programs need extension, I submit that the agencies can come before the Congress of the United States and request additional authorizations and appropriations based on concrete programs, outlining what they need. I submit to you, however, that this blank-check policy and this fiscal looseness of congressional control over appropriations, and especially over expenditures, is going to be a mighty issue when all of us face the voters this fall. I hope we will face up to our responsibilities today and pass all four of these amendments as a demonstration of congressional integrity.

On the basis of my own observations of the waste and extravagance inherent in military aid expenditures around the world, I for one want to be able to stand up there and say that I did everything I could to see that the taxpayer's dollar was protected by an alert Congress and spent under congressional supervision.

Question of the Week and of the Year

EXTENSION OF REMARKS OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 17, 1952

Mr. BENDER. Mr. Speaker, whom do you like?

Defense Production Act Amendments of 1952

SPEECH

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 26, 1952

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 8210) to amend and extend the Defense Production Act of 1950, as amended, and the Housing and Rent Act of 1947, as amended.

Mr. DONOHUE. Mr. Chairman, I am vigorously opposed to the attempts being made here to completely remove every reasonable economic regulation from the existing Defense Production Act. The paramount domestic problem facing the Nation now is to prevent the collapse of our economic stability from the ruinous ravages of threatening, runaway inflationary pressures. The eyes of all the American taxpayers are focused on us today to observe our determination to legislate wisely for the general welfare or surrender to the persuasive lobbying tactics of special groups. I earnestly hope this House will act for the common interest of all the people, without political partisanship or misplaced confidence in the extravagant cries of selfish-seeking organizations.

Under ordinary living conditions I would be the first to protest against the imposition of any controlled economy but will any person dare say we are living under normal circumstances today? In the complex economic turmoil surrounding American life now I am deeply and gravely apprehensive of the disastrous effects which would most surely seem to follow any full elimination of the sensible control safeguards presently protecting our economic structure. I earnestly believe the removal of all price controls at this time would inevitably lead to these chief crippling results:

First. Uncontrolled inflation with a resultant decrease in the purchasing power of the dollar because the total demand for goods and services for consumer consumption is greater than their supply.

Second. Inflated dollars would mean that the Government would have to expend more money to get the same quantity of goods and services needed for defense.

Third. The Government's increased spending would have to be financed by larger taxes or increased deficit spending.

Fourth. The lower- and middle-income groups would be forced to live on a relatively lower level because of higher prices.

Fifth. Fixed-income pensions and institutions would be squeezed by the pressure of depreciated purchasing power of their income.

The average American taxpayer and wage earner well remembers what happened back in 1946 when all price controls were suddenly removed, with the

naive assurance that prices would soon level off and decline. Just the opposite proved to be the case, and few consumers will ever forget the hardships thrust on the buying public by that hasty congressional action. Our experience right after World War II should be lesson enough to convince us of our duty to protect the American housewife and wage earner from another morale-demoralizing price-gouging era.

The plain facts existing today point to the truth that the economic state of this country is not yet soundly stable and can be very easily thrown out of balance to the detriment of the consumers and the national welfare as a whole. The indexes compiled by the Bureau of Labor Statistics show that, since a drop last February, prices have been steadily going up and are right now only one-tenth of 1 percent below the all-time peak reached in January of 1951. The continuing increase in the cost of living necessities; the anticipated \$60,000,000,000 outlay for defense spending in fiscal 1953 with the accompanying effect on the supply of goods for civilian use; the lack of any real evidence proving our basic economy will remain stable convinces me the failure to provide preventive inflationary checks now is practically unwise and an invitation to economic disaster.

Mr. Chairman, in this time of great emergency when the Communist leaders are deliberately and admittedly trying to promote disunion and demoralization among the people of the United States we have only one challenge squarely facing the Members of this House. Are we going to legislate wisely for the general welfare of the country or are we going to further the selfish objectives of a few organized groups? The question is simple and our answer should be clear, in voting to maintain a reasonable system of price controls for the protection of the great majority of our citizens, the wage earners and their families. I earnestly hope the Senate and the conference committee will demand and insist that the retention of sensible price controlling machinery is vitally essential to our continuing economic stability while we are engaged in this desperate struggle for survival against the Godless Communist leaders seeking to destroy us from within and without.

Mr. Chairman, I also feel in duty bound to speak against the attempts to legislate on gravely important national problems by hasty amendment actions when the Congress is rushing toward a deadline of adjournment, either temporary or permanent. This is not the temperate, unprejudiced atmosphere in which to calmly deliberate on such nationally important problems as the application of the Taft-Hartley law provisions to the steel production difficulty, the abolition of the Wage Stabilization Board and the decimation of the Housing and Rent Control Act. These are matters that deeply affect the welfare and morale of the whole country. They demand long, careful, unpassioned legislative exploration for decisions of

wisdom in solution. Until the over-publicized steel dispute the Wage Stabilization Board possessed an excellent record of helping to equitably settle many vexing labor and management differences to the acceptance of both sides. A summary dissolution of this Board, which in my conviction should remain tripartite in nature, would prove to be ill-advised at this time. The hurried and exciting efforts here to pressure the President into forceful use of the injunctive penalties of the Taft-Hartley Act against the steelworkers is a regrettable punitive gesture in this hour of serious threat to our national security.

That suggestion is obviously against the full sense of American justice when we reflect the steelworkers themselves voluntarily refrained from walking off their jobs, as they were legally entitled to do the moment the contract expired, and stayed at their work of producing steel for 150 days. To say the least it is indeed questionable common sense to destroy and discourage the spirit and will of management and labor to continue to resolve their honest differences by the orderly processes of real, genuine collective bargaining without unwarranted Government interference, of imperialistic directive. In the last analysis the responsibility of insuring the public safety is adequately protected by sufficient defense material production belongs to the Congress. We cannot and should not try to evade that obligation to the people we represent by any subterfuge imposition saddled, without any careful or thoughtful examination, on the Chief Executive. Let us remain at work here in the Congress and meet our duty by making a full and complete study to determine the necessity of enacting a fair and balanced seizure law safeguarding the interests of management, labor, and the public, if it becomes imperative to do. This is a problem that should be given separate and concentrated attention. It ought not to be cursorily passed on amidst a jumble of amendments surrounding other legislation.

Mr. Chairman, the proposal to limit rent stabilization to critical defense housing areas has been accorded too little scrutiny to judge its real effect. Unfortunately the significance of the terms "critical" and "noncritical" are not their usual ones when applied to rent-controlled areas. Critical areas are those brought under control because they have experienced sudden population increases of defense workers or military personnel since June of 1950; noncritical areas are those which have not had that unexpected population development. However the so-called noncritical areas are of great importance to our over-all defense program because they include most of our great industrial cities.

In fact, this proposal would be a damaging blow to the general stabilization effort. A majority of our major industrial cities would suddenly find themselves without rent control. Of 106 cities in the United States with 100,000 or more population a total of 52 have ordinary type of noncritical rent control that

would be affected by the decontrol action. This amendment would disturb the lives of the one-third of our people who live in cities for which decontrol is proposed.

There are completely adequate guarantees in the present law to assure that the rent-stabilization program will not be unduly prolonged in any area, whether critical or noncritical. The governing body of every municipality, and of every county, has full authority to terminate the rent-stabilization program whenever it finds control is no longer required. The fact that local governing bodies with over 53,000,000 persons in their jurisdiction have refused to exercise their authority under this provision is emphatic proof that most local officials, who know their particular areas best, are firmly convinced the rent-stabilization program is still urgently needed in their own communities.

Mr. Chairman, some great and experienced authorities have declared this period to be the most dangerous in the history of our great Nation. Even without such authoritative warning I believe the average citizen and wage earner realizes full well our very existence and civilization is being threatened by the most devilish and resourceful enemy the world has ever known; certainly the Members of this body understand the Communist military threat as well as their insidious design to incite our people toward class-hatred and group-quarreling. I, therefore, wish to urge and implore my colleagues to calmly and judiciously dwell on the fundamental importance of the action we take here as it affects the national welfare. Sound and wise laws cannot be enacted in a legislative atmosphere of confusion, excitement, and prejudice. I earnestly ask you all to consider long and thoughtfully on the doubtful wisdom of approving any legislation that may well increase antagonisms and divide our people when unity, understanding, cooperation, and good will are so essential to our national-defense effort and the success of the free world in this decisive fight against totalitarian tyranny.

Should Our Foreign Policy Be Changed?

EXTENSION OF REMARKS

HON. GEORGE W. MALONE

OF NEVADA

IN THE SENATE OF THE UNITED STATES
Saturday, June 28, 1952

Mr. MALONE. Mr. President, on June 10, 1952, I debated the question "Should our foreign policy be changed?" on the Town Meeting of the Air with Robert Aura Smith, an editorial writer for the New York Times. I ask unanimous consent that the transcript of the debate be printed in the Appendix of the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TOWN MEETING OF THE AIR, MILWAUKEE, WIS.,
JUNE 10, 1952—SHOULD OUR FOREIGN POLICY BE CHANGED?—MODERATOR, ORVILLE HITCHCOCK; SPEAKERS, ROBERT AURA SMITH, GEORGE W. MALONE

(The broadcast of June 10, 1952, from 9:45 p. m., eastern-daylight time, over the American Broadcasting Co. Radio Network, originated in Congregation Emanu-El-B'ne Jeshuran, Milwaukee, Wis., under the auspices of the Wisconsin State College.)

THE SPEAKER'S COLUMN

Senator GEORGE W. MALONE, Republican, of Nevada; member of Senate Interior and Insular Affairs Committee and Public Works Committee. A former State engineer of Nevada (1927-35), Senator MALONE has been special consultant on strategic and critical minerals and materials to the Senate Military Affairs Subcommittee and to the Chandler Committee on Examination of Military Establishments. He has also served as expert consultant to the Secretary of War and adviser to the Secretary of the Interior in the construction of the Hoover Dam. His report on the natural resources of the area and the use of power was published in 1935. Elected to the Senate in November 1946, Senator MALONE is former chairman of the United States Senate National Resources Economic Committee and is chairman of the Flood Control, Navigation, Dams and Electric Power Subcommittee of the Senate Public Works Committee.

Robert Aura Smith, editorial writer, The New York Times; expert on the Far East. Born in Denver in 1899, Robert Aura Smith was graduated from Ohio Wesleyan University, and as a Rhodes scholar received his master's degree from Oxford University. He returned to the United States to teach, and in 1925 joined the editorial staff of the Cincinnati Commercial Tribune. He left for Manila in 1930 to become news editor of the Manila Daily Bulletin and a staff correspondent for the New York Times. During World War II, he worked with the OWI. He is now widely known as a lecturer on the Far East, where last winter he completed a survey of 12 countries. Mr. Smith is the author of several books on our foreign policy.

Moderator, Orville Hitchcock, professor of speech at the State University of Iowa.

SHOULD OUR FOREIGN POLICY BE CHANGED?

ANNOUNCER. Tonight Town Meeting is the guest of Wisconsin State College, with the broadcast originating from the auditorium of Temple Emanu-El-B'ne Jeshuran, in Milwaukee.

In presenting this program to its students and townspeople, Wisconsin State College is reaffirming its insistence that education for both citizens and students go beyond the walls of the classroom and participate directly in the presentation of issues and personalities which are shaping the modern world. Civic-minded Milwaukee corporations have helped to make this program possible.

As the major part of its academic program, the college has, since 1885, trained teachers who have held important positions, not only in the State, but even beyond the boundaries of our Nation. Since 1951, the college has added a forward-looking liberal arts program to its curriculum, bringing for the first time to local youth the opportunity to earn a liberal arts degree at a Milwaukee public institution of higher learning.

Now, to preside as moderator for tonight's discussion, here is Dr. Orville Hitchcock, professor of speech at the State University of Iowa.

Moderator HITCHCOCK. Good evening, friends. Tonight we are speaking to you from the beautiful auditorium of Temple

Emanu-El, in Milwaukee, where we are the guests of Wisconsin State College. We are most happy to have this opportunity of participating in the program of public institutes, lectures and concerts sponsored by Wisconsin State College for its students and the citizens of Milwaukee.

In a little less than a month from now, the 1952 political conventions will get underway in Chicago. As the Republican and Democratic leaders debate the planks of their respective party platforms, you and I are going to hear much and read much about the foreign policy of the United States. The conventions and the campaign this year happen to come at a critical period in world affairs.

This evening, Town Meeting continues its series of broadcasts on this basic and important issues for the discussion of the question, "Should Our Foreign Policy Be Changed?" To help us answer the question, we have two especially well-qualified speakers: Senator GEORGE W. MALONE, Republican, of Nevada, member of the Senate Interior and Insular Affairs Committee and the Public Works Committee, believes that our foreign policy should be changed. Mr. Robert Aura Smith, editorial writer for the New York Times, and specialist on the Far East, thinks that our foreign policy cannot be changed.

Maybe we should take first things first, Mr. Smith, and ask you to start our discussion by telling us what, in your opinion, our present foreign policy is.

Mr. SMITH. Dr. Hitchcock, that's not an easy question, is it, since our policy is the end product of 175 years of living as a Nation? I think we're concerned, however, with the present implications of our policy, and there we are on relatively firm ground.

First of all, we are opposed to Soviet imperialist expansion. We are opposed to communism in principle and in practice, and a great deal of our policy is geared to that opposition.

To effectuate that opposition, we are trying to create what we call positions of strength, and gaining those positions of strength at various points in the world through military and economic assistance.

In addition to that, within the framework of the United Nations, we are undertaking to bring together, in a network of defense, states that feel as we do and that are in danger—such as the North Atlantic Organization, our Pan American organization, and now our Asiatic Security Pact.

In addition to that, we have special areas in policy, such as the area in the Far East. There, I believe, we are determined to try, if we can, to reach an armistice, an honorable armistice, in Korea, but not to extend the scope of those hostilities if it is within our power not to do so. We may be compelled to do so, but it is not our initiative.

Similarly, in the Far East we have proposed to continue to recognize the honorable Nationalist Government of China, now in Formosa, and to continue to oppose recognition of the Communist regime in Peking and its admission to the United Nations. Those, I take it, are parts of this policy. I do not believe that those policies, into many of which we have been forced by the hard logic of circumstance, cannot possibly be changed.

Mr. HITCHCOCK. Senator MALONE, maybe you don't quite agree with that definition of our present foreign policy. Well, what would you add to that?

Senator MALONE. Well, I think he covered the groundwork. Naturally, we all agree that we are against Communist expansion. How to prevent it is something else.

He says we are still for Chiang Kai-shek. We have a fine way of showing that we are for Chiang Kai-shek. We ruined him, run him out of China, and now we have him bottled up with our fleet. If we're for him, turn him loose on that mainland and let him go.

Now some believe that we should have this economic one world, that we should divide our wealth, have a modification of the Constitution, and some go far enough to say that we ought to have a Federation of Nations, each with one vote—or each with two votes, two senators and congressmen, in accordance with the population.

However, many of us believe that we should maintain our own economic integrity while we are helping the world to get along, and be on a long-range basis so we can hold up our economy. Everyone knows now we are simply on an emergency economy. If we run out of the emergency now, this country would go down economically in just practically no time at all.

So I say to you that our foreign policy has succeeded in seven short years since World War II in dissipating the greatest army and the greatest navy and the greatest air force in the world, so that now we have nothing to back up any policy—and everyone knows that a foreign policy is just as strong as the nation behind it.

We know that we have lost the greater part of Europe. It's behind the Iron curtain in the hands of another dictator. We've whipped one dictator and put it in the hands of another—perhaps worse than the one we licked.

The allies we have left in Europe are weak. They are on our payroll, and when we quit doling out the money, they sink without a trace.

Now we know the Middle East is in a ferment. We know that we're losing the Moslem world of 350,000,000 people and we know that we have lost China with our policy in the Far East and are in a fair way of losing Asia.

I merely say here that at home we're trying now to bring back together a great Air Force. I hope we are. They say we've lost control of the air, and I simply say that if have, every man connected with it in the National Defense Department ought to be impeached, because it's a great job to lose control of the air in a country that has the construction capacity that this country has.

We are bleeding our taxpayers white. They can't stand it very much longer. We're on the ragged edge of an economic disaster, with this progressive taxation taking every dime that everyone can make so that they can't even have reserves in a business. A young fellow getting out of college, such as your own here, if anyone is crazy enough to loan him money to go into a business after he pays his income tax out of his earnings, he can't keep enough money to pay the money back, so he's going to be a perpetual employee.

Mr. HITCHCOCK. Senator, I wonder if I could interrupt a moment before we get out more points to discuss several that you've already brought forward. Mr. SMITH, maybe you'd like to step in here and say a word about the situation in China and in Formosa. That was one of the early points that Senator MALONE brought up.

Mr. SMITH. I'm in entire agreement, Dr. Hitchcock, with Senator MALONE's criticism of our policy since 1945 in the Far East, but what I urge is that through a series of blunders, flip-flops, and mistakes, we have finally got on the right track. We now do have a military mission in Formosa. We are at the present time supporting Chiang Kai-shek. We have reversed the disastrous policies of 1946, 1947, 1948, and 1949.

We did lose China. We're not going to lose the bastion of Free China—Formosa. I think that's a very definite change in policy for the better, and I don't think now that having got onto the right track we should get on to the wrong one.

Mr. HITCHCOCK. Senator, is that right? Are we on the right track now in Formosa?

Senator MALONE. Well, we may be on the right track, but we're mired down. In other

words, we may be helping to support Chiang Kai-shek. I hope he's eating regularly but we still have the Navy bottling him up. If you're going to whip these Communists over in China, don't murder those kids out there. We've lost the air control. We won't let them win. We have a place over there beyond the Yula River like Ducks, Incorporated, where when they get tired, they can go over there and sit down and quack at us.

So we are not fighting them, and we're putting those boys up against a cold deck every day.

Let's make up our mind what we are going to do. A fight is something you are supposed to win or keep out of. I say that we will lose the rest of Asia just like we've lost China. They'll move into Burma, and they'll move into Siam. That's the feed-box of Asia. They'll take that and come right down and run the English out of Singapore yet. So you're on the way to losing the whole thing with the thing you're doing at this moment.

Mr. HITCHCOCK. Thank you, Senator. Now, Mr. Smith's been restless back there, I notice, and wants to say something.

Mr. SMITH. Well, what's the alternative? The alternative to that then is to undertake a full dress war on the mainland of Asia, and that's the thing that we want to avoid if we possibly can. We're trying to get an armistice. We're trying to get a cessation of hostilities, not an enlargement of them. We're trying, in effect, to keep the peace as far as we can. If a breach of the peace is forced on us, we'll fight as hard as we possibly can.

Actually, the Senator and I are not talking about the same thing. Dr. Hitchcock, the Senator's not talking about policy. The Senator's talking about the implementation of policy, and that's quite a different thing.

Mr. HITCHCOCK. You think you both agree on policy, but he says it should be handled another way.

Mr. SMITH. Why, sure. I think we're in very substantial agreement on what our policy is, and Senator MALONE is not suggesting that our policy be substantially changed. What he's saying is that to carry out these policies, we need a more effective armed force, we need a better Air Force than we've got now. I agree 100 percent, Senator, and I certainly hope that the great institution of which you are a Member will see to it that the funds for that bigger Air Force are provided. [Applause.]

Senator MALONE. I just hope that this audience recalls that in 1948 GEORGE MALONE, of Nevada, along with about four other Senators on the Senate floor took the President's program away from him. He wanted 56 air groups. We gave him 70, and he built 48 and spent the money some place else. Now that's the way we lost control of the air, and he did it deliberately. That isn't a mistake. No one could be dumb enough to make a mistake like that. So I say, get those kids out of there or let them go; and if you haven't control of the air, you have to protect them. You're murdering them now, doing it deliberately. [Applause.]

Mr. HITCHCOCK. Senator, that applause was led by your colleague here, Mr. Smith. Maybe he wants to agree with you now.

Mr. SMITH. Oh, I agree very definitely on the need for a strong Air Force. I think we've got to have it. I think we have to have a strong naval force and I think we've got to have better trained land forces than we have at the present time. The implementation of policy is not going to be easy, and it's not going to be cheap. We can't do this job cheap at home or abroad.

We have a big world-wide commitment against a world-wide enemy, and there's no such thing as crawling back in a corner and hoping that everything will work out for the best if we're just sweetly reasonable and nice and economical about everything.

Senator MALONE. Mr. Chairman, what we have now is putting hundreds of thousands

Public Law 429 - 82d Congress

Chapter 530 - 2d Session

S. 2594

AN ACT

To amend and extend the Defense Production Act of 1950 and the Housing and Rent Act of 1947, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1952".

TITLE I—AMENDMENTS TO DEFENSE PRODUCTION ACT
OF 1950, AS AMENDED

SEC. 101. Section 101 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following new sentence: "Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: *Provided*, That nothing in this Act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products."

SEC. 102. Section 101 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "101.", and by adding at the end of such section the following new subsection:

"(b) When all requirements for the national security, for the stockpiling of critical and strategic materials, and for military assistance to any foreign nation authorized by any Act of Congress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No agreement shall be entered into by the United States limiting total United States consumption of any material unless such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country. Nothing contained in this Act shall impair the authority of the President under this Act to exercise allocation and priorities controls over materials (both domestically produced and imported) and facilities through the controlled materials plan or other methods of allocation."

SEC. 103. Section 104 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 104. Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or

Defense Pro-
duction Act
Amendments
of 1952.
64 Stat. 798.
50 U.S.C.
app. § 2061.
50 U.S.C.
app. § 2071.
Meat or meat
products.
66 Stat. 296.
66 Stat. 297.

Critical and
strategic
materials.

65 Stat. 132.
50 U.S.C.
app. § 2074.
Fats and oils,
etc.

product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program: *Provided, however,* That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in this section, not to exceed 15 per centum of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The President shall exercise

66 Stat. 297. the authority and powers conferred by this section."

66 Stat. 298. SEC. 104. The first sentence of section 302 of the Defense Production Act of 1950, as amended, is amended by inserting before the 50 U.S.C. period at the end thereof the following: ", and manufacture of app. § 2092. newsprint".

50 U.S.C. SEC. 105. Paragraph (2) of subsection (d) of section 402 of the app. § 2102. Defense Production Act of 1950, as amended, is amended by inserting after the first sentence thereof the following new sentence: "No regulation or order shall be issued or remain in effect under this title which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less."

Agricultural commodities. SEC. 106. (a) Paragraph (3) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by inserting in the fifth sentence thereof after "(1) the Agricultural Act of 1949," the following: "except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 per centum of the parity price, or such higher level as may be established under section 402 of that Act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas,".

50 U.S.C. (b) Paragraph (3) of subsection (d) of section 402 of the Defense app. § 2102. Production Act of 1950, as amended, is amended by adding at the end thereof the following: "No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, shall be established or maintained in any agricultural marketing area at levels which deny to any processor of such products the cost adjustments provided in paragraph (4) of this subsection and which deny to any distributor or seller of such products the customary margin or charge provided in subsection (k) of this section. Where a State regulatory body is authorized to establish minimum and/or maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be: *And provided further,* That in the case of prices of milk established by any State regulatory body, with respect to which price, parties may be deemed to contract, no ceiling price may be maintained under this title which is less than the price so established. No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form."

Nonapplicability. SEC. 107. Paragraph (4) of subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following: "The provisions of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section."

SEC. 108. Subsection (d) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraph:

"(5) For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale."

SEC. 109. (a) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding after the word "profession" in paragraph (ii) thereof the following: "; wages, salaries, and other compensation paid to professional engineers employed in a professional capacity; wages, salaries, and other compensation paid to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession".

Prices and wages not subject to control.
50 U.S.C. app. § 2102.

66 Stat. 298.
66 Stat. 299.

(b) Paragraph (v) of subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(v) (1) Rates and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended, and including compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (2) charges paid by common carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services: *Provided*, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase, unless it first gives thirty days' notice to the President, or such agency as he may designate, and consents to timely intervention by such agency before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase: *And provided further*, That the Office of Price Stabilization shall not intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except as provided in the preceding proviso;".

Charges by common carrier, etc.
39 Stat. 728.
46 U.S.C. § 842.

Notice of increase.
50 U.S.C. app. § 2102.

Nonintervention by OPS.

(c) Subsection (e) of section 402 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new paragraphs:

"(viii) Rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing.

"(ix) Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: *Provided, however*, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabiliz-

Employees of small-business enterprises.

ing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.

"(x) Prices charged and wages paid by bowling alleys.

"(xi) Wages paid for agricultural labor."

65 Stat. 136.
50 U.S.C.
app. § 2102.
Percentage
margins.
66 Stat. 299.
66 Stat. 300.

SEC. 110. The first sentence of section 402 (k) of the Defense Production Act of 1950, as amended, is amended to read as follows: "No rule, regulation, order, or amendment thereto shall be issued or remain in effect under this title, which shall deny sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question: *Provided, however,* That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials at wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth".

50 U.S.C.
app. § 2102.

SEC. 111. Section 402 of the Defense Production Act of 1950, as amended, is further amended by adding at the end thereof the following new subsections:

Prohibitions.

"(l) No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law.

"(m) No rule, regulation, order, or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, or to any wholesaler so affiliated but whose affiliation does not amount to an interest or equity of more than 50 per centum, the same ceiling price or prices for meat accorded to hotel supply houses, combination distributors, or wholesalers which are not so affiliated.

Margin
controls.

"(n) Notwithstanding any other provision of this Act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this Act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit."

50 U.S.C.
app. § 2103.
Wage Stabili-
zation Board.

SEC. 112. Section 403 of the Defense Production Act of 1950, as amended, is amended by inserting "(a)" after "403." and by adding at the end thereof the following new subsections:

"(b) (1) There is hereby created, in the present Economic Stabilization Agency, or any successor agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.

"(2) The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public. Members.

"(3) The term of office of the members of the Board shall terminate on May 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(4) Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99). 66 Stat. 300.
66 Stat. 301.

63 Stat. 166.
5 U.S.C.
§ 835 note.
62 Stat. 697,
703, 793.

"(5) The Board shall, under the supervision and direction of the Economic Stabilization Administrator— Functions.

"(A) formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and

"(B) upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this Act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress. Labor
disputes.

"(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted. After June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date. 50 U.S.C.
app. §. 2071
note.
3 CFR, 1951
Supp., pp. 425,
513.

"(c) Notwithstanding any other provision of this section, the stabilization of the salaries and other compensation of persons (not represented in their relationships or eligible to be so represented with their employer by duly certified or recognized labor organizations) employed as outside salesmen or in bona fide executive, administrative, or professional capacities, as such terms are defined in the regulations Salary Stab-
ilization
Board.

52 Stat. 1067.
29 U.S.C.
§ 213.
61 Stat. 136.
29 U.S.C.
§ 141.

Economic
Stabilization
Agency.

issued in pursuance of section 13 (a) (1) of the Fair Labor Standards Act of 1938, as amended, or as supervisors, as defined by the Labor Management Relations Act, 1947, as amended, shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency, or any successor agency, subject to the supervision and direction of the Economic Stabilization Administrator.

"(d) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages."

50 U.S.C.
app. § 2107.
66 Stat. 301.
66 Stat. 302.
61 Stat. 193.
50 U.S.C.
app. § 1881
note.

SEC. 113. (a) (1) The first sentence of subsection (a) of section 407 of the Defense Production Act of 1950, as amended, is amended by striking out "relating to price controls under this title" and inserting in lieu thereof "relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended"; and by striking out "relating to price controls" after "any such regulation or order".

(2) Subsection (b) of section 407 of the Defense Production Act of 1950, as amended, is amended by inserting after "this title" the following: "and the Housing and Rent Act of 1947, as amended,"; and by inserting after "section 705 of this Act" the following: "or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be".

50 U.S.C.
app. § 1896.
50 U.S.C.
app. § 2108.
Filing of
complaint
with Emer-
gency Court
of Appeals.

(b) Section 408 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 408. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part, the regulation or order or the amendment of or supplement to the regulation or order protested; to make and enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence

should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

“(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to decision the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this Act, as amended, of which this title is a part and with respect to this title, or under the Housing and Rent Act of 1947, as amended. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

Powers of
Emergency
Court of
Appeals.

66 Stat. 302.
66 Stat. 303.

“(c) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order issued under this title, or under the Housing and Rent Act of 1947, as amended. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title, or the Housing and Rent Act of 1947, as amended, authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

61 Stat. 193.
50 U.S.C.
app. § 1881
note.
Review by
Supreme
Court.

62 Stat. 928.

“(d) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction

50 U.S.C.
app. §§ 2109,
2156, 1895,
1896.
62 Stat. 701.

50 U.S.C.
app. § 2107.

to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

Stay of proceeding.
50 U.S.C.
app. §§ 2109,
2156, 1895,
1896.
62 Stat. 701.
66 Stat. 303.
66 Stat. 304.

“(2) In any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

“(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

50 U.S.C.
app. § 2107.

“(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

“(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Temporary injunction, etc.

50 U.S.C.
app. § 2108.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of the Act or section 206 (b) of the Housing and Rent Act of 1947, as amended, the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.”

50 U.S.C.
app. §§ 2101-2110.

Prohibition.

SEC. 114. Title IV of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new sections:

“SEC. 411. In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such

person certifies to the President that such sales were made at such prices.

"SUSPENSION OF CONTROLS

"SEC. 412. It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension."

66 Stat. 304.
66 Stat. 305.

SEC. 115. Section 503 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following: "It is the sense of the Congress that, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress therefore requests the President to invoke immediately the national emergency provisions (sections 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage."

Steel indus-
try work
stoppage.
50 U.S.C.
app. § 2123.

SEC. 116. (a) Section 601 of the Defense Production Act of 1950, as amended, is hereby repealed. The heading of title VI of the Defense Production Act of 1950, as amended, is amended to read as follows: "TITLE VI—CONTROL OF REAL ESTATE CREDIT", and the subheading of such title is amended to read as follows: "This title authorizes the regulation of real estate construction credit only". The table of contents in the first section of the Defense Production Act of 1950, as amended, is amended by striking out "consumer and".

61 Stat. 155.
29 U.S.C.
§§ 176-180.
Real Estate
Credit.
50 U.S.C.
app. § 2131.

(b) Title VI of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new section:

"SEC. 607. Notwithstanding the provisions of sections 602 and 605 of this title, the authority of the President which is derived from said sections to impose credit regulations relative to residential property shall not be exercised with respect to extensions of credit made during any 'period of residential credit control relaxation', as that term is herein defined, in such manner as to impose any down payment requirement in excess of 5 per centum of the transaction price. The President shall cause to be made estimates of the number of permanent, non-farm, family dwelling units, the construction of which has been started during each calendar month and, on the basis of such estimates, he shall cause to be made estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. If for any three consecutive months the annual rate of construction starts so found for each

50 U.S.C.
app. §§ 2132,
2135.

Publication
in Federal
Register.

of the three months falls to a level below an annual rate of 1,200,000 starts per year, the President shall cause to be published in the Federal Register an announcement of the beginning of a 'period of residential credit control relaxation', which period shall begin not later than the first day of the second calendar month following such three consecutive months. Each such relaxation period may be terminated by the President at any time after the annual rate of construction starts thereafter estimated for each of any three consecutive months exceeds the level referred to in the preceding sentence."

50 U.S.C.
app. § 2158. (c) Section 708 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof the following new subsection:

Voluntary pro- " (f) After the date of enactment of the Defense Production Act
grams. Amendments of 1952, no voluntary program or agreement for the con-
66 Stat. 305. trol of credit shall be approved or carried out under this section."

66 Stat. 306. SEC. 117. Section 705 of the Defense Production Act of 1950, as
50 U.S.C. amended, is amended by adding thereto the following new subsection:
app. § 2155. " (f) Any person subpoenaed under this section shall have the right

to make a record of his testimony and to be represented by counsel."

50 U.S.C. SEC. 118. The first sentence of section 707 of the Defense Production
app. § 2157. Act of 1950, as amended, is amended by striking out the word "his".

50 U.S.C. SEC. 119. Subsection (b) of section 712 of the Defense Production
app. § 2162. Act of 1950, as amended, is amended by striking out the first sentence
Joint Commit- thereof and inserting in lieu thereof the following: "It shall be the
tee on Defense function of the Committee to make a continuous study of the programs
Production. and of the fairness to consumers of the prices authorized by this Act
and to review the progress achieved in the execution and administra-
tion thereof."

65 Stat. 144. SEC. 120. Section 717 of the Defense Production Act of 1950, as
50 U.S.C. amended, is amended by adding at the end thereof the following new
app. § 2166. subsection:

Certain recov- " (d) No action for the recovery of any cooperative payment made
ery actions. to a cooperative association by a Market Administrator under an
invalid provision of a milk marketing order issued by the Secretary of

50 Stat. 246. Agriculture pursuant to the Agricultural Marketing Agreement Act
7 U.S.C. of 1937 shall be maintained unless such action is brought by producers
§ 674. specifically named as party plaintiffs to recover their respective share
of such payments within ninety days after the date of enactment of
the Defense Production Act Amendments of 1952 with respect to any
cause of action heretofore accrued and not otherwise barred, or within
ninety days after accrual with respect to future payments, and unless
each claimant shall allege and prove (1) that he objected at the hearing
to the provisions of the order under which such payments were made
and (2) that he either refused to accept payments computed with such
deduction or accepted them under protest to either the Secretary or
the Administrator. The district courts of the United States shall have
exclusive original jurisdiction of all such actions regardless of the
amount involved. This subsection shall not apply to funds held in
escrow pursuant to court order. Notwithstanding any other provision
of this Act, no termination date shall be applicable to this subsection."

65 Stat. 139. SEC. 121. (a) Paragraph (4) of subsection (a) of section 714 of the
50 U.S.C. Defense Production Act of 1950, as amended, is amended by striking
app. § 2163a. out "1952" and inserting in lieu thereof "1953".

50 U.S.C. (b) Section 717 (a) of the Defense Production Act of 1950, as
app. § 2166. amended, is amended to read as follows:

Termination " (a) Titles I, II, III, VI, and VII of this Act and all authority
dates. conferred thereunder shall terminate at the close of June 30, 1953;
and titles IV and V of this Act and all authority conferred thereunder
shall terminate at the close of April 30, 1953."

TITLE II—AMENDMENTS TO HOUSING AND RENT ACT OF 1947, AS AMENDED

SEC. 201. (a) Subsection (e) of section 4 of the Housing and Rent Act of 1947, as amended, is amended by striking out "June 30, 1952" and inserting in lieu thereof "April 30, 1953".

(b) Subsection (f) of section 204 of the Housing and Rent Act of 1947, as amended, is amended to read as follows:

"(f) (1) The provisions of this title shall cease to be in effect at the close of September 30, 1952, except that they shall cease to be in effect at the close of April 30, 1953—

"(A) in any area which prior to or subsequent to September 30, 1952, is certified under subsection (1) of section 204 of this Act as a critical defense housing area;

"(B) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to September 30, 1952, declares (by resolution of its governing body adopted for that purpose, or by popular referendum in accordance with local law) that a substantial shortage of housing accommodations exists which requires the continuance of federal rental control in such city, town, or village; and

"(C) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (B) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declarations specified in paragraph (1) (B) of this subsection shall notify the President in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

SEC. 202. Section 204 of the Housing and Rent Act of 1947, as amended, is amended by adding at the end thereof the following new subsections:

"(p) Except in the case of action taken after full compliance with subsection (k) of this section, the President shall not reestablish maximum rents in any defense-rental area, including any community owned and operated by the Federal Government, which has previously been decontrolled under this Act until a public hearing, after thirty days' notice, has been held in such area.

"(q) Consistent with the other provisions of this Act, all affected agencies, departments, and establishments of the Federal Government shall, by July 15, 1952, establish and administer rents and service charges for quarters supplied to Federal employees and members of the Uniformed Services furnished quarters on a rental basis in accordance with regulations promulgated by the Bureau of the Budget:

61 Stat. 193.
50 U.S.C.
app. § 1881 note.

50 U.S.C.
app. § 1884.

Termination.
50 U.S.C.
app. § 1894.

66 Stat. 306.
66 Stat. 307.

Certain
defense-
rental areas.
65 Stat. 145.
50 U.S.C.
app. § 1894.

Quarters
supplied
to Federal
employees,
etc.

Provided, however, That the provisions of this subsection shall not apply to housing units under the jurisdiction of the Atomic Energy Commission where Federal rent control is now in effect."

Defense Areas
Advisory Com-
mittee.

65 Stat. 293.
42 U.S.C.
§ 1591.

66 Stat. 307.
66 Stat. 308.

SEC. 203. The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by section 204 (1) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area to be a critical defense housing area. Any committee so appointed shall consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization. Any Federal agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such Committee may request from time to time relevant to its operations.

TITLE III—MISCELLANEOUS

PUBLIC CONTRACTS

49 Stat. 2036.

SEC. 301. The Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (41 U. S. C. 35-45), is amended (1) by redesignating sections 10 and 11 as sections 11 and 12, respectively, and (2) by inserting immediately following section 9 a new section 10 as follows:

60 Stat. 238.
5 U.S.C.
§ 1003.

Wage deter-
minations.
41 U.S.C.
§ 35.

"SEC. 10. (a) Notwithstanding any provision of section 4 of the Administrative Procedure Act, such Act shall be applicable in the administration of sections 1 to 5 and 7 to 9 of this Act.

"(b) All wage determinations under section 1 (b) of this Act shall be made on the record after opportunity for a hearing. Review of any such wage determination, or of the applicability of any such wage determination, may be had within ninety days after such determination is made in the manner provided in section 10 of the Administrative Procedure Act by any person adversely affected or aggrieved thereby, who shall be deemed to include any manufacturer of, or regular dealer in, materials, supplies, articles or equipment purchased or to be purchased by the Government from any source, who is in any industry to which such wage determination is applicable.

Judicial re-
view.

"(c) Notwithstanding the inclusion of any stipulations required by any provision of this Act in any contract subject to this Act, any interested person shall have the right of judicial review of any legal question which might otherwise be raised, including, but not limited to, wage determinations and the interpretation of the terms 'locality', 'regular dealer', 'manufacturer', and 'open market'."

Approved June 30, 1952, 9:36 a.m., E. D. T.

STATEMENT BY THE PRESIDENT

Yesterday I signed S. 2594, the Defense Production Act Amendments of 1952, passed by the Congress late Saturday. If I had not approved this measure, our powers to continue the defense production program and the stabilization program would have expired at midnight last night.

This new law makes few changes in the production and allocation provisions of the Defense Production Act. As a result, we shall be able to continue our programs for expanding America's defensive strength, for extending military support to the free world, and for cooperating with our allies in the orderly distribution of scarce materials through the International Materials Conference. Moreover, our farm production programs have been strengthened, as I have repeatedly urged, by repealing the sliding scale in our agricultural laws during this emergency period. In addition, the Congress has made some slight improvement in the so-called cheese amendment, which limits our foreign trade and has been so harmful to our relations with friendly nations.

Unfortunately, however, the new law weakens our ability to hold down prices and stabilize our economy. At a time when our defense production is still expanding and necessarily contributing to inflationary pressures, the Congress has weakened price controls, has limited the effectiveness of wage controls, has invited widespread abandonment of rent control, and has virtually cancelled selective credit controls. I asked the Congress to strengthen our stabilization machinery and remove some of the "built-in" inflationary features, like the Capehart amendment. But instead the Congress has moved in the other direction.

This law gives the American people only very limited protection against the dangers of inflation. If the Congress provides sufficient funds for proper administration of this weakened Act, and if we have no sudden worsening of the international crisis, and no panic buying, we may be fortunate enough to get through the next ten months without serious damage to our economy. But this Act, nevertheless, forces us to take a serious gamble with inflation, and all of us should recognize that fact.

This bill was the target of every favor-seeking lobby of the special interests in this election year. If they had had their way, the law would be much worse than it is. The American people should be grateful to Senator Maybank and Representative Spence, and to the other Members of Congress who fought for an effective law and were successful, against great odds, in keeping the bill from being a total loss.

One of the bad things the law does is to exempt all fruits and vegetables, fresh, canned and frozen, from price control. This means that the housewife will be exposed to higher prices on fully twenty percent of her market basket. It is very likely that in many areas the price of milk will go up as the result of another amendment. Farmers will have to pay more for fertilizer as a result of still another amendment. Many other changes have been made in the law, all having the effect of making the administration and enforcement of price controls more difficult.

The Act exempts from Federal rent control all communities except those designated as critical defense housing areas, unless the local governing bodies affirmatively request continuation of controls prior to September 30, 1952. This opens the way for increases in rents for some 6,000,000 families if the real estate lobbies are able to forestall positive action by local bodies.

(OVER)

Credit controls have heretofore played an important role in stabilizing our economy during this emergency, but S. 2594 removes much of the authority for those controls. The Act completely eliminates power to re-impose controls on consumer credit. It restricts residential real estate credit controls by requiring that such controls be suspended if the construction of houses in any three consecutive months should fall below a rate of 1.2 million houses a year. This is an annual rate that has been exceeded only once in our history. In practical effect, this probably means that the power to control real estate credit expansion will also be eliminated.

There is another respect in which this law weakens our defense program. The Congress has forbidden the Wage Stabilization Board to make recommendations for the settlement of labor disputes which threaten the defense program. This means that the Wage Stabilization Board method of settling disputes is for all practical purposes abolished, even though it has been effective in every case but one. If the Congress has a better way of dealing with labor disputes in defense plants, it should write its views into law. But this new Act destroys the existing system without providing any substitute. Thus, the Congress has opened a dangerous gap in the mobilization program.

These are some of the problems created by this Act. We are less able to do an effective job of stabilization than we would have been had the Congress followed the recommendations which I made last February. But I want to make one point absolutely clear. The agencies of the Government given responsibilities under the Defense Production Act will do everything in their power to see to it that the authority they do have to combat inflation will be effectively and vigorously exerted.

If we are to have any chance of success, we must have adequate appropriations. The Congress is now considering appropriations for the stabilization agencies. If the Congress fails to provide sufficient funds, even the limited program of controls which this law authorizes will collapse.

In the last analysis, economic stabilization and defense production are not the responsibility of Government alone. They require the full and unceasing cooperation of every one of our citizens. The law under which we must operate makes it even more important that all Americans join in the effort to keep prices down by buying carefully, by continuing to save, and by doing their part to keep production at the high levels required if our Nation is to be secure.

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THE DEFENSE PRODUCTION ACT

OF 1950

AS AMENDED BY THE

DEFENSE PRODUCTION ACT AMENDMENTS

OF 1951 AND 1952



**UNITED STATES OF AMERICA
OFFICE OF PRICE STABILIZATION
WASHINGTON, D. C.**

EXPLANATORY NOTE

Throughout this collation roman type is used to indicate text which has not been changed since original passage and issuance of the 1950 Act. The 1951 Amendments appear in *italics*. Material which has been deleted by amendment is retained in the text, but is included in bold brackets []. The 1952 Amendments appear in ***bold italics***. Footnote references appear for each amendment. All amendatory sections cited in the footnotes are contained in the Defense Production Act Amendments of 1951 or the Defense Production Act Amendments of 1952. An alphabetical index is provided at the end of the text material.

PREPARED BY THE
OFFICE OF THE CHIEF COUNSEL
OFFICE OF PRICE STABILIZATION

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[#] "And condemn" added by sec. 107, 1951 Amendments.

^{*}Deleted by sec 116 (a), 1952 Amendments.

(III)

THE DEFENSE PRODUCTION ACT OF 1950,¹ AS AMENDED
BY THE DEFENSE PRODUCTION ACT AMENDMENTS
OF 1951² AND THE DEFENSE PRODUCTION ACT AMEND-
MENTS OF 1952³

AN ACT

To establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, provide for price and wage stabilization, provide for the settlement of labor disputes, strengthen controls over credit, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into titles, may be cited as "the Defense Production Act of 1950".

SEC. 2. DECLARATION OF POLICY

It is the policy of the United States to oppose acts of aggression and to promote peace by insuring respect for world law and the peaceful settlement of differences among nations. To that end this Government is pledged to support collective action through the United Nations and through regional arrangements for mutual defense in conformity with the Charter of the United Nations. The United States is determined to develop and maintain whatever military and economic strength is found to be necessary to carry out this purpose. Under present circumstances, this task requires diversion of certain materials and facilities from civilian use to military and related purposes. It requires expansion of productive facilities beyond the levels needed to meet the civilian demand. In order that this diversion and expansion may proceed at once, and that the national economy may be maintained with the maximum effectiveness and the least hardship, normal civilian production and purchases must be curtailed and redirected.

It is the objective of this Act to provide the President with authority to accomplish these adjustments in the operation of the economy.

¹ Pub. Law 774, 81st Cong. ; Sept. 8, 1950, c. 932, 64 Stat. 798 ; 50 U. S. C. App. 2061-2166.

² Pub. Law 96, 82d Cong. ; July 31, 1951, c. 275, 65 Stat. 134 ; 50 U. S. C. App. 2061-2166.

³ Pub. Law 429, 82d Cong. ; June 30, 1952, c. 530, 66 Stat. 296 ; 50 U. S. C. App. 2061-2166.

It is the intention of the Congress that the President shall use the powers conferred by this Act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use, within the framework, as far as practicable, of the American system of competitive enterprise.

TITLE I—PRIORITIES AND ALLOCATIONS

SEC. 101. PRIORITIES AND ALLOCATIONS

(a)⁴ The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense. *No restriction, quota, or other limitation shall be placed upon the quantity of livestock which may be slaughtered or handled by any processor.*⁵ ***Nor shall any restriction or other limitation be established or maintained upon the species, type, or grade of livestock killed by any slaughterer, nor upon the types of slaughtering operations, including religious rituals, employed by any slaughterer; nor shall any requirements or regulations be established or maintained relating to the allocation or distribution of meat or meat products unless, and for the period for which, the Secretary of Agriculture shall have determined and certified to the President that the over-all supply of meat and meat products is inadequate to meet the civilian or military needs therefor: Provided, That nothing in this Act shall be construed to prohibit the President from requiring the grading and grade marking of meat and meat products.***⁶

(b) ***When all requirements for the national security, for the stockpiling of critical and strategic materials, and for military assistance to any foreign nation authorized by any Act of Con-***

⁴ Designated sec. 101 (a) by sec. 102, 1952 Amendments.

⁵ Added by sec. 101 (a), 1951 Amendments.

⁶ Added by sec. 101, 1952 Amendments.

gress have been met through allocations and priorities it shall be the policy of the United States to encourage the maximum supply of raw materials for the civilian economy, including small business, thus increasing employment opportunities and minimizing inflationary pressures. No agreement shall be entered into by the United States limiting total United States consumption of any material unless such agreement authorizes domestic users in the United States to purchase the quantity of such material allocated to other countries participating in the International Materials Conference and not used by any such participating country. Nothing contained in this Act shall impair the authority of the President under this Act to exercise allocation and priorities controls over materials (both domestically produced and imported) and facilities through the controlled materials plan or other methods of allocation.⁷

SEC. 102. HOARDING AND ACCUMULATING

In order to prevent hoarding, no person shall accumulate (1) in excess of the reasonable demands of business, personal, or home consumption, or (2) for the purpose of resale at prices in excess of prevailing market prices, materials which have been designated by the President as scarce materials or materials the supply of which would be threatened by such accumulation. The President shall order published in the Federal Register, and in such other manner as he may deem appropriate, every designation of materials the accumulation of which is unlawful and any withdrawal of such designation. [This section shall not be construed to limit the authority contained in section 101 of this Act.] *In making such designations the President may prescribe such conditions with respect to the accumulation of materials in excess of the reasonable demands of business, personal, or home consumption as he deems necessary to carry out the objectives of this Act. This section shall not be construed to limit the authority contained in sections 101 and 704 of this Act.⁸*

SEC. 103. WILLFUL VIOLATION

Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

⁷ Added by sec. 102, 1952 Amendments.

⁸ Changed by sec. 101 (b), 1951 Amendments.

SEC. 104. IMPORT CONTROLS

[Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and no imports of any such commodity or product shall be admitted to the United States until after June 30, 1952, which the Secretary of Agriculture determines would (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program. The President shall exercise the authority and powers conferred by this section.]

Import controls of fats and oils (including oil-bearing materials, fatty acids, and soap and soap powder, but excluding petroleum and petroleum products and coconuts and coconut products), peanuts, butter, cheese and other dairy products, and rice and rice products are necessary for the protection of the essential security interests and economy of the United States in the existing emergency in international relations, and imports into the United States of any such commodity or product, by types or varieties, shall be limited to such quantities as the Secretary of Agriculture finds would not (a) impair or reduce the domestic production of any such commodity or product below present production levels, or below such higher levels as the Secretary of Agriculture may deem necessary in view of domestic and international conditions, or (b) interfere with the orderly domestic storing and marketing of any such commodity or product, or (c) result in any unnecessary burden or expenditures under any Government price support program: Provided, however, That the Secretary of Agriculture after establishing import limitations, may permit additional imports of each type and variety of the commodities specified in the section, not to exceed 15 per centum of the import limitation with respect to each type and variety which he may deem necessary, taking into consideration the broad effects upon international relationships and trade. The Presi-

*dent shall exercise the authority and powers conferred by this section.*⁹

TITLE II—AUTHORITY TO REQUISITION AND CONDEMN¹⁰

SEC. 201. REQUISITIONING, CONDEMNING AND RETURNING PROPERTY

(a) Whenever the President determines (1) that the use of any equipment, supplies, or component parts thereof, or materials or facilities necessary for the manufacture, servicing, or operation of such equipment, supplies, or component parts, is needed for the national defense, (2) that such need is immediate and impending and such as will not admit of delay or resort to any other source of supply, and (3) that all other means of obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property or the use thereof for the defense of the United States upon the payment of just compensation for such property or the use thereof to be determined as hereinafter provided. The President shall promptly determine the amount of the compensation to be paid for any property or the use thereof requisitioned pursuant to this title but each such determination shall be made as of the time it is requisitioned in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the President as just compensation is unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall be paid promptly 75 per centum of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims or, without regard to whether the amount involved exceeds \$10,000, in any district court of the United States, within three years after the date of the President's award, an additional amount which when added to the amount so paid to him, shall be just compensation. *No real property (other than equipment and facilities, and buildings and other structures, to be demolished and use as scrap or second-hand materials) shall be acquired under this subsection.*¹¹

(b) *Whenever the President deems it necessary in the interest of national defense, he may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court*

⁹ Sec. added by sec. 101 (c), 1951 Amendments; revised by sec. 103, 1952 Amendments.

¹⁰ "And Condemn" added by sec. 102 (a), 1951 Amendments.

¹¹ Added by sec. 102 (b) (1), 1951 Amendments.

having jurisdiction of such proceedings to acquire by condemnation, any real property, including facilities, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that he deems necessary for the national defense, such proceedings to be in accordance with the Act of August 1, 1888 (25 Stat. 357), as amended, or any other applicable Federal statute. Before condemnation proceedings are instituted pursuant to this section, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the President, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this section, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding. Property acquired under this section may be occupied, used, and improved for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.¹²

(c)¹³ Whenever the President determines that any real property acquired under this title and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner. In the event the President and the original owner do not agree as to the fair value of the property, the fair value shall be determined by three appraisers, one of whom shall be chosen by the President, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner.

(d)¹⁴ Whenever the need for the national defense of any personal property [requisitioned] acquired¹⁵ under this title shall terminate, the President may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and

¹² New subsection (b) added by sec. 102 (b) (2), 1951 Amendments.

¹³ Formerly (b), redesignated (c) by sec. 102 (b) (4), 1951 Amendments.

¹⁴ Formerly (c), redesignated (d) by sec. 102 (b) (4), 1951 Amendments.

¹⁵ Changed by sec. 102 (b) (3), 1951 Amendments.

practicable he shall give the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the President, or (2) if it is to be disposed of (otherwise than at a public sale of which he is given reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided*, That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than \$1,000.

TITLE III—EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

SEC. 301. FINANCING THE EXPANSION

(a) In order to expedite production and deliveries or services under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement for the national defense as he may designate (hereinafter referred to as "guaranteeing agencies"), without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance, or in connection with or in contemplation of the termination, of any contract or other operation deemed by the guaranteeing agency to be necessary to expedite production and deliveries or services under Government contracts for the procurement of materials or the performance of services for the national defense.

(b) Any Federal agency or any Federal Reserve bank, when designated by the President, is hereby authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of this section. All such funds as may be necessary to enable any such fiscal agent to carry out any guarantee made by it on behalf of any guaranteeing agency shall be supplied and disbursed by or under authority from such guaranteeing agency. No such fiscal agent shall have any responsibility or accountability except as agent in

taking any action pursuant to or under authority of the provisions of this section. Each such fiscal agent shall be reimbursed by each guaranteeing agency for all expenses and losses incurred by such fiscal agent in acting as agent on behalf of such guaranteeing agency, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(c) All actions and operations of such fiscal agents under authority of or pursuant to this section shall be subject to the supervision of the President, and to such regulations as he may prescribe; and the President is authorized to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

(d) Each guaranteeing agency is hereby authorized to use for the purposes of this section any funds which have heretofore been appropriated or allocated or which hereafter may be appropriated or allocated to it, or which are or may become available to it, for such purposes or for the purpose of meeting the necessities of the national defense.

SEC. 302. LOANS TO PRIVATE ENTERPRISE

To expedite production and deliveries or services to aid in carrying out Government contracts for the procurement of materials or the performance of services for the national defense, the President may make provision for loans (including participations in, or guarantees of, loans) to private business enterprises (including research corporations not organized for profit) for the expansion of capacity, the development of technological processes, or the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, *and manufacture of newsprint*.¹⁶ Such loans may be made without regard to the limitations of existing law and on such terms and conditions as the President deems necessary, except that financial assistance may be extended only to the extent that it is not otherwise available on reasonable terms.

SEC. 303. PURCHASES AND COMMITMENTS TO PURCHASE

[SEC. 303.¹⁷ (a) To assist in carrying out the objectives of this Act, the President may make provision (1) for purchases of or commitments to purchase metals, minerals, and other raw materials, in-

¹⁶ Added by sec. 104, 1952 Amendments.

¹⁷ Sec. 303 entirely revised by sec. 103 (a), 1951 Amendments.

cluding liquid fuels, for Government use or for resale; and (2) for the encouragement of exploration, development, and mining of critical and strategic minerals and metals: *Provided, however, That purchases for resale under this subsection shall not include agricultural commodities except insofar as such commodities may be purchased for resale for industrial uses or stockpiling, and no agricultural commodity shall be sold for such purposes at less than the higher of the following:* (i) the current market price for such commodity, or (ii) the minimum sale price established for agricultural commodities owned or controlled by the Commodity Credit Corporation as provided in section 407 of Public Law 439, Eighty-first Congress.

(b) Subject to the limitations in subsection (a), purchases and commitments to purchase and sales under such subsection may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, as the President deems necessary, except that purchases or commitments to purchase involving higher than currently prevailing market prices or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

(c) The procurement power granted to the President by this section shall include the power to transport and store, and have processed and refined, any materials procured under this section.

(d) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.】

(a) To assist in carrying out the objectives of this Act, the President may make provision (1) for purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale; and (2) for the encouragement of exploration, development, and mining of critical and strategic minerals and metals: Provided, however, That purchases for resale under this subsection shall not include that part of the supply of an agricultural commodity which is domestically produced except insofar as such domestically produced supply may be purchased for resale for industrial uses or stockpiling, and no commodity purchased under this subsection shall be sold at less than the established ceiling price for such commodity (except that minerals and metals shall not be sold at less than the established

ceiling price, or the current domestic market price, whichever is lower), or, if no ceiling price has been established, the higher of the following: (i) the current domestic market price for such commodity, or (ii) the minimum sale price established for agricultural commodities owned or controlled by the Commodity Credit Corporation as provided in section 407 of Public Law 439, Eighty-first Congress: Provided further, however, That no purchase or commitment to purchase any imported agricultural commodity shall be made calling for delivery more than one year after the expiration of this Act.

(b) Subject to the limitations in subsection (a), purchases and commitments to purchase and sales under such subsection may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, but not extending beyond June 30, 1962, as the President deems necessary, except that purchases or commitments to purchase involving higher than established ceiling prices (or if there be no established ceiling prices, currently prevailing market prices) or anticipated loss on resale shall not be made unless it is determined that supply of the materials could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

(c) If the President finds—

(1) that under generally fair and equitable ceiling prices for any raw or nonprocessed material, there will result a decrease in supplies from high-cost sources of such material, and that the continuation of such supplies is necessary to carry out the objectives of the Act; or

(2) that an increase in cost of transportation is temporary in character and threatens to impair maximum production or supply in any area at stable prices of any materials,

he may make provision for subsidy payments on any such domestically produced material other than an agricultural commodity in such amounts and in such manner (including purchases of such material and its resale at a loss without regard to the limitations of existing law), and on such terms and conditions, as he determines to be necessary to insure that supplies from such high-cost sources are continued, or that maximum production or supply in such area at stable prices of such materials is maintained, as the case may be.

(d) The procurement power granted to the President by this section shall include the power to transport and store and have processed and refined, any materials procured under this section.

(e) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities,

processes or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

SEC. 304. NEW AGENCIES; AUTHORITY TO BORROW

(a) For the purposes of sections 302 and 303, the President is hereby authorized to utilize such existing departments, agencies, officials, or corporations of the Government as he may deem appropriate, or to create new agencies (other than corporations).

(b) Any agency created under this section, and any department, agency, official, or corporation utilized pursuant to this section is authorized, subject to the approval of the President, to borrow from the Treasury of the United States, such sums of money as may be necessary to carry out its functions under sections 302 and 303: **[Provided, That the total amount borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of \$600,000,000 outstanding at any one time.]** *Provided, That the amount borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of \$2,100,000,000 outstanding at any one time: Provided further, That when any contract, agreement, loan, or other transaction heretofore or hereafter entered into pursuant to section 302 or 303 imposes contingent liability upon the United States, such liability shall be considered for the purposes of sections 3679 and 3732 of the Revised Statutes, as amended, as an obligation only to the extent of the probable ultimate net cost to the United States under such transaction; and the President shall submit a report to the Congress not less often than once each quarter setting forth the gross amount of each such transaction entered into by any agency of the United States Government under this authority and the basis for determining the probable ultimate net cost to the United States thereunder.*¹⁸ For the purpose of borrowing as authorized by this subsection, the borrower may issue to the Secretary of the Treasury its notes, debentures, bonds, or other obligations to be redeemable at its option before maturity in such manner as may be stipulated in such obligations. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations. The Secretary of the Treasury is authorized and directed to purchase such obligations and for such pur-

¹⁸ Changed by sec. 103 (b), 1951 Amendments.

pose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of obligations hereunder.

[(c) In addition to the sums authorized to be borrowed under subsection (b), there is hereby authorized to be appropriated to carry out the purposes of sections 302 and 303, such sums, not in excess of \$1,400,000,000, as may be necessary therefor.]¹⁹

TITLE IV—PRICE AND WAGE STABILIZATION

SEC. 401. CONGRESSIONAL INTENT

It is the intent of Congress to provide authority necessary to achieve the following purposes in order to promote the national defense: To prevent inflation and preserve the value of the national currency; to assure that defense appropriations are not dissipated by excessive costs and prices; to stabilize the cost of living for workers and other consumers and the costs of production for farmers and businessmen; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities; to protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue impairment of their living standards; to prevent economic disturbances, labor disputes, interferences with the effective mobilization of national resources, and impairment of national unity and morale; to assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services; to protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings; and to prevent a future collapse of values. It is the intent of Congress that the authority conferred by this title shall be exercised in accordance with the policies set forth in section 2 of this Act, and in particular with full consideration and emphasis, so far as practicable, on the maintenance and furtherance of the American system of competitive enterprise, including independent small-business enterprises, the maintenance and furtherance of a sound agricultural industry, the maintenance and furtherance of sound working relations, including collective bargaining, and the maintenance and furtherance of the American way of life. Whenever the authority granted by this title is exercised, all agencies of the Government dealing with the subject

¹⁹ Deleted by sec. 103 (c), 1951 Amendments.

matter of this title, within the limits of their authority and jurisdiction, shall cooperate in carrying out these purposes.

SEC. 402. AUTHORITY TO REGULATE PRICES AND WAGES;
EXEMPTIONS; STANDARDS

(a) In order to carry out the objectives of this title, the President may encourage and promote voluntary action by business, agriculture, labor and consumers. In proceeding under this subsection the President may exercise the authority to approve voluntary programs and agreements conferred on him under section 708, and may utilize the services of persons and agencies as provided in section 710.

(b) (1) To the extent that the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders establishing a ceiling or ceilings on the price, rental, commission, margin, rate, fee, charge, or allowance paid or received on the sale or delivery, or the purchase or receipt, by or to any person, of any material or service, and at the same time shall issue regulations and orders stabilizing wages, salaries, and other compensation in accordance with the provisions of this subsection.

(2) Action under this subsection may be taken either with respect to individual materials and services and to individual types of employment, or with respect to materials, services, and types of employment generally. A ceiling may be established with respect to an individual material or service only when the President finds that (i) the price of the material or service has risen or threatens to rise unreasonably above the price prevailing during the period from May 24, 1950 to June 24, 1950, (ii) such price increase will materially affect the cost of living or the national defense, (iii) the imposition of such ceiling is necessary to effectuate the purposes of this Act, (iv) it is practicable and feasible to impose such ceiling, and (v) such ceiling will be generally fair and equitable to sellers and buyers of such material or service and to sellers and buyers of related or competitive materials and services.

(3) Whenever a ceiling has been imposed with respect to a particular material or service, the President shall stabilize wages, salaries, and other compensation in the industry or business producing the material or performing the service.

(4) Whenever ceilings on prices have been established on materials and services comprising a substantial part of all sales at retail and materially affecting the cost of living, the President (i) shall impose ceilings on prices and services generally, and (ii) shall stabilize wages, salaries, and other compensation generally. •

(5) In stabilizing wages under paragraph (3) of this subsection, the President shall issue regulations prohibiting increases in wages,

salaries, and other compensation which he deems would require an increase in the price ceiling or impose hardships or inequities on sellers operating under the price ceiling.

(c) So far as practicable, in exercising the authority conferred in this section, the President shall ascertain and give due consideration to comparable prices, rentals, commissions, margins, rates, fees, charges, and allowances, and to comparable salaries, wages, or other compensation, which he finds to be representative of those prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, or, in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal market conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the President, they are generally representative. The President shall also give due consideration to the national effort to achieve maximum production in furtherance of the objectives of this Act. In determining and adjusting ceilings on prices with respect to materials and services, he shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such material or service, including the following: Speculative fluctuations, general increases or decreases in cost of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the material or by persons performing the service, subsequent to June 24, 1950. In stabilizing and adjusting wages, salaries, or other compensation, the President shall give due consideration to such relevant factors as he may determine to be of general applicability in respect of such wages, salaries, or other compensation. Any regulation or order under this title shall be such as in the judgment of the President will be generally fair and equitable and will effectuate the purposes of this title, and shall be accompanied by a statement of considerations involved in the issuance of such regulation or order. The President, in establishing and adjusting ceilings with respect to materials and services, and in stabilizing and adjusting wages, salaries, and other compensation, shall make such adjustments as he deems necessary to prevent or correct hardships or inequities.

(d) (1) Regulations and orders issued under this title shall apply regardless of any obligation heretofore or hereafter incurred, except as provided in this subsection; but the President shall make appropriate provision to prevent hardships and inequities to sellers who have bona fide contracts in effect on the date of issuance of any such regulation or order for future delivery of materials in which seasonal demands or normal business practices require contracts for future delivery.

(2) No wage, salary, or other compensation shall be stabilized at less than that paid during the period from May 24, 1950, to June 24, 1950, inclusive. ***No regulation or order shall be issued or remain in effect under this title which prohibits the payment or receipt of hourly wages at a rate of \$1 per hour or less.***²⁰ No action shall be taken under authority of this title with respect to wages, salaries, or other compensation which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the Labor Management Relations Act, 1947, or any other law of the United States, or of any State, the District of Columbia, or any Territory or possession of the United States.

(3) No ceiling shall be established or maintained for any agricultural commodity below the highest of the following prices: (i) The parity price for such commodity, as determined by the Secretary of Agriculture in accordance with the Agricultural Adjustment Act of 1938, as amended, and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (ii) the highest price received by producers during the period from May 24, 1950, to June 24, 1950, inclusive, as determined by the Secretary of Agriculture and adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or (iii) in the case of any commodity for which the market was not active during the period May 24 to June 24, 1950, the average price received by producers during the most recent representative period prior to May 24, 1950, in which the market for such commodity was active as determined and adjusted by the Secretary of Agriculture to a level in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950, and adjusted by the Secretary for grade, location, and seasonal differentials, or (iv) in the case of fire-cured tobacco a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 75 per centum of the parity price of Burley tobacco of the corresponding crop, and in the case of dark air-cured tobacco and Virginia sun-cured tobacco, respectively, a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 66 $\frac{2}{3}$ per centum of the parity price of Burley tobacco of the corresponding crop. No ceilings shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in this subsection: *Provided*, That in establishing and maintaining ceilings

²⁰ Added by sec. 105, 1952 Amendments.

on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing; *and equitable treatment shall be accorded to all such processors.*²¹ Whenever a ceiling has been established under this title with respect to any agricultural commodity, or any commodity processed or manufactured in whole or in substantial part therefrom, the President from time to time shall adjust such ceiling in order to make appropriate allowances for substantial reduction in merchantable crop yields, unusual increases in costs of production, and other factors which result from hazards occurring in connection with the production and marketing of such agricultural commodity; and in establishing the ceiling (1) for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this Act and for which different areas have different periods of marketing during such season or (2) for any agricultural commodity produced for the same general use as a commodity described in (1), the President shall give due consideration to affording equitable treatment to all producers of the commodity for which the ceiling is being established. *No ceiling shall be established or maintained for any agricultural commodity below 90 per centum of the price received (by grade) by producers on May 19, 1951, as determined by the Secretary of Agriculture.*²² [Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act.]²³ *Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of either (1) the Agricultural Act of 1949, except that under any price support program announced while this title is in effect the level of support to cooperators shall be 90 per centum of the parity price, or such higher level as may be established under section 402 of that Act, for any crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas,*²⁴ *or (2) the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended. Ceiling prices to producers for milk used for*

²¹ Added by sec. 104 (a), 1951 Amendments.

²² Added by sec. 104 (b), 1951 Amendments.

²³ Sentence revised by sec. 104 (c), 1951 Amendments.

²⁴ Added by sec. 106 (a), 1952 Amendments.

distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however, That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas. No ceiling prices to producers for milk or butterfat used for manufacturing dairy products shall be issued until and unless the Secretary of Agriculture shall determine that such prices are reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect the supply and demand for dairy products, and will insure a sufficient quantity of dairy products and be in the public interest. The prices so determined shall be adjusted by him for use, grade, quality, location, and season of the year.*²⁵ *No ceiling prices for products resulting from the processing of agricultural commodities, including livestock, milk, and other dairy products, shall be established or maintained in any agricultural marketing area at levels which deny to any processor of such products the cost adjustments provided in paragraph (4) of this subsection and which deny to any distributor or seller of such products the customary margin or charge provided in subsection (k) of this section. Where a State regulatory body is authorized to establish minimum and/or maximum prices for sales of fluid milk, ceiling prices established for such sales under this title shall (1) not be less than the minimum prices, or (2) be equal to the maximum prices, established by such regulatory body, as the case may be: And provided further, That in the case of prices of milk established by any State regulatory body, with respect to which prices, parties may be deemed to contract, no ceiling price may be maintained under this title which is less than the price so established.*

²⁵ Added by sec. 104 (d), 1951 Amendments.

No ceiling shall be established or maintained under this title for fruits or vegetables in fresh or processed form.²⁶

(4) *After the enactment of this paragraph no ceiling price on any material (other than an agricultural commodity) or on any service shall become effective which is below the lower of (A) the price prevailing just before the date of issuance of the regulation or order establishing such ceiling price, or (B) the price prevailing during the period January 25, 1951, to February 24, 1951, inclusive. Nothing in this paragraph shall prohibit the establishment or maintenance of a ceiling price with respect to any material (other than an agricultural commodity) or service which (1) is based upon the highest price between January 1, 1950, and June 24, 1950, inclusive, if such ceiling price reflects adjustments for increases or decreases in costs occurring subsequent to the date on which such highest price was received and prior to July 26, 1951, or (2) is established under a regulation issued prior to the enactment of this paragraph. Upon application and a proper showing of his prices and costs by any person subject to a ceiling price, the President shall adjust such ceiling price in the manner prescribed in clause (1) of the preceding sentence. For the purposes of this paragraph the term "costs" includes material, indirect and direct labor, factory, selling, advertising, office, and all other production, distribution, transportation and administration costs, except such as the President may determine to be unreasonable and excessive.*²⁷ **The provisions of this paragraph shall not apply in the case of a seller of a material at retail or wholesale within the meaning of subsection (k) of this section.**²⁸

(5) **For the purpose of determining the applicable ceiling price under the general ceiling price regulation issued January 26, 1951, as amended, any sale of fertilizer to the ultimate user by a person who acquired it for resale shall be considered a retail sale.**²⁹

(e) The authority conferred by this title shall not be exercised with respect to the following:

- (i) Prices or rentals for real property;
- (ii) **【Rates or fees charged for professional services;】** *Rates or fees charged for professional services; wages, salaries, and other compensation paid to physicians employed in a professional capacity by licensed hospitals, clinics and like medical institutions for the care of the sick or disabled; wages, salaries and other compensation paid to attorneys licensed to practice law employed in a professional capacity by an attorney or firm of attorneys engaged in the practice of his or*

²⁶ Added by sec. 106 (b), 1952 Amendments.

²⁷ Added by sec. 104 (e), 1951 Amendments.

²⁸ Added by sec. 107, 1952 Amendments.

²⁹ Added by sec. 108, 1952 Amendments.

*their profession;*³⁰ *wages, salaries, and other compensation paid to professional engineers employed in a professional capacity; wages, salaries, and other compensation paid to professional architects employed in a professional capacity by an architect or firm of architects engaged in the practice of his or their profession; and wages, salaries, and other compensation paid to certified public accountants licensed to practice as such employed in a professional capacity by a certified public accountant or firm of certified public accountants engaged in the practice of his or their profession.*³¹

(iii) Prices or rentals for (a) materials furnished for publication by any press association or feature service, or (b) books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap; or rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion-picture or other theater enterprise, or outdoor advertising facilities;

(iv) Rates charged by any person in the business of selling or underwriting insurance;

[(v) Rates charged by any common carrier or other public utility: *Provided*, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State or Municipal authority having jurisdiction to consider such increase, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State or Municipal authority having jurisdiction to consider such increase;]

(v) (1) Rates and charges by any common carrier or other public utility, including rates charged by any person subject to the Shipping Act, 1916 (Public Law 260, Sixty-fourth Congress), as amended, and including compensation for the use by others of a common carrier's cars or other transportation equipment, charges for the use of washroom and toilet facilities in terminals and stations, and charges for repairing cars or other transportation equipment owned by others; charges for the use of parking facilities operated by common carriers in connection with their common carrier operations; and (2) charges paid by common

³⁰ Changed by sec. 104 (f), 1951 Amendments.

³¹ Added by sec. 109 (a), 1952 Amendments.

carriers for the performance of a part of their transportation services to the public, including the use of cars or other transportation equipment owned by a person other than a common carrier, protective service against heat or cold to property transported or to be transported, and pickup and delivery and local transfer services: *Provided, That no common carrier or other public utility shall at any time after the President shall have issued any stabilization regulations and orders under subsection (b) make any increase in its charges for property or services sold by it for resale to the public, for which application is filed after the date of issuance of such stabilization regulations and orders, before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase, unless it first gives thirty days' notice to the President, or such agency as he may designate, and consents to timely intervention by such agency before the Federal, State, or municipal authority, if any, having jurisdiction to consider such increase: And provided further, That the Office of Price Stabilization shall not intervene in any case involving increases in rates or charges proposed by any common carrier or other public utility except as provided in the preceding proviso;*³²

(vi) *Margin requirements on any commodity exchange.*

(vii) *Prices charged and wages paid for services performed by barbers and beauticians.*³³

(viii) *Rates, fees, and charges for materials or services supplied directly by the States, Territories, and possessions of the United States, and their political subdivisions and municipalities, the District of Columbia, and any agency of any of the foregoing.*³⁴

(ix) *Wages, salaries, or other compensation of persons employed in small-business enterprises as defined in this paragraph: Provided, however, That the President may from time to time exclude from this exemption such enterprises on the basis of industries, types of business, occupations, or areas, if their exemption would be unstabilizing with respect to wages, salaries, or other compensation, prices, or manpower, or would otherwise be contrary to the purposes of this Act. A small-business enterprise, for the purpose of this paragraph, is any enterprise in which a total of eight or less persons are employed in all its establishments, branches, units, or affiliates. This paragraph shall become effective thirty days after its enactment.*³⁴

(x) *Prices charged and wages paid by bowling alleys.*³⁴

³² Entirely revised by sec. 109 (b), 1952 Amendments.

³³ Added by sec. 104 (g), 1951 Amendments.

³⁴ Added by sec. 109 (c), 1952 Amendments.

(xi) Wages paid for agricultural labor.³⁴

(f) The President, in or by any regulation or order, may provide exemptions for any materials or services, or transactions therein, or types of employment, with respect to which he finds that (1) such exemption is necessary to promote the national defense; or (2) it is unnecessary that ceilings be applicable to such materials or services, or transactions therein, or that compensation for such types of employment be stabilized, in order to effectuate the purposes of this title.

(g) The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title.

(h) Nothing in this title shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the President to require the grade labeling of any materials; (3) as authorizing the President to standardize any materials or services, unless the President shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such materials or services; or (4) as authorizing any order of the President establishing price ceilings for different kinds, classes, or types of material or service, which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

(i) No rule, regulation, or order issued under this title shall require any seller of materials at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

(j) *Where the sale or delivery of a material or service makes the person selling or delivering it liable for a State or local gross receipts tax or gross income tax, he may receive for the material or service involved, in addition to the ceiling price, (1) an amount equal to the amount of all such State and local taxes for which the transaction makes him liable, or (2) one cent, whichever is greater. For the purposes of the preceding sentence, the amount of tax liability shall be computed on shipping units at the ceiling price, and a fractional part of a cent in the amount of tax liability shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.*³⁵

³⁴ Added by sec. 109 (c), 1952 Amendments.

³⁵ Added by sec. 104 (h), 1951 Amendments.

(k) **[No rule, regulation, order or amendment thereto shall hereafter be issued under this title, which shall deny to sellers of materials at retail or wholesale their customary percentage margins over costs of the materials during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question.] No rule, regulation, order, or amendment thereto shall be issued or remain in effect under this title, which shall deny sellers of materials at retail or wholesale their customary percentage margins over costs of the materials or their customary charges during the period May 24, 1950, to June 24, 1950, or on such other nearest representative date determined under section 402 (c), as shown by their records during such period, except as to any one specific item of a line of material sold by such sellers which is in short supply as evidenced by specific government action to encourage production of the item in question: Provided, however, That if the antitrust laws of any State have been construed to prohibit adherence by sellers of materials at wholesale or retail to uniform suggested retail resale prices, the President shall issue regulations giving full consideration to the customary percentage margins of such sellers during the period hereinbefore set forth.³⁶ No such exception shall reduce such customary margins of sellers at retail or wholesale beyond the amount found by the President, in writing, to be generally equitable and proportionate in relation to the general reductions in the customary margins of all other classes of persons concerned in the production and distribution of the excepted item of material.**

Prior to making any finding that a specific item of material shall be so excepted, or as to the amount of the reductions in customary margins to be imposed upon retail and wholesale sellers of such item, the President shall consult with representatives of the affected retail and wholesale sellers concerning the basis for and the amount of the exception which is proposed with respect to any such item.

For purposes of this section a person is a "seller of a material at retail or wholesale" to the extent that such person purchases and resells an item of material without substantially altering its form; or to the extent that such person sells to ultimate consumers except (1) to government and institutional consumers and (2) to consumers who purchase for consumption in the course of trade or business.³⁷

³⁶ Sentence revised by sec. 110, 1952 Amendments.

³⁷ Subsection (k) added by sec. 104 (h), 1951 Amendments.

(l) *No rule, regulation, order, or amendment thereto issued under this title shall fix a ceiling on the price paid or received on the sale or delivery of any material in any State below the minimum sales price of such material fixed by the State law (other than any so-called 'fair trade law') now in effect, or by regulation issued pursuant to such law.*³⁸

(m) *No rule, regulation, order, or amendment thereto shall be issued or maintained under this title, which shall deny to any hotel supply house or combination distributor, affiliated with any slaughterer or slaughtering establishment, or to any wholesaler so affiliated but whose affiliation does not amount to an interest or equity of more than 50 per centum, the same ceiling price or prices for meat accorded to hotel supply houses, combination distributors, or wholesalers which are not so affiliated.*³⁹

(n) *Notwithstanding any other provision of this Act, whenever price ceilings are declared in effect on any agricultural commodity at the farm level, the Director of Price Stabilization must at the same time put into effect margin controls on processors, wholesalers, and retailers, such margin controls to allow the processors, wholesalers, and retailers the normal mark-ups as provided under this Act, except that under no circumstances are the sellers to be allowed greater than their normal margins of profit.*⁴⁰

SEC. 403. SEPARATE CONTROLS AGENCY

(a) ⁴¹ At such time as the President determines that it is necessary to impose price and wage controls generally over a substantial portion of the national economy, he shall administer such controls, and rationing at the retail level of consumer goods for household and personal use under authority of Title I of this Act (when and to the extent that he exercises such authority), through a new independent agency created for such purpose[.]: *Provided, however, That the President shall administer any controls over the wages or salaries of employees subject to the provisions of the Railway Labor Act, as amended, through a separate board or panel having jurisdiction only over such employees.*⁴² Such agency may utilize the services, information, and facilities of other agencies and departments of the Government, but such agency shall not delegate enforcement of any of the controls to

³⁸ Added by sec. 111, 1952 Amendments.

³⁹ Added by sec. 111, 1952 Amendments.

⁴⁰ Added by sec. 111, 1952 Amendments.

⁴¹ Originally sec. 403; redesignated subsection 403 (a) by sec. 112, 1952 Amendments.

⁴² Proviso added by sec. 105 (a), 1951 Amendments.

be administered by it under this section to any other agency or department.

(b) (1) *There is hereby created, in the present Economic Stabilization Agency, or any successor agency, a Wage Stabilization Board (hereinafter in this subsection referred to as the 'Board'), which shall be composed, in equal numbers, of members representative of the general public, members representative of labor, and members representative of business and industry. The number of offices on the Board shall be established by Executive order.*

(2) *The members of the Board shall be appointed by the President, by and with the advice and consent of the Senate. The President shall designate a Chairman and Vice Chairman of the Board from among the members representative of the general public.*

(3) *The term of office of the members of the Board shall terminate on May 1, 1953. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.*

(4) *Each member representative of the general public shall receive compensation at the rate of \$15,000 a year, and while a member of the Board shall engage in no other business, vocation, or employment. Each member representative of labor, and each member representative of business and industry, shall receive \$50 for each day he is actually engaged in the performance of his duties as a member of the Board, and in addition he shall be paid his actual and necessary travel and subsistence expenses in accordance with the Travel Expense Act of 1949 while so engaged away from his home or regular place of business. The members representative of labor, and the members representative of business and industry, shall, in respect of their functions on the Board, be exempt from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).*

(5) *The Board shall, under the supervision and direction of the Economic Stabilization Administrator—*

(A) *formulate, and recommend to such Administrator for promulgation, general policies and general regulations relating to the stabilization of wages, salaries, and other compensation; and*

(B) *upon the request of (i) any person substantially affected thereby, or (ii) any Federal department or agency whose functions, as provided by law, may be affected thereby or may have*

an effect thereon, advise as to the interpretation, or the application to particular circumstances, of policies and regulations promulgated by such Administrator which relate to the stabilization of wages, salaries, and other compensation.

For the purposes of this Act, stabilization of wages, salaries, and other compensation means prescribing maximum limits thereon. Except as provided in clause (B) of this paragraph, the Board shall have no jurisdiction with respect to any labor dispute or with respect to any issue involved therein. Labor disputes, and labor matters in dispute, which do not involve the interpretation or application of such regulations or policies shall be dealt with, if at all, insofar as the Federal Government is concerned, under the conciliation, mediation, emergency, or other provisions of laws heretofore or hereafter enacted by the Congress.

(6) Paragraph (5) of this subsection shall take effect thirty days after the date on which this subsection is enacted. The Wage Stabilization Board created by Executive Order Numbered 10161, and reconstituted by Executive Order Numbered 10233, as amended by Executive Order Numbered 10301, is hereby abolished, effective at the close of the twenty-ninth day following the date on which this subsection is enacted. After June 27, 1952, the present Wage Stabilization Board shall issue no regulation or order except with respect to individual cases pending before the Board prior to such date.⁴³

(c) Notwithstanding any other provision of this section, the stabilization of the salaries and other compensation of persons (not represented in their relationships or eligible to be so represented with their employer by duly certified or recognized labor organizations) employed as outside salesmen or in bona fide executive, administrative, or professional capacities, as such terms are defined in the regulations issued in pursuance of section 13 (a) (1) of the Fair Labor Standards Act of 1938, as amended, or as supervisors, as defined by the Labor Management Relations Act, 1947, as amended, shall be administered by the Salary Stabilization Board and the Office of Salary Stabilization as presently established within the Economic Stabilization Agency, or any successor agency, subject to the supervision and direction of the Economic Stabilization Administrator.⁴³

(d) It shall be the express duty, obligation, and function of the present Economic Stabilization Agency, or any successor

⁴³ Subsections (b), (c), and (d) added by sec. 112, 1952 Amendments.

*agency, to coordinate the relationship between prices and wages, and to stabilize prices and wages.*⁴³

SEC. 404. CONSULTATION WITH COMMITTEES

In carrying out the provisions of this title, the President shall, so far as practicable, advise and consult with, and establish and utilize committees of, representatives of persons substantially affected by regulations or orders issued hereunder.

SEC. 405. VIOLATIONS

(a) It shall be unlawful, regardless of any obligation heretofore or hereafter entered into, for any person to sell or deliver, or in the regular course of business or trade to buy or receive, any material or service, or otherwise to do or omit to do any act, in violation of this title or of any regulation, order, or requirement issued thereunder, or to offer, solicit, attempt or agree to do any of the foregoing. *The President shall also prescribe the extent to which any payment made, either in money or property, by any person in violation of any such regulation, order, or requirement shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any such person for the purposes of any other law or regulation, including bases in determining gain for tax purposes.*⁴⁴

(b) No employer shall pay, and no employee shall receive, any wage, salary, or other compensation in contravention of any regulation or order promulgated by the President under this title. The President shall also prescribe the extent to which any wage, salary, or compensation payment made in contravention of any such regulation or order shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

SEC. 406. COMPULSORY SALES OR SERVICES

Nothing in this title shall be construed to require any person to sell any material or service, or to perform personal services.

SEC. 407. PROTESTS

(a) At any time within six months after the effective date of any regulation or order [relating to price controls under this title] *relating to price controls under this title or rent controls under the Housing and Rent Act of 1947, as amended* or, in the case of

⁴³ Subsections (b), (c), and (d) added by sec. 112, 1952 Amendments.

⁴⁴ Added by sec. 104 (1), 1951 Amendments.

new grounds arising after the effective date of any such regulation or order [relating to price controls], within six months after such new grounds arise, any person subject to any provision of such regulation or order may, in accordance with regulations to be prescribed by the President, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. Statements in support of any such regulation or order may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the President. Within a reasonable time after the filing of any protest under this section, but in no event more than thirty days after such filing, the President shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the President denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the President has taken official notice.⁴⁵

(b) In the administration of this title *and the Housing and Rent Act of 1947, as amended*, the President may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 705 of this Act [.] *or section 206 of the Housing and Rent Act of 1947, as amended, as the case may be.*⁴⁶

(c) Any proceedings under this section may be limited by the President to the filing of affidavits, or other written evidence, and the filing of briefs: *Provided, however*, That upon the request of the protestant, any protest filed in accordance with subsection (a) of this section shall, before denial in whole or in part, be considered by a board of review consisting of one or more officers or employees of the United States designated by the President in accordance with regulations to be promulgated by him. Such regulations shall provide that the board of review may conduct hearings and hold sessions in the District of Columbia or any other place, as a board, or by subcommittees thereof, and shall provide that, upon the request of the protestants and upon a showing that material facts would be adduced thereby, subpoenas shall issue to procure the evidence of persons, or the production of documents, or both. The President shall cause to be presented to the board such evidence, including economic data, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. The protestant shall

⁴⁵ Deletions and addition made by sec. 113 (a) (1), 1952 Amendments.

⁴⁶ Amended by sec. 113 (a) (2), 1952 Amendments.

be accorded an opportunity to present rebuttal evidence in writing and oral argument before the board and the board shall make written recommendations to the President. The protestant shall be informed of the recommendations of the board and, in the event that the President rejects such recommendations in whole or in part, shall be informed of the reasons for such rejection.

(d) Any protest filed under this section shall be granted or denied by the President, or granted in part and the remainder of it denied within a reasonable time after it is filed. Any protestant who is aggrieved by undue delay on the part of the President in disposing of his protest may petition the Emergency Court of Appeals for relief; and such court shall have jurisdiction by appropriate order to require the President to dispose of such protest within such time as may be fixed by the court. If the President does not act finally within the time fixed by the court, the protest shall be deemed to be denied at the expiration of that period.

SEC. 408. COURT RELIEF

[(a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation or order, in whole or in part, to dismiss the complaint, or to remand the proceeding: *Provided*, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The Presi-

dent shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

(b) No such regulation or order shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation or order is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation or order shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order relating to price controls issued under this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order relating to price controls issued under this title, and of any provision of any such regulation or order. Except as provided in this section, no court, Federal, State, or Territorial,

shall have jurisdiction or power to consider the validity of any such regulation or order relating to price controls, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

(e) (1) Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code, involving alleged violation of any provision of any regulation or order relating to price controls issued under this title, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint. The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b), (c), and (d) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

(2) In any proceeding brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

(iii) during the pendency of any judicial proceeding instituted by

the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of this Act the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Except as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.】

(a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals specifying his objections and praying that the regulation or order protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the President, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the President has taken official notice. Upon such filing, the court shall have exclusive jurisdiction of the proceeding and of all questions determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper; to permanently enjoin or set aside, in whole or in part, the regulation or order or the amendment of or supplement to the regulation or order protested; to make and

enter upon the pleadings, evidence, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the President; to dismiss the petition; or to remand the proceeding to the President for further action in accordance with the court's decree: Provided, That the regulation or order may be modified or rescinded by the President at any time notwithstanding the pendency of such complaint. No objection to such regulation or order, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. The findings of the President with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the President and not admitted, or which could not reasonably have been offered to the President or included by the President in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the President. The President shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation or order as a result thereof; except that on request by the President, any such evidence shall be presented directly to the court.

(b) The Emergency Court of Appeals is hereby continued for the purpose of the exercise of the jurisdiction granted by this title, with the powers herein specified, together with the powers heretofore granted by law to such court which are not inconsistent with the provisions of this title. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this title. So far as necessary to decision the court shall decide all relevant questions of law, interpret constitutional and statutory provisions, interpret the meaning or applicability of the terms of any official action under this title or under this Act, as amended, of which this title is a part and with respect to this title, or under the Housing and Rent Act of 1947, as amended. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this title.

(c) *Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any such regulation or order issued under this title, or under the Housing and Rent Act of 1947, as amended. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title, or the Housing and Rent Act of 1947, as amended, authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.*

(d) (1) *Within thirty days after arraignment, or such additional time as the court may allow for good cause shown, in any criminal proceeding, and within five days after judgment in any civil or criminal proceeding, brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving alleged violation of any provision of any such regulation or order, the defendant may apply to the court in which the proceeding is pending for leave to file in the Emergency Court of Appeals a complaint against the President setting forth objections to the validity of any provision which the defendant is alleged to have violated or conspired to violate. The court in which the proceeding is pending shall grant such leave with respect to any objection which it finds is made in good faith and with respect to which it finds there is reasonable and substantial excuse for the defendant's failure to present such objection in a protest filed in accordance with section 407 of this title. Upon the filing of a complaint pursuant to and within thirty days from the granting of such leave, the Emergency Court of Appeals shall have jurisdiction to enjoin or set aside in whole or in part the provision of the regulation or order complained of or to dismiss the complaint.*

The court may authorize the introduction of evidence, either to the President or directly to the court, in accordance with subsection (a) of this section. The provisions of subsections (b) and (c) of this section shall be applicable with respect to any proceeding instituted in accordance with this subsection.

(2) In any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, involving an alleged violation of any provision of any such regulation or order, the court shall stay the proceeding—

(i) during the period within which a complaint may be filed in the Emergency Court of Appeals pursuant to leave granted under paragraph (1) of this subsection with respect to such provision;

(ii) during the pendency of any protest properly filed by the defendant under section 407 of this title prior to the institution of the proceeding under section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code, setting forth objections to the validity of such provision which the court finds to have been made in good faith; and

(iii) during the pendency of any judicial proceeding instituted by the defendant under this section with respect to such protest or instituted by the defendant under paragraph (1) of this subsection with respect to such provision, and until the expiration of the time allowed in this section for the taking of further proceedings with respect thereto.

Notwithstanding the provisions of this paragraph, stays shall be granted thereunder in civil proceedings only after judgment and upon application made within five days after judgment. Notwithstanding the provisions of this paragraph, in the case of a proceeding under section 409 (a) or 706 (a) of the Act or section 206 (b) of the Housing and Rent Act of 1947, as amended, the court granting a stay under this paragraph shall issue a temporary injunction or restraining order enjoining or restraining, during the period of the stay, violations by the defendant of any provision of the regulation or order involved in the proceeding. If any provision of a regulation or order is determined to be invalid by judgment of the Emergency Court of Appeals which has become effective in accordance with section 408 (b) of this title, any proceeding pending in any court shall be dismissed, and any judgment in such proceeding vacated, to the extent that such proceeding or judgment is based upon violation of such provision. Ex-

*cept as provided in this subsection, the pendency of any protest under section 407 of this title, or judicial proceeding under this section, shall not be grounds for staying any proceeding brought pursuant to section 409 or 706 of this Act, section 205 or 206 of the Housing and Rent Act of 1947, as amended, or section 371 of title 18, United States Code; nor, except as provided in this subsection, shall any retroactive effect be given to any judgment setting aside a provision of a regulation or order issued under this title.*⁴⁷

SEC. 409. INJUNCTION, IMPRISONMENT AND ACTION FOR DAMAGES

[(a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 405 of this title, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.]

*(a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 405 of this title, he may make application to any district court of the United States or any United States court of any Territory or other place subject to the jurisdiction of the United States for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order, with or without such injunction or restraining order, shall be granted without bond.*⁴⁸

(b) Any person who willfully violates any provision of section 405 of this title shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than \$10,000, or to imprisonment for not more than one year, or both. Whenever the President has reason to believe that any person is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

⁴⁷ Sec. 408 entirely revised by 113 (b), 1952 Amendments.

⁴⁸ Revised by sec. 104 (j), 1951 Amendments.

(c) If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings, the person who buys such material or service for use or consumption other than in the course of trade or business may, within one year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, [but in no event shall such amount exceed the amount of the overcharge, or the overcharges, plus \$10,000,]⁴⁹ or (2) an amount not less than \$25 nor more than \$50 as the court in its discretion may determine: *Provided, however,* That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation or order in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. For the purposes of this section the word "overcharge" shall mean the amount by which the consideration exceeds the applicable ceiling. If any person selling any material or service violates a regulation or order prescribing a ceiling or ceilings and the buyer either fails to institute an action under this subsection within thirty days from the date of the occurrence of the violation or is not entitled for any reason to bring the action, the President may institute such action on behalf of the United States within such one-year period, or compromise with the seller the liability which might be assessed against the seller in such an action. If such action is instituted, or such liability is compromised by the President, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the President, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages, or a compromise, under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which such judgment was rendered, or prior to such compromise. The President may not institute any action under this subsection on behalf of the United States—

(1) if the violation arose because the person selling the material or service acted upon and in accordance with the written advice and instructions of the President or any official authorized to act for him;

⁴⁹ Deleted by sec. 104 (k), 1951 Amendments.

(2) if the violation arose out of the sale of any material or service to any agency of the Government, and such sale was made pursuant to the lowest bid made in response to an invitation for competitive bids.

(d) *The President shall also prescribe the extent to which any payment made by way of fine pursuant to subsection (b) of this section 409, or any payment made to the United States or to any buyer in compromise or satisfaction of any liability or of any right of action, suit, or judgment, authorized pursuant to subsection (c) of this section 409 for selling any material or service, in violation of a regulation or order providing a ceiling or ceilings, shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any such person for the purposes of any other law or regulation.*⁵⁰

(e) *The term "court of competent jurisdiction" as used in this section shall mean any Federal court of competent jurisdiction regardless of the amount in controversy and any State or Territorial court of competent jurisdiction.*⁵¹

SEC. 410. GOVERNMENT PURCHASE OF CHICKENS AND TURKEYS

Each contract providing for the purchase of processed chickens or turkeys by any department or agency of the United States from any contractor, entered into at any time when ceiling prices are in effect under this Act for whichever of such fowl is covered by such contract, shall contain the following provision (with such change as may be necessary to describe the fowl covered by the contract) :

"The contractor represents that the contract price is based upon an estimated price paid to the producers for live chickens or live turkeys to be processed hereunder. In the event and to the extent that the actual price paid to the producers of live chickens or live turkeys purchased for the performance of this contract is less than such estimated price, the contract price shall be reduced by the same number of cents or fraction thereof, per pound."

SEC. 411. SUSPENSION OF REPORTING⁵²

In the administration of this title, no person shall be required to furnish any reports or other information with respect to sales of materials or services at prices which are below ceiling, if such person certifies to the President that such sales were made at such prices.

⁵⁰ Added by sec. 104 (1), 1951 Amendments.

⁵¹ Added by sec. 104 (1), 1951 Amendments.

⁵² Sec. 411 added by sec. 114, 1952 Amendments.

SEC. 412. SUSPENSION OF CONTROLS⁵³

It is hereby declared to be the policy of the Congress that the President shall use the price, wage, and other powers conferred by this Act, as amended, to promote the earliest practicable balance between production and the demand therefor of materials and services, and that the general control of wages and prices shall be terminated as rapidly as possible consistent with the policies and purposes set forth in this Act; and that pending such termination, in order to avoid burdensome and unnecessary reporting and record keeping which retard rather than assist in the achievement of the purposes of this Act, price or wage regulations and orders, or both, shall be suspended in the case of any material or service or type of employment where such factors as condition of supply, existence of below ceiling prices, historical volatility of prices, wage pressures and wage relationships, or relative importance in relation to business costs or living costs will permit, and to the extent that such action will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. It is further the policy of the Congress that when the President finds that the termination of the suspension and the restoration of ceilings on the sales or charges for such material or service, or the further stabilization of such wages, salaries, and other compensation, or both, is necessary in order to effectuate the purposes of this Act, he shall by regulation or order terminate the suspension.

TITLE V.—SETTLEMENT OF LABOR DISPUTES

SEC. 501. SETTLEMENT OF LABOR DISPUTES

It is the intent of Congress, in order to provide for effective price and wage stabilization pursuant to title IV of this Act and to maintain uninterrupted production, that there be effective procedures for the settlement of labor disputes affecting national defense.

SEC. 502. POLICY

The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest. To this end, the President is authorized (1) to initiate voluntary conferences between management, labor, and such persons as the President

⁵³ Sec. 412 added by sec. 114, 1952 Amendments.

may designate to represent government and the public, and (2) subject to the provisions of section 503, to take such action as may be agreed upon in any such conference and appropriate to carry out the provisions of this title. The President may designate such persons or agencies as he may deem appropriate to carry out the provisions of this title[.]: *Provided, however, That in any dispute between employees and carriers subject to the Railway Labor Act, as amended, the procedures of such Act shall be followed for the purpose of bringing about a settlement of such dispute. Any agency provided for by such Act, including any panel or panel board established by the President for the adjustment of disputes arising under the Railway Labor Act, as a prerequisite to effecting or recommending a settlement of such dispute, shall make a specific finding and certification that the changes proposed by such settlement or recommended settlement, are consistent with such standards as may then be in effect, established by or pursuant to law, for the purpose of controlling inflationary tendencies: Provided further, That in any nondisputed wage or salary adjustments proposed as a result of voluntary agreement through collective bargaining, mediation, or otherwise, the same finding and certification of consistency with existing stabilization policy shall be made by the separate panel, chairman thereof, or boards as established and authorized by the President. Where such finding and certification are made by such agency, panel, chairman thereof, or boards, they shall after approval by the Economic Stabilization Administrator be conclusive and it shall then be lawful for the employees and carriers, by agreement, to put into effect the changes proposed by the settlement, recommended settlement, or voluntary proposal with respect to which such findings and certification were made.*⁵⁴

SEC. 503. PREVAILING PRACTICES AND LAWS

In any such conference, due regard shall be given to terms and conditions of employment established by prevailing collective bargaining practice which will be fair to labor and management alike, and will be consistent with stabilization policies established under this Act. [No action inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, other Federal labor standards statutes, the Labor Management Relations Act, 1947, or with other applicable laws shall be taken under this title.] *No action inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, other Federal labor standards statutes, the Labor Man-*

⁵⁴ Proviso added by sec. 105 (b), 1951 Amendments.

*agement Relations Act, 1947, the Railway Labor Act, as amended, or with other applicable laws shall be taken under this title.*⁵⁵

*It is the sense of the Congress that, by reason of the work stoppage now existing in the steel industry, the national safety is imperiled, and the Congress therefore requests the President to invoke immediately the national emergency provisions (sections 206 to 210, inclusive) of the Labor-Management Relations Act, 1947, for the purpose of terminating such work stoppage.*⁵⁶

TITLE VI—CONTROL OF [CONSUMER AND]⁵⁷ REAL ESTATE CREDIT

THIS TITLE AUTHORIZES THE REGULATION OF [CONSUMER CREDIT AND]⁵⁸ REAL ESTATE CONSTRUCTION CREDIT ONLY

[SEC. 601. STANDARDS]

[To assist in carrying out the objectives of this Act, the Board of Governors of the Federal Reserve System is authorized, notwithstanding the provisions of Public Law 386, Eightieth Congress (61 Stat. 921), to exercise consumer credit controls in accordance with and to carry out the provisions of Executive Order Numbered 8843 (August 9, 1941) until such time as the President determines that the exercise of such controls is no longer necessary, but in no event beyond the date on which this section terminates.

In the exercise of its authority under this section, the Board shall not (1) require a down payment of more than one-third or fix a maximum maturity of less than eighteen months in connection with instalment credit extended for the purchase of a new or used automobile, or (2) require a down payment of more than 15 per centum or fix a maximum maturity of less than eighteen months in connection with instalment credit extended for the purchase of any household appliance (including phonographs and radios and television sets), or (3) require a down payment of more than 15 per centum or fix a maximum maturity of less than eighteen months in connection with instalment credit extended for the purchase of household furniture and floor coverings (the down payments required by the Board in the exercise of its authority under paragraphs (1), (2), and (3) may be made in cash, or by trade-in or exchange of property, or by a combination of cash and trade-in or exchange of property), or (4) require a down payment of more than 10 per centum or fix a maximum maturity of less than thirty-six months in connection with instalment

⁵⁵ Sentence revised by sec. 105 (c), 1951 Amendments.

⁵⁶ Sentence added by sec. 115, 1952 Amendments.

⁵⁷ Deleted by sec. 116 (a), 1952 Amendments.

⁵⁸ Deleted by sec. 116 (a), 1952 Amendments.

*credit extended for residential repairs, alterations, or improvements or require any down payment on roofing or siding repairs, alterations or improvements in advance of completion thereof.】*⁵⁹

SEC. 602. REAL ESTATE CONSTRUCTION CREDIT

(a) To assist in carrying out the purposes of this Act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of real estate construction credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form, and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this section or to prevent evasions thereof.

In prescribing and suspending such regulations, including changes from time to time to take account of changing conditions, the President shall consider, among other factors, (1) the level and trend of real estate construction credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real property and improvements thereon and for other goods and services, (3) the need in the national economy for the maintenance of sound credit conditions, and (4) the needs for increased defense production.

(b) No person shall extend or maintain any real estate construction credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other

⁵⁹ Second paragraph added by sec. 106 (a), 1951 Amendments. Entire section repealed by sec. 116 (a), 1952 Amendments.

records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this section; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) To assist in carrying out the purposes of this section, the President by regulation may require transactions or persons or classes thereof subject to this section to be registered; and, after notice and opportunity for hearing, the President by order may suspend any such registration for violation of this section or any regulation prescribed by the President pursuant to this section. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that Act. In carrying out this section, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(d) For the purposes of this section, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, accounting, and other terms, insofar as any such definitions are not inconsistent with the provisions of this section:

(1) "Real estate construction credit" means any credit which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term "new construction" means any structure, or any major addition or major improvement to a structure, which has not been begun before 12 o'clock meridian, August 3, 1950. As used in this paragraph the term "real property" includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term "real estate construction credit" shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-

ownership Government corporation as defined in the Government Corporation Control Act, as amended.

(2) "Credit" means any loan, mortgage, deed of trust, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge, or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

SEC. 603. WILLFUL VIOLATION

【Any person who willfully violates any provision of section 601 or 602 or any regulation or order issued thereunder, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.】

*Any person who willfully violates any provision of section 601, 602, or 605 or any regulation or order issued thereunder, upon conviction thereof, shall be fined not more than \$5,000 or imprisoned not more than one year, or both.*⁶⁰

SEC. 604. SECURITIES EXCHANGE ACT OF 1934

All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdictions, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of the Federal Reserve System of credit controls under section 601 as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that Act, and the Board shall have the same powers in the exercise of such credit controls as the Commission now has under the said sections 21 and 27.

⁶⁰ Revised by sec. 106 (b), 1951 Amendments.

SEC. 605. MODIFICATION OF REAL ESTATE CREDIT CONDITIONS;
VETERANS' PREFERENCES

To assist in carrying out the objectives of this Act the President may at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States Government, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law. *Subject to the provision of this section with respect to preserving the relative credit preferences accorded to veterans under existing law, the President may require lenders or borrowers and their successors and assigns to comply with reasonable conditions and requirements, in addition to those provided by other laws, in connection with any loan of a type which has been the subject of action by the President under this section. Such conditions and requirements may vary for classifications of persons or transactions as the President may prescribe, and failure to comply therewith shall constitute a violation of this section.*⁶¹

SEC. 606. DOWN PAYMENT REQUIREMENTS ON VETERANS' HOMES⁶²

Not more than 10 per centum down payment shall be required pursuant to section 602 or section 605 of this Act in connection with the loan on any home not made or guaranteed by the Veterans' Administration and the transaction price of which home does not exceed \$7,000; nor more than 15 per centum in connection with any such loan on any home the transaction price of which exceeds \$7,000 but does not exceed \$10,000; nor more than 20 per centum in connection with any such loan on any home the transaction price of which exceeds \$10,000 but does not exceed \$12,000. The term of any loan referred

⁶¹ Added by sec. 106 (c), 1951 Amendments.

⁶² Sec. 606 added by Defense Housing and Community Facilities and Services Act of 1951, Act of Sept. 1, 1951, c. 378, sec. 602 (b), 65 Stat. 293.

to in the preceding sentence or in the last proviso of section 605 shall not be required to be less than twenty-five years.

SEC. 607. RELAXATION OF CREDIT CONTROLS ⁶³

Notwithstanding the provisions of sections 602 and 605 of this title, the authority of the President which is derived from said sections to impose credit regulations relative to residential property shall not be exercised with respect to extensions of credit made during any "period of residential credit control relaxation", as that term is herein defined, in such manner as to impose any down payment requirement in excess of 5 per centum of the transaction price. The President shall cause to be made estimates of the number of permanent, non-farm, family dwelling units, the construction of which has been started during each calendar month and, on the basis of such estimates, he shall cause to be made estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. If for any three consecutive months the annual rate of construction starts so found for each of the three months falls to a level below an annual rate of 1,200,000 starts per year, the President shall cause to be published in the Federal Register an announcement of the beginning of a "period of residential credit control relaxation", which period shall begin not later than the first day of the second calendar month following such three consecutive months. Each such relaxation period may be terminated by the President at any time after the annual rate of construction starts thereafter estimated for each of any three consecutive months exceeds the level referred to in the preceding sentence.

TITLE VII—GENERAL PROVISIONS

SEC. 701. ENCOURAGEMENT OF SMALL-BUSINESS ENTERPRISES

(a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this Act.

(b) In order to carry out this policy—

(i) the President shall provide small-business enterprises with full information concerning the provisions of this Act relating to, or of benefit to, such enterprises and concerning the activities of the various departments and agencies under this Act:

⁶³ Sec. 607 added by sec. 116 (b), 1952 Amendments.

(ii) such business advisory committees shall be appointed as shall be appropriate for purposes of consultation in the formulation of rules, regulations, or orders, or amendments thereto issued under authority of this Act, and in their formation there shall be fair representation for independent small, for medium, and for large business enterprises, for different geographical areas, for trade association members and nonmembers, and for different segments of the industry;

(iii) in administering this Act, such exemptions shall be provided for small-business enterprises as may be feasible without impeding the accomplishment of the objectives of this Act; and

(iv) in administering this Act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small-business enterprises.

(c) Whenever the President invokes the powers given him in this Act to allocate, or approve agreements allocating, any material, to an extent which the President finds will result in a significant dislocation of the normal distribution in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding June 24, 1950 [and having due regard to the needs of new businesses.] *and having due regard to the current competitive position of established business: Provided, That the limitations and restrictions imposed on the production of specific items shall not exclude new concerns from a fair and reasonable share of total authorized production.*⁶⁴

SEC. 702. DEFINITIONS

As used in this Act—

(a) The word “person” includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided, That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivision, or government agency.*

(b) The word “materials” shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

⁶⁴ Changed by sec. 108, 1951 Amendments.

(c) The word "facilities" shall not include farms, churches or other places of worship, or private dwelling houses.

(d) The term "national defense" means the operations and activities of the armed forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

(e) The words "wages, salaries, and other compensation" shall include all forms of remuneration to employees by their employers for personal services, including, but not limited to, vacation and holiday payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

SEC. 703. DELEGATIONS; NEW AGENCIES

(a) Except as otherwise specifically provided, the President may delegate any power or authority conferred upon him by this Act to any officer or agency of the Government, including any new agency or agencies (and the President is hereby authorized to create such new agencies, other than corporate agencies, as he deems necessary), and he may authorize such redelegations by that officer or agency as the President may deem appropriate. [The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix their compensation, without regard to the Classification Act of 1949, as amended, at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government.] *The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix their compensation, without regard to the Classification Act of 1949, as amended, the head of one such agency to be paid at a rate comparable to the compensation paid to the heads of executive departments of the Government, and other such heads, assistant heads, and officials at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government.*⁶⁵ Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this Act.

⁶⁵ Sentence revised by sec. 109 (a), 1951 Amendments.

(b) The head and assistant heads of any independent agency created to administer the authority conferred by title IV of this Act shall be appointed by the President, by and with the advice and consent of the Senate. *There shall be included among the policy-making officers of each regional office administering the authority conferred by title IV of this Act a resident of each State served by such office whose governor requests such representation.*⁶⁶

SEC. 704. ISSUANCE OF REGULATIONS

The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this Act. Any regulation or order under this Act may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper to effectuate the purposes of this Act, or to prevent circumvention or evasion, or to facilitate enforcement of this Act, or any rule, regulation, or order issued under this Act. *No rule, regulation, or order issued under this Act which restricts the use of natural gas (either directly, or by restricting the use of facilities for the consumption of natural gas, or in any other manner) shall apply in any State in which a public regulatory agency has authority to restrict the use of natural gas and certifies to the President that it is exercising that authority to the extent necessary to accomplish the objectives of this Act.*⁶⁷

SEC. 705. OBTAINING INFORMATION

(a) The President shall be entitled, while this Act is in effect and for a period of two years thereafter, by regulation, subpoena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, *and administer oaths and affirmations to,*⁶⁸ any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this Act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency. In case of contumacy by, or refusal to

⁶⁶ Added by sec. 109 (b), 1951 Amendments.

⁶⁷ Added by sec. 109 (c), 1951 Amendments.

⁶⁸ Added by sec. 109 (d), 1951 Amendments.

obey a subpoena served upon, any person referred to in this subsection, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the President, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpoena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this Act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any transaction, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this Act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpoena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Any person who willfully performs any act prohibited or willfully fails to perform any act required by the above provisions of this section, or any rule, regulation, or order thereunder, shall upon conviction be fined not more than \$1,000 or imprisoned for not more than one year or both.

(e) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than \$10,000, or imprisoned for not more than one year, or both.

(f) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.⁶⁹

SEC. 706. INJUNCTIONS; VENUE; SERVICE OF PROCESS

(a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, **[or other order shall be granted without bond.]** *or other order, with or without such injunction or restraining order, shall be granted without bond.*⁷⁰

(b) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this Act or any rule, regulation, order, or subpoena thereunder, and of all civil actions under this Act to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, order, or subpoena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpoena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this Act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or there-

⁶⁹ Added by sec. 117, 1952 Amendments.

⁷⁰ Changed by sec. 109 (e), 1951 Amendments.

after commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this Act. All litigation arising under this Act or the regulations promulgated thereunder shall be under the supervision and control of the Attorney General.

SEC. 707. EXCULPATORY PROVISION

No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from [his]⁷¹ compliance with a rule, regulation, or order issued pursuant to this Act notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts to which priority is assigned or for which materials or facilities are allocated under title I of this Act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 708. VOLUNTARY AGREEMENTS

(a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this Act.

(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the prohibition of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice

⁷¹ Deleted by sec. 118, 1952 Amendments.

and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request or finding thereunder, and (3) upon the condition that such officials obtain the approval of the Attorney General to any request thereunder before making the request. For the purpose of carrying out the objectives of title I of this Act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

(d) Upon withdrawal of any request or finding made hereunder the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(e) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. The Attorney General shall submit to the Congress and the President within ninety days after the approval of this Act, and at such times thereafter as he deems desirable, reports setting forth the results of such surveys and including such recommendations as he may deem desirable.

(f) After the date of enactment of the Defense Production Act Amendments of 1952, no voluntary program or agreement for the control of credit shall be approved or carried out under this section.⁷²

SEC. 709. STATEMENTS OF CONSIDERATION

The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof. Any rule, regulation, or order, or amendment thereto, issued under authority of this Act shall be accompanied by a statement that in the formulation thereof there has been consultation with industry representatives, including trade association representatives, and that consideration has been given to their recommendations, or that special circumstances have rendered such consultation impracticable or contrary to the interest of the national defense, but no such rule, regulation, or order shall be invalid by reason of any subsequent finding by judicial or other authority that such a statement is inaccurate.

⁷² Added by sec. 116 (c), 1952 Amendments.

SEC. 710. SUPER GRADES; CONSULTANTS; SPECULATION

(a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, is authorized to place positions and employ persons temporarily in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that Act.

(b) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation; and he is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99). Persons appointed under the authority of this subsection may be allowed transportation and not to exceed \$15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

(c) The President is authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act to employ experts and consultants or organizations thereof, as authorized by section 55a of title 5 of the United States Code. Individuals so employed may be compensated at rates not in excess of \$50 per diem and while away from their homes or regular places of business they may be allowed transportation and not to exceed \$15 per diem in lieu of subsistence and other expenses while so employed. The President is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(d) The President may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed; and he is authorized to provide by regulation for the exemption of persons whose services are utilized under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(e) Whoever, being an officer or employee of the United States or any department or agency thereof (including any Member of the Senate or House of Representatives), receives, by virtue of his office or employment, confidential information, and (1) uses such informa-

tion in speculating directly or indirectly on any commodity exchange, or (2) discloses such information for the purpose of aiding any other person so to speculate, shall be fined not more than \$10,000 or imprisoned not more than one year, or both. As used in this section, the term "speculate" shall not include a legitimate hedging transaction, or a purchase or sale which is accompanied by actual delivery of the commodity.

*(f) The President, when he deems such action necessary, may make provision for the printing and distribution of reports, in such number and in such manner as he deems appropriate, concerning the actions taken to carry out the objectives of this Act.*⁷³

SEC. 711. APPROPRIATIONS

There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this Act by the President and such agencies as he may designate or create. Funds made available for the purposes of this Act may be allocated or transferred for any of the purposes of this Act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this Act. Funds so allocated or transferred shall remain available for such period as may be specified in the Acts making such funds available.

SEC. 712. JOINT CONGRESSIONAL COMMITTEE ON DEFENSE PRODUCTION

(a) There is hereby established a joint congressional committee to be known as the Joint Committee on Defense Production (hereinafter referred to as the committee), to be composed of ten members as follows:

(1) Five members who are members of the Committee on Banking and Currency of the Senate, three from the majority and two from the minority party, to be appointed by the chairman of the committee; and

(2) Five members who are members of the Committee on Banking and Currency of the House of Representatives, three from the majority and two from the minority party, to be appointed by the chairman of the committee.

A vacancy in the membership of the committee shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom

⁷³ Added by sec. 109 (f), 1951 Amendments.

shall be a member of the Senate and the other a member of the House of Representatives.

(b) **It shall be the function of the committee to make a continuous study of the programs authorized by this Act, and to review the progress achieved in the execution and administration of such programs.] *It shall be the function of the Committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration thereof.***⁷⁴ Upon request, the committee shall aid the standing committees of the Congress having legislative jurisdiction over any part of the programs authorized by this Act; and it shall make a report to the Senate and the House of Representatives, from time to time, concerning the results of its studies, together with such recommendations as it may deem desirable. Any department, official, or agency administering any of such programs shall, at the request of the committee, consult with the committee, from time to time, with respect to their activities under this Act.

(c) The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpoena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this subsection.

(d) The committee is authorized to appoint and, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

(e) The expenses of the committee under this section, which shall not exceed \$50,000 in any fiscal year, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the con-

⁷⁴ Sentence revised by sec. 119, 1952 Amendments.

tingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

SEC. 713. TERRITORIAL APPLICABILITY

The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

SEC. 714. SMALL DEFENSE PLANTS ADMINISTRATION

(a) (1) *It is the sense of the Congress that small-business concerns be encouraged to make the greatest possible contribution toward achieving the objectives of this Act. In order to carry out this policy there is hereby created an agency under the name 'Small Defense Plants Administration' (hereinafter referred to as the Administration), which Administration shall be under the general direction and supervision of the President and shall not be affiliated with or be within any other agency or department of the Federal Government. The principal office of the Administration shall be located in the District of Columbia, but the Administration may establish such branch offices in other places in the United States as may be determined by the Administrator of the Administration. For the purposes of this section, a small-business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation. The Administration, in making a detailed definition, may use these criteria, among others: independency of ownership and operation, number of employees, dollar volume of business, and nondominance in its field.*

(2) *The Administration is authorized to obtain money from the Treasury of the United States, for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of \$50,000,000 outstanding at any one time. For this purpose appropriations not to exceed \$50,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in subsection (b) (1) (B), (C), and (D). Reimbursements made to the Administration under these operations shall revert to the revolving fund for use for the same purposes.*

(3) *The management of the Administration shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be a person of*

outstanding qualifications known to be familiar and sympathetic with small-business needs and problems. The Administrator shall receive compensation at the rate of \$17,500 per annum. The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator. The Administrator is authorized to appoint two Deputy Administrators to assist in the execution of the functions vested in the Administration. Deputy Administrators shall be paid at the rate of \$15,000 per annum.

(4) The Administration shall not have succession, beyond June 30, [1952,] 1953,⁷⁵ except for purposes of liquidation, unless its life is extended beyond such date pursuant to an Act of Congress. It shall have power to adopt, alter, and use a seal, which shall be judicially noticed; to select and employ such officers, employees, attorneys, and agents as shall be necessary for the transaction of business of the Administration; to define their authority and duties, require bonds of them, and fix the penalties thereof. The Administration, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, including any field service thereof, officers, and employees thereof in carrying out the provisions of this section.

(5) All moneys of the Administration not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Administration or in any Federal Reserve bank. The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Administration in the general performance of its powers conferred by this Act. All insured banks, when designated by the Secretary of the Treasury, shall act as custodians, and financial agents for the Administration.

(b) (1) Without regard to any other provision of law except the regulations prescribed under section 201 of the First War Powers Act, 1941, as amended, the Administration is empowered—

(A) to recommend to the Reconstruction Finance Corporation loans or advances, on such terms and conditions and with such maturity as the Reconstruction Finance Corporation may determine on its own discretion, to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to finance research, development, and experimental work on new or improved products or processes; or to supply such concerns with capital to be used in the manufacture of articles, equipment, sup-

⁷⁵ Date changed by sec. 121 (a), 1952 Amendments.

plies, or materials for defense or essential civilian purposes; or to establish and operate technical laboratories to serve small-business concerns; such loans or advances to be made or effected either directly by the Reconstruction Finance Corporation or in cooperation with banks or other lending institutions through agreements to participate in insurance of loans, or by the purchase of participations, or otherwise;

(B) to enter into contracts with the United States Government and any department, agency, or officer thereof having procurement powers obligating the Administration to furnish articles, equipment, supplies, or materials to the Government;

(C) to arrange for the performance of such contracts by letting subcontracts to small-business concerns or others for the manufacture, supply, or assembly of such articles, equipment, supplies, or materials, or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Administration to perform such contracts; and

(D) to provide technical and managerial aids to small-business concerns, by maintaining a clearinghouse for technical information, by cooperating with other Government agencies, by disseminating information, and by such other activities as are deemed appropriate by the Administration.

(2) In any case in which the Administration certifies to any officer of the Government having procurement powers that the Administration is competent to perform any specific Government procurement contract to be let by any such officers, such officer shall be authorized to let such procurement contract to the Administration upon such terms and conditions as may be agreed upon between the Administration and the procurement officer.

(c) (1) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Administration, or for the purpose of obtaining money, property, or anything of value, under this section, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(2) Whoever, being connected in any capacity with the Administration (A) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (B) with intent to defraud the Administration or any other body politic or corporate,

or any individual, or to deceive any officer, auditor, or examiner of the Administration makes any false entry in any book, report, or statement of or to the Administration, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (C) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Administration, or (D) gives any unauthorized information concerning any future action or plan of the Administration which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Administration shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(d) (1) It shall be the duty of the Administration and it is hereby empowered, to coordinate and to ascertain the means by which the productive capacity of small-business concerns can be most effectively utilized for national defense and essential civilian production.

(2) It shall be the duty of the Administration and it is hereby empowered, to consult and cooperate with appropriate governmental agencies in the issuance of all orders limiting or expanding production by, or in the formulation of policy in granting priorities to, business concerns. All such governmental agencies are required, before issuing such orders or announcing such priority policies, to consult with the Administration in order that small-business concerns will be most effectively utilized in the production of articles, equipment, supplies and materials for national defense and essential civilian purposes.

(e) The Administration shall have power, and it is hereby directed, whenever it determines such action is necessary—

(1) to make a complete inventory of all productive facilities of small-business concerns which can be used for defense and essential civilian production or to arrange for such inventory to be made by any other governmental agency which has the facilities. In making any such inventory, the appropriate agencies in the several States shall be requested to furnish an inventory of the productive facilities of small-business concerns in each respective State if such an inventory is available or in prospect;

(2) to consult and cooperate with officers of the Government having procurement powers, in order to utilize the potential productive capacity of plants operated by small-business concerns;

(3) to obtain information as to methods and practices which Government prime contractors utilize in letting subcontracts and to take action to encourage the letting of subcontracts by prime contractors to small-business concerns at prices and on conditions and terms which are fair and equitable;

(4) to take such action, authorized under this section, as is necessary to provide small-business concerns with an adequate incentive, excluding subsidies, to engage in defense and essential civilian production and to facilitate the conversion and equipping of plants of small-business concerns for such production;

(5) to determine within any industry the concerns, firms, persons, corporations, partnerships, cooperatives, or other business enterprises, which are to be designated "small-business concerns" for the purpose of effectuating the provisions of this section;

(6) to certify to Government procurement officers with respect to the competency, as to capacity and credit, of any small-business concern or group of such concerns to perform a specific Government procurement contract;

(7) to obtain from any Federal department, establishment, or agency engaged in defense procurement or in the financing of defense procurement or production such reports concerning the letting of contracts and subcontracts and making of loans to business concerns as it may deem pertinent in carrying out its functions under this Act;

(8) to obtain from suppliers of materials information pertaining to the method of filling orders and the bases for allocating their supply, whenever it appears that any small business is unable to obtain materials for defense or essential civilian production from its normal sources;

(9) to make studies and recommendations to the appropriate Federal agencies to insure a fair and equitable share of materials, supplies, and equipment to small-business concerns to effectuate the defense program or for essential civilian purposes;

(10) to consult and cooperate with all Government agencies for the purpose of insuring that small-business concerns shall receive fair and reasonable treatment from said agencies; and

(11) to establish such advisory boards and committees wholly representative of small business as may be found necessary to achieve the purposes of this section.

(f) (1) In any case in which a small-business concern or group of such concerns has been certified by or under the authority of the Administration to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the officers of the Government having procurement powers are

directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirement with respect to capacity and credit.

(2) The Congress has as its policy that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small-business concerns. To effectuate such policy, small-business concerns within the meaning of this section shall receive any award or contract or any part thereof as to which it is determined by the Administration and the contracting procurement agencies (A) to be in the interest of mobilizing the Nation's full productive capacity, or (B) to be in the interest of the national defense program, to make such award or let such contract to a small-business concern.

(3) Whenever materials or supplies are allocated by law, a fair and equitable percentage thereof shall be allocated to small plants unable to obtain the necessary materials or supplies from usual sources. Such percentage shall be determined by the head of the lawful allocating authority after giving full consideration to the claims presented by the Administration.

(4) Whenever the President invokes the powers given him in this Act to allocate, or approve agreements allocating, any material, to an extent which the President finds will result in a significant dislocation of the normal distribution in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding June 24, 1950: Provided, That the limitations and restrictions imposed on the production of specific items should give due consideration to the needs of new concerns.

(g) The Administration shall make a report every ninety days of operations under this title to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let, and for whom financing is arranged, by the Administration, together with the amounts involved, and such report shall include such other information, and such comments and recommendations, with respect to the relation of small-business concerns to the defense effort, as the Administration may deem appropriate.

(h) The Administration is hereby empowered to make studies of the effect of price, credit, and other controls imposed under the

defense program and whenever it finds that these controls discriminate against or impose undue hardship upon small business, to make recommendations to the appropriate Federal agency for the adjustment of controls to the needs of small business.

(i) *The Reconstruction Finance Corporation is authorized to make loans and advances upon the recommendation of the Small Defense Plants Administration as provided in (b) (1) (A) of this section not to exceed an aggregate of \$100,000,000 outstanding at any one time, on such terms and conditions and with such maturities as Reconstruction Finance Corporation may determine.*

(j) *The President may transfer to the Administration any functions, powers, and duties of any department or agency which relates primarily to small-business problems.*

(k) *No loan shall be recommended or equipment, facilities, or services furnished by the Administration under this section to any business enterprise unless the owners, partners or officers of such business enterprise (1) certify to the Administration the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Administration for assistance of any sort, and the fees paid or to be paid to any such persons, and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Administration to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent or employee of the Administration occupying a position or engaging in activities which the Administration shall have determined involve discretion with respect to the granting of assistance under this section.*

(l) *To the fullest extent the Administration deems practicable, it shall make a fair charge for the use of Government-owned property and make and let contracts on a basis that will result in a recovery of the direct costs incurred by the Administration.*

(m) *There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this section.*⁷⁶

SEC. 715.⁷⁷ SAVING PROVISION

If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of

⁷⁶ New sec. 714 added by sec. 110 (a), 1951 Amendments.

⁷⁷ Formerly sec. 714; redesignated sec. 715 by sec. 110 (b), 1951 Amendments.

the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 716.⁷⁸ STRIKES AGAINST GOVERNMENT

That no person may be employed under this Act who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 717.⁷⁹ TERMINATION

[(a) Titles I, II, III, and VII of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1952, but such titles shall be effective after June 30, 1951 only to the extent necessary to aid in carrying out contracts relating to the national defense entered into by the Government prior to July 1, 1951.

(b) Titles IV, V, and VI of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1951.]

⁷⁸ Formerly sec. 715; redesignated sec. 716 by sec. 110 (b), 1951 Amendments.

⁷⁹ Formerly sec. 716; redesignated sec. 717 by sec. 110 (b), 1951 Amendments.

[(a) *This Act and all authority conferred thereunder shall terminate at the close of June 30, 1952.*]⁸⁰

(a) *Titles I, II, III, VI, and VII of this Act and all authority conferred thereunder shall terminate at the close of June 30, 1953; and titles IV and V of this Act and all authority conferred thereunder shall terminate at the close of April 30, 1953.*⁸¹

(b)⁸² Notwithstanding the foregoing—

(1) The Congress by concurrent resolution or the President by proclamation may terminate this Act prior to the termination otherwise provided therefor.

(2) The Congress may also provide by concurrent resolution that any section of this Act and all authority conferred thereunder shall terminate prior to the termination otherwise provided therefor.

(3) Any agency created under this Act may be continued in existence for purposes of liquidation for not to exceed six months after the termination of the provision authorizing the creation of such agency.

(c) The termination of any section of this Act, or of any agency or corporation utilized under this Act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

Approved September 8, 1950.

(d) *No action for the recovery of any cooperative payment made to a cooperative association by a Market Administrator under an invalid provision of a milk marketing order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act of 1937 shall be maintained unless such action is brought by producers specifically named as party plaintiffs to recover their respective share of such payments within ninety days after the date of enactment of the Defense Production Act Amendments of 1952 with respect to any cause of action heretofore accrued and not otherwise barred, or within ninety days after accrual with respect to future payments, and unless each claimant shall allege and prove (1) that he objected at the hearing to the provisions of the order under which such payments were made and (2) that he either refused to accept payments computed with such deduction or accepted them under protest to either the Sec-*

⁸⁰ Subsections (a) and (b) superseded by italicized subsection (a), sec. 111, 1951 Amendments.

⁸¹ Italicized subsection (a) revised by sec. 121 (b), 1952 Amendments.

⁸² Former subsections (c) and (d) redesignated (b) and (c), sec. 111, 1951 Amendments.

*retary or the Administrator. The district courts of the United States shall have exclusive original jurisdiction of all such actions regardless of the amount involved. This subsection shall not apply to funds held in escrow pursuant to court order. Notwithstanding any other provision of this Act, no termination date shall be applicable to this subsection.*⁸³

⁸³ New subsection (d) added by sec. 120, 1952 Amendments.

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